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IMPORTANT NOTICES

The tax benefits applicable to this plan as are explained in this booklet are based upon current federal tax law and are subject to change. Monies allocated to this Plan are subject to forfeiture if not fully reimbursed to the Plan Participant prior to the end of the Filing Period, as explained in this booklet. If you terminate your participation under the plan, only those expenses incurred while you were a Participant under the Plan will be eligible for reimbursement.

If you participate in any of the Group Medical or Dental plans sponsored by Colgate University and pay for your premium costs of those plans by payroll deduction, participation in the Premium Expense Account portion of this Plan is mandatory and automatic. All other benefits offered in this Plan and described within this booklet are optional and must be elected by you during the applicable Enrollment Period in order to become effective.

The terms of this amended Plan modify, amend, and supersede any provisions of the prior plan of benefits offered by Colgate University under Section 125 of the Internal Revenue Code. The provisions of the Plan are set forth in this booklet in summary fashion only.
INTRODUCTION

We are pleased to introduce you to the Colgate University Employee Choice Plan. This plan is designed to provide you with the ability to pay for many of your health and dependent care expenses with pre-tax money which you can allocate from your compensation. By using this plan for your eligible expenses, you will reduce your tax liability and therefore increase your spendable income.

This booklet briefly explains the advantages of your election to participate in the Employee Choice Plan, and summarizes many of the types of expenses which are eligible for reimbursement under this plan. This booklet also summarizes many of the conditions imposed by the Internal Revenue Service. It is very important that you carefully read and understand the terms and conditions of this plan before you enroll because one of the primary conditions imposed by the Internal Revenue Service on the use of this plan is that you must decide how much money to allocate to this plan prior to the start of your participation, and once your participation begins, you will not be allowed to change your elections except in very limited conditions which are explained in detail throughout this booklet.

We urge you to read this booklet carefully and ask questions if there are any conditions or terms you do not understand. Although the IRS has many rules regarding the use of this plan, some simple planning on your part can result in very large tax savings.

Remember that the tax savings available under this plan are subject to federal tax rules and regulations which are subject to change without notice. The examples of tax savings shown in this booklet are for illustrative purposes only and are not guarantees. Your actual tax savings will depend upon your own federal and state income tax bracket and actual tax liability, as well as your filing status. If you have questions as to what your potential tax savings will be through the use of this plan, please contact your accountant, attorney, or tax preparer.
HOW THE EMPLOYEE CHOICE PLAN WORKS

The Employee Choice Plan is a type of employee benefit plan commonly known as a “Cafeteria Plan” and which is authorized by Section 125 of the Internal Revenue Code (the “Code”).

Under the Colgate University Employee Choice Plan, you will have opportunity to determine which of the benefits offered under the Plan are most valuable to you and your family. You have the option of receiving all of your compensation in the normal manner, or you may choose to allocate a portion of your compensation to pay for any or all of the following benefits:

- The out-of-pocket costs of eligible medical, dental, and vision care which are not paid by your group or private health care coverages, including deductibles, co-payments, and many items which your group health coverage will not cover; and

- The cost of eligible day care expenses for your dependent children under 13 years of age and other eligible dependents of any age; and

- Your premium cost of your employer-sponsored medical, dental and vision plans you participate in as an employee of Colgate University. (These employer-sponsored group health plans are collectively referred to as the “Group Plans” throughout the remainder of this booklet, and the employee's share of the premium expenses for these plans is referred to as the “Premium Expenses”.)

The primary benefit of the Employee Choice Plan is the tax savings that will result from your contributions to the Plan. Under current Federal and State laws, your contributions to the Plan (called “Salary Redirections”) are not counted as income for the purposes of computing your Federal Income Taxes or Social Security Taxes (“FICA”). In addition, in all states except New Jersey and Pennsylvania, these same Salary Redirections are not counted as income when computing your State Income Taxes. (New Jersey currently does continue to include contributions to this plan as taxable income, Pennsylvania currently counts the contributions for dependent day care expenses as taxable income).

By participating in the Plan, you authorize your employer to keep a portion of your income and place those sums in an account for your use in the payment of your eligible Premium Expenses or to reimburse you for the other expenses outlined above. These sums which YOU choose to allocate to these accounts will not be counted as part of your gross wages. These same sums will also not be counted as income when you receive them from the plan for the payment of eligible expenses under the plan. This means that you will be using tax free money to pay for the same expenses which you would otherwise have to pay for with after-tax money.

If you participate under the Plan, your earnings will generally be worth significantly more due to the fact that no federal or state income taxes or FICA taxes will ever be payable for the Salary Redirections contributed to the Plan. (Except in New Jersey and Pennsylvania where some contributions may be subject to state taxation.)
ELIGIBILITY
Any Employee who is eligible to participate in the Group Plans sponsored by Colgate University is also eligible to participate under the Colgate University Employee Choice Plan. As is explained below, if you are required to pay any Premium Expenses for your participation in the Group Plans sponsored by Colgate University, you will be automatically enrolled in the Premium Expense Account portion of the Employee Choice Plan. Your Premium Expenses due for your Group Plan(s) will be deducted from your compensation on a pre-tax basis under the Employee Choice Plan. Before you can participate in the Dependent Care Reimbursement Account and/or the Health Care Reimbursement Account of the Employee Choice Plan, you must complete an enrollment form and authorize your employer to allocate the sums you choose from your compensation to the benefits available under the Employee Choice Plan. Remember that, except in very limited conditions explained below, once your enrollment application is accepted by your employer, you cannot change the amounts you have elected to be allocated to the benefits under this plan. In addition, as discussed below, if there are sums left in your accounts at the end of the Plan Year, these sums cannot be returned to you and must, under federal law, be forfeited.

ENROLLMENT
Your first enrollment period for the Employee Choice Plan will begin as of the first day that you are eligible to participate in any of the Group Plan(s) sponsored by Colgate University. On that date, your Premium Expenses due for your participation in the Group Plan(s) will be deducted on a pre-tax basis under the Employee Choice Plan. If you wish to participate in the remaining benefits under this Plan, you must complete and return an enrollment form to your employer. If you do not enroll in the Employee Choice Plan as of the earlier of the date that your participation in the Group Plans becomes effective, or the expiration of 30 days from the date that you were first eligible to obtain coverage under the Group Plan(s), you will not be allowed to enroll in the Employee Choice Plan until the Enrollment Period begins for the next Plan Year.

While your enrollment in the Premium Expense Account will be automatically renewed each year, if you wish to participate in the Health Care Reimbursement Account and/or the Dependent Care Assistance Account, your enrollment must be renewed annually during the Enrollment Period held prior to the beginning of any Plan Year. If you have filed a written waiver of participation with your employer, that waiver of participation will be deemed to be a continuing waiver and will be effective until revoked by you, in writing. Any revocation will not become effective until the first day of the first Plan Year after the date your written revocation of your waiver is filed with Colgate University.

Colgate University will announce the Enrollment Period each Plan Year. If your employer fails to announce an Enrollment Period, the Enrollment Period will be for the full month prior to the beginning of the next Plan Year. The Plan Year will begin on the first day of each January 1 and will end on the last day of each December 31.

Remember that once you elect to participate in the Employee Choice Plan for any Plan Year, you must continue to contribute those amounts toward your benefits unless you are permitted under IRS regulations to change those amounts.
PRE-TAX BENEFITS AVAILABLE

The Employee Choice Plan offers the following three basic categories of pre-tax benefits for you to choose from. You may contribute to one or more of the following:

➢ the Health Care Reimbursement Account; and
➢ the Dependent Care Reimbursement Account; and
➢ the Premium Expense Account.

These benefit categories are explained in greater detail below. Remember that once the Plan Year starts, you will NOT be permitted to re-direct your contributions from one benefit category to another, or to change the amount of your contribution unless you have a “Change in Family Status” which permits you to make such a change under IRS regulations.

If you are a participant in any of the Group Plans sponsored by Colgate University and pay for your eligible Premium Expenses of those plans by payroll deduction, you will be automatically enrolled in the Premium Expense Account and your group health premiums will be deducted from your compensation on a pre-tax basis.

HEALTH CARE REIMBURSEMENT ACCOUNT

The Health Care Reimbursement Account allows the Plan to reimburse you for your out-of-pocket medical expenses for you and your dependents that are not payable through any other source (such as a group medical or dental plan sponsored by your employer or by your spouse's employer). Expenses will qualify for reimbursement under this Plan only if those expenses would be considered as eligible medical expense deductions according to IRS guidelines under Sections 125 and 213 of the Internal Revenue Code. Health Care expenses which are eligible for reimbursement under the Employee Choice Plan are listed at www.ezflexplan.com/upstate and include the following:

- Medical & Dental Deductibles
- Eye Exams, Eyeglasses, Contacts
- Routine Physicals & Examinations
- Birth Control Expenses
- Acupuncture
- Prescription Drugs & Copays
- Laser Eye Surgery
- Medical & Dental Copayments
- Hearing Examinations, Hearing Aids
- Dental Care, Orthodontics
- Elective Sterilization
- Medical Equipment
- Nursing Care
- Contact Lens Solutions (saline, etc.)

Visit the web site www.ezflexplan.com/upstate or contact your Plan Administrator for additional information concerning the types of expenses which are allowed to be reimbursed under the Health Reimbursement Account.

Some items which are NOT eligible for reimbursement under the Employee Choice Plan include: Cosmetic procedures and drugs used for cosmetic purposes; Exercise equipment and health club memberships (unless required to combat or treat a medical condition); Weight loss programs
(unless used for treatment of a medical condition); Diet foods; Health and beauty aids; Non-prescription smoking cessation products (unless used to treat a medical condition); Capital improvements to your residence (such as whirlpool spas, swimming pools, air conditioning or air or water purification systems); Premiums for health care coverage for you or your dependents; and Mileage expenses for your personal vehicle for medical care (other travel expenses for medical care such as parking, tolls, or travel provided by third parties may be eligible). Expenses incurred for improvement or maintenance of a person's general health and well-being (i.e. weight loss programs for general health improvement or appearance) are not considered to be expenses incurred for medical care or treatment and are not reimbursable under the Plan.

Under current Federal tax laws, you may qualify to deduct certain percentages of your health care expenses if you itemize your deductions. The Health Care Expenses which are reimbursed to you under the Plan cannot also be claimed as health care expenses on either your Federal or State tax returns.

_The maximum amount that you may elect to contribute to the Health Care Reimbursement Account is Four Thousand Dollars ($4,000) per Plan Year._

**DEPENDENT CARE REIMBURSEMENT ACCOUNT**

This part of the Plan allows you to use pre-tax dollars to pay for your out-of-pocket “Employment-Related” day care costs for your eligible Qualified Dependents if the day care expenses are necessary to enable you and your spouse (or you alone, if you are a single parent) to be employed (or, in certain situations, to enable your spouse to attend school full time while you are employed). In order to obtain reimbursement under this portion of the Plan, the following conditions must be met:

- These expenses must be incurred by you on behalf of a “Qualifying Dependent”. Generally, any member of your household for whom you can claim expenses on Federal Income Tax Form 2441 “Credit for Child and Dependent Care Expenses” will qualify as a dependent under this portion of the Plan. These dependents will include: (A) any dependent who lives in your home and who is under 13 years of age; or (B) any dependent, regardless of age, who is physically or mentally incapable of properly taking care of himself or herself.

- If the day care expense is incurred outside of your home at a facility that provides similar services for more than six individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any, in order for those expenses to qualify under the Plan for reimbursement.

- You must provide the name, address, and social security number or employer identification number of the person or facility providing the dependent care services, as well as additional information which may be required by the I.R.S.
It is important to note that under current Federal law, you may qualify for a tax credit for your Employment-Related dependent care costs even if you are not a participant under the Plan. However, any costs which are reimbursed to you under the Dependent Care Reimbursement Account cannot also be claimed by you as a credit on your State or Federal Income Taxes.

**Under current Federal regulations, the maximum amount that can be contributed to the Dependent Care Reimbursement Account is $5,000 per Plan Year.** The actual amount permitted by IRS regulations may, however, be lower due to your federal tax filing status. The maximum reimbursement permitted is the lowest of the following:

1. The employee's *Earned Income* for the Plan Year (as defined by federal income tax regulations, and including wages and earnings from self-employment); or
2. The spouse's *Earned Income* for the Plan Year (if the spouse is a full-time student or is incapable of caring for himself and has no earned income, the spouse will be deemed to have $200 per month in earned income if the employee has one dependent, or $400 per month if the employee has two or more dependents); or
3. $5,000 (or $2,500 for married employees who file a separate federal income tax return).

If both the employee and the spouse each participate in separate Dependent Care Reimbursement accounts, the total combined exclusion from income tax and FICA taxes will be limited to $5,000.

**Eligible Dependent Care Reimbursement Expenses** - Eligible Expenses will include the following expenses you incur for Qualifying Dependents for the following type of care: • Preschools, nursery schools, or daycare centers • Day care for dependent children up to age 13, either in or outside of your home • Non-educational programs for children up to age 13 while school is not in session (such as after school programs, summer recreational programs, and day camps) • Non-medical home care to care for an elderly dependent who lives with you • Non-medical care for mentally or physically disabled dependents who live with you. Remember that these expenses are reimbursable only if they allow you and your spouse to be employed, or you to be employed while your spouse attends school on a full time basis.

**Dependent Care Expenses Which Are NOT Reimbursable** - • Expenses for educational instruction • Sums paid to a person who is claimed as a dependent on either your tax return or your spouse's tax return • Sums paid to your children under 19 years of age • Sums paid to a spouse • Sums paid for babysitting during your non-working hours • Sums paid for food, clothing or travel • Nursing home expenses • Fees for overnight camps or programs • Costs incurred for medical care of your dependents (these expenses are reimbursable only under the Health Care Reimbursement Account above).

**PREMIUM EXPENSE ACCOUNT**
This portion of the Plan allows you to use pre-tax dollars to pay for your share of the Premium Expenses required under the Group Plans you participate in as an Employee of Colgate University. Eligible Premium Expenses will include all premiums which you pay through
payroll deduction for your Employer-sponsored Group Plans for you and your eligible dependents. Participation in this portion of the Plan is AUTOMATIC AND MANDATORY for all employees who pay any portion of their eligible Premium Expenses by payroll deduction.

Under Federal law, only the premiums which are used to pay for your cost of any Employer-sponsored Group Plans will be permitted to be paid under the Employee Choice Plan. Premium expenses for other coverages (such as a premium you may pay for group coverage under your spouse's employer's plan or individual policies) are not eligible expenses under the Plan.

**ELIGIBLE CLAIMS UNDER THE PLAN**

The basic types of eligible claims are described in the sections above under each category of available benefit. A claim will be considered an eligible claim under the Plan only if it is one of the types of claims outlined above and meets each of the following conditions:

- The expense must be incurred during the time that the Employee was a Participant under the Plan, regardless of when the bill is received or paid.
- The expense must be incurred during the Plan Year for which the claim is submitted.
- Only that portion of the claim which is an “out of pocket” expense to the Participant will be reimbursed. For example, if your total bill for medical treatment is $100.00 and your private insurance policy or your group Medical Plan pays you $80.00 toward the cost of that claim, only $20.00 is an eligible expense under the Plan.
- The total of all claims reimbursed to you in any of the three benefit categories will not exceed the annual contribution to the individual benefit category that you have selected on your enrollment form.
- The claim must be submitted to the Claims Administrator within the Filing Period for the Plan Year within which the claim accrued. The Filing Period will begin on the first day of each Plan Year and will extend 60 days beyond the end of the Plan Year. In other words, **you have a 60 day grace period to submit your claims after each Plan Year ends - claims submitted after this time period will be rejected.**

**HOW CLAIMS ARE FILED**

All claims for reimbursements under the Health Care Reimbursement Account or the Dependent Care Reimbursement Account must be filed on claim forms approved by the Claims Administrator. Contact your Plan Administrator for additional claim forms if you need them, or you may obtain a claim form from the web site [www.ezflexplan.com/upstate](http://www.ezflexplan.com/upstate). Your contributions to the Plan for payment of Premium Expenses will be handled automatically by the payroll department, and no additional claim forms are necessary for the payment of your premiums on a pre-tax basis.
Before claims for reimbursement under the Health Care Account can be honored, you must first submit the proof of expense to your Group Plan(s). After you receive either a payment or a denial from your Group Plan(s) and/or other medical or dental coverages, attach a copy of the Explanation of Benefits (the EOB) that you receive from the Group Plan (and/or other medical plan) to the Employee Choice Claim Form and send it to the address below. This will guarantee that the Plan reimburses you only for that portion of your expenses which are “out-of-pocket”.

**Remember that all claims must be filed within the Filing Period - within 60 days after the end of the Plan Year during which the claim was incurred. Late claims will be rejected, and, as explained below, unused funds are required under Federal law to be forfeited.**

All claims must be filed with our Claims Administrator at this address:

**EMPLOYEE CHOICE PLAN**
**UPSTATE ADMINISTRATIVE SERVICES, INC.**
**PO BOX 6589, SYRACUSE, NY  13217-6589**

You may also file your claims by faxing your completed claim form, together with all required receipts and/or EOBs for the claims submitted, to Upstate Administrative Services, Inc. at:

**315-471-4960**

**HOW CLAIMS ARE PAID**
Claims are paid twice each month. Checks will be mailed to you on or about the 10th and the 25th of each month. All claims will be paid by check which will be mailed to you - direct assignment to hospitals or doctors, etc., is not permitted.

Claims for Dependent Care Reimbursement Benefits which exceed your current account balance at the time the claim is processed will be paid only up to that account balance; any excess claim amounts will be paid only when your balance in that account is sufficient to pay the remaining amount of the claim.

If you submit a claim which is ineligible for reimbursement under the Plan, the Claims Administrator will notify you why the claim is ineligible or what additional information they need in order to process the claim.

**RIGHTS TO APPEAL ADVERSE DECISIONS**
In the event that your claim for benefits under the Plan is denied (either in full or partially denied), you may file an appeal and obtain a review of this denial. Your appeal may be filed either in writing by sending a demand for an appeal to:
EMPLOYEE CHOICE PLAN
UPSTATE ADMINISTRATIVE SERVICES, INC.
APPEALS COMMITTEE
PO BOX 6589, SYRACUSE, NY  13217-6589

You may also file an appeal with the Flexible Benefits Department of Upstate by calling (315) 422-1533. Whether you file your appeal in writing or by telephone, your request for an appeal must be filed within 180 days from the date that you receive the adverse benefit determination.

If you file an appeal, you will receive a decision on that appeal within thirty (30) days from the date that the appeal is filed.

A claimant may also seek to overturn the decision of the Plan by filing a civil action pursuant to ERISA Sec. 502(a).

CHANGES IN ELECTIONS
Except as provided below, and as permitted under the Section 125 of the Internal Revenue Code and the regulations promulgated thereunder, you will not be permitted to make any changes to your elections once the Plan Year begins. The conditions under which you are permitted to make changes to your elections are specified below:

Changes in your elections before the Plan Year starts: You can change your mind and revoke or change any of your elections if the Plan Year relating to those elections has not yet begun.

Changes in your elections during the Annual Enrollment Period: Each Enrollment Period you will be permitted to revoke your participation in the Employee Choice Plan or make new elections for the upcoming Plan Year. The elections made will become irrevocable once the Plan Year begins, except in the very limited circumstances described below. If you do not elect to participate in the Health Care Reimbursement Plan or the Dependent Care Assistance Plan before the Plan Year begins, you will be prohibited from participation in those optional benefits for the new Plan Year, except as provided below.

Changes in your elections during the Plan Year: In general, mid-year changes in your elections are permitted only if you qualify due to either a “Change in Status” or due to a “Change in Cost or Coverage”, as those terms are explained below. In addition, even if you qualify to request a change in your elections due to any of the circumstances permitted by the Internal Revenue Service and this Plan, the changes you request will be granted only if those changes meet the requirements of the Consistency Rule. Generally, the Consistency Rule requires that your elective changes be granted only if the change you have requested is both on account of and is a change which corresponds with the change in status event or the change in cost or coverage. Benefit amendments shall be deemed to be consistent with these events only if the election changes are necessary or appropriate as a result of the change in events.
Change in Status: For the purposes of this Plan, the following events may be considered as a Change in Status which may permit you to make a change in your elections provided that the event and the change you request satisfies the Consistency Rule, described above:

(1) **Change in Marital Status**: A change in the employee's marital status, including marriage, divorce, death of spouse, legal separation or annulment.

(2) **Change in number of Dependents**: A change in the number of dependents of the employee due to birth, death, adoption or placement with the employee in anticipation of adoption.

(3) **Change in Employment Status**: This category includes events which change the employment status of the employee, the employee's spouse, or a dependent of the employee, and will include the commencement or termination of employment, the change from full-time to part-time employment or vice-versa, commencement of or return to work from an unpaid leave of absence, or any change in status which affects the employee's eligibility under the Employee Choice Plan.

(4) **Change in Dependent's Eligibility**: These events include events which would cause a dependent to satisfy or lose eligibility for coverage on account of attainment of age, attainment or loss of student status, or similar circumstances.

(5) **Change in residence**: This event will be deemed a change in status if, due to a change in residence the employee moves from a service area of the Group Plan to an area which is not served by the Group Plan (or vice-versa).

Changes in Cost or Coverage: Mid-year changes in the cost or extent or type of coverage of your employer-sponsored Group Plans will permit you to make changes in your elections as follows:

(1) **Automatic Changes In Pre-Tax Premium Elections**: If your cost of the Group Plans changes during the Plan Year, your Employer will automatically make the adjustment to your contributions to your Premium Expense Account to compensate for the increase or decrease in the cost of the Group Plan(s).

(2) **Significant Cost Increases**: If there is a significant increase in the employee's cost of the Group Plan(s), you have the choice of increasing the amount of your contributions to the Premium Expense Account to match these cost increases, or, you may, if permitted by the terms of the Group Plan(s), enroll in any other Group Plans that may be offered by your employer and change your contributions to the Premium Expense Account to match the new premiums for the remainder of the Plan Year.

(3) **Change in Coverage under Spouse's or Dependent's Plan**: If there is a change in coverage under the Group Plans of your spouse or dependents during a Plan Year, you will be permitted to amend your previous elections to the Premium Expense Account and contribute the required amount to account for any change in premiums under your own Group Plans to correspond to any changes in coverage you elect under your Group Plans.
as a direct result of the changes under your spouse's plan.

(4) **Significant Curtailment in Coverage:** If coverage under your Group Plan(s) is significantly curtailed during the plan year due to changes in your Group Plan(s), you may revoke your election to contribute the pre-tax cost of premiums to the Premium Expense Account. You will also be allowed to choose any other Group Plan(s) and continue your premiums due for that plan under the Premium Expense Account, if your employer offers any other plans at that time.

(5) **Addition or Elimination of Benefits Option Providing Similar Coverage:** If a plan adds or eliminates a benefits package option mid-year, you may change the benefits package you have previously elected and enroll in the new benefits package option (if permitted by that benefits package under your Group Plans).

(6) **Selection of a New Dependent Care Provider:** If you change dependent care providers mid-year, you may amend your previous Dependent Care elections and contribute the applicable costs required by the new dependent care provider until the end of the Plan Year.

(7) **Changes in Cost of Dependent Care:** An employee who contributes to the Dependent Care Reimbursement Account may make a change in contributions if the Dependent Care provider changes the cost of Dependent Care (provided that the dependent care provider is not a relative of the Employee).

Note that none of the Changes in Cost or Coverage above will permit you to make any changes to your Health Care Reimbursement Account. These Changes in Cost or Coverage shown in items (1), (2), (3), (4), and (5) will permit you to make changes to your Premium Expense Account only. Items shown in numbers (6) and (7) above will permit you to make changes to your Dependent Care Assistance Account only.

**Other Change Events:** In addition to the Change in Status events above, the regulations governing this Plan also allow changes in your elections for payment of Group Plan premiums on a pre-tax basis for the following events:

(1) **COBRA Election:** If you or one of your Dependents become eligible for and elect COBRA under your employer's Group Plans, you may revoke your previous election and elect to pay the COBRA premiums on a pre-tax basis. (This does NOT apply to COBRA premiums which may become due under any plan other than a plan sponsored by Colgate University.)

(2) **Special Enrollment Rights under HIPAA:** A federal law known as HIPAA requires your Group Plan to offer you and your dependents the right to enroll in the Group Plan under special, limited events called “Special Enrollment Rights”. If you become eligible to enroll yourself or your dependents under these Special Enrollment Rights, you may change your elections to correspond to the increased costs of coverage.

(3) **Judgement, Decree or Order:** You are permitted to make changes in the amount of your
pre-tax premium contributions to the Plan if those costs change due to compliance with any judgement, decree or order of any court resulting from divorce, legal separation, annulment or change in the legal custody or financial responsibility for a dependent child.

(4) **Entitlement to Medicare or Medicaid:** If an employee, spouse or dependent child who is enrolled in the Group Plan becomes entitled to or loses eligibility for Medicare or Medicaid, you may change the pre-tax premiums contributions under the Plan to compensate for any change in your Group Plan premium cost.

(5) **Family and Medical Leave Act Requirements:** An employee who takes a leave of absence under the FMLA may revoke elections to pay pre-tax premiums and make a new election to pay required premiums during the period of a qualified leave of absence under the FMLA.

NOTE: While changes in the amounts of pre-tax premiums may be made upon the occurrence of the events specified in items (1) through (5) above, these events will NOT permit a change in the employee's contributions under the Health Care Reimbursement Account.

All requests for changes in your contributions to the Plan must be received by the Plan Administrator within 30 days from the occurrence of the events which constitute a Change in Status, a Change in Cost or Coverage, or the Other Changes listed above. Your Plan Administrator will supply you with the required forms for filing this request. Failure to make this request to change elections within this 30 day period will require you to wait until the next Annual Enrollment Period before changing your elections. Any new election made by you due to an event change shall be effective for the first pay period after the date that the amended election form is returned to the Plan Administrator. If you have questions concerning your ability to change elections, please contact your Plan Administrator.

**GENERAL PROVISIONS**

**TO DECLINE PARTICIPATION IN THE PLAN**
Your participation in the Health Care Reimbursement Account and the Dependent Care Reimbursement Accounts are purely optional. If you wish to enroll for either or both of these benefits you must enroll and indicate the amounts you want contributed to each benefit prior to the beginning of any Plan Year. If you do not want to participate in these benefits, you may simply either indicate that you want to contribute “0” toward those benefits, or do not return your enrollment form. If you do not enroll in these plans prior to the beginning of any Plan Year, you will be prohibited from enrolling until the next Plan Year, unless you are entitled to enroll due to Special Enrollment Rights under HIPAA (see page for details).

If you pay any premiums by payroll deduction for coverage of yourself or your eligible dependents under the Colgate University Group Plans, your premiums that you pay for those plans will be automatically deducted from your compensation on a pre-tax basis. If you participate in your employer's Group Plan(s) and are required to pay any portion of the premium
costs of those plans, those premiums costs are required to be paid on a pre-tax basis under this Employee Choice Plan.

FAILURE TO CONTRIBUTE
If you fail to make your contributions when due, you will be terminated from the Plan. This means if there is any period when you are not on the active payroll (such as during an unpaid leave of absence or if you are laid off, terminated, or if you quit your job) you will be terminated from the Plan unless you have made arrangements with the Plan Administrator to either pre-pay your contributions or to continue your contributions to the Plan. Only those expenses incurred prior to your date of termination from the Employee Choice Plan will be eligible for reimbursement. Even though you will not be reimbursed for expenses you incur after your plan termination date, you still have until 60 days after the end of the Plan Year to submit your claims for reimbursement. Any funds left in your account at the end of the Plan Year must, under federal law, be forfeited. Any Employee terminated from the Plan for any reason shall not be permitted to re-enroll in the Plan until the next Plan Year, even if re-hired within the same Plan Year.

THIS PLAN'S AFFECT ON OTHER BENEFITS
Due to the fact that your contributions to the Plan are not counted as income for Social Security purposes, your Social Security benefits may be slightly lower when you retire. Generally, the amount of reduction in your Social Security benefits will depend upon the length of time you participate in the Employee Choice Plan until you start to receive social security benefits and the amount of Salary Redirections that reduce your reportable gross income. In most cases the amount of reduction in your Social Security benefits will not be significant, however, if you have questions about your benefits, you should contact the Social Security Administration.

Your Salary Redirections and the resulting decrease in your reportable gross income will not affect any other benefits available through your course of employment, such as your retirement plan. When filing your taxes, remember that any expenses that are reimbursed or paid through the Employee Choice Plan cannot also be claimed as tax deductions or credits.

UNUSED FUNDS AT THE END OF THE FILING PERIOD
You have a 60 days grace period at the end of the Plan Year to submit all of your claims for that previous year. Under Federal regulations, no refunds of unused money in your account are permitted. If you have unused balances in any of your accounts at the end of the Filing Period, that balance must be forfeited and cannot be “rolled over” to the next Plan Year. Plan carefully to avoid contributing too much to the Plan and risking a forfeiture of unused contributions.

NONDISCRIMINATION
Any action taken under this Plan with respect to participation, benefits available, or any other matters related to the administration of the Plan shall be carried out on a nondiscriminatory manner and in compliance with Federal Law.
TAX BENEFITS
Due to the fact that reimbursements and payments made on your behalf under the Plan are paid to you on a pre-tax basis, and your contributions to the Plan are not considered as taxable earnings for most purposes, no deductions or credits may be claimed on your State or Federal income taxes for those expenses which are reimbursed to you under the Plan.

The tax benefits stated in this booklet are based upon current law. No guarantee can be made as to the future tax benefits which may apply as a result of your participation under the Plan. If you have specific questions as to how your participation in this Plan will affect your present or future law liability or social security benefits, you should seek assistance from your accountant, attorney, or financial advisor.

PLAN ACCOUNTING
The Plan keeps all books and records on a Plan Year basis which begins on the 1st day of each January and ends on the last day of each December of each Plan Year. As stated above, any sums unused at the end of the Plan Year are forfeited to the Plan and cannot be directly used by you or returned to you.

INCONSISTENT STATEMENTS
In the event that there shall be any inconsistent statements or conflict between the terms and conditions of this Plan as expressed within the Plan Document and the terms of the Plan as set forth in the Summary Plan Description, the terms and conditions as set forth within the Plan Document shall govern and control.

In the event that there shall be any inconsistent statements or conflict between the terms and conditions of this Plan, as expressed herein, and the terms of any Contract of Insurance or Group Plans, the terms and conditions as set forth within the Contract of Insurance or Group Plans shall govern and control.

In the event that there shall be any inconsistent statements or conflict between the terms and conditions of this Plan, as expressed herein, and the terms of any other Contract, Agreement, or written instrument, the terms and conditions as set forth herein shall govern and control.

CLAIMS INCURRED AFTER YOUR TERMINATION
Claims which are incurred after your date of termination from the Plan or your termination of employment will NOT be eligible for reimbursement (unless you have continued your coverage under COBRA, as described below). If you leave the employment of Colgate University for any reason, you must make arrangements with Colgate University to continue your payments into the Plan if you wish to receive reimbursement for claims which will be incurred after your date of termination. Once you are terminated from the Plan, you will not be permitted to re-enroll in the Plan until the next annual Enrollment Period.
YOUR RIGHTS TO CONTINUE COVERAGE UNDER THIS PLAN

Under a federal law known as COBRA, you (and your dependents) may have the right to continue your participation under Premium Expense Account and/or the Health Care Reimbursement Accounts of this Plan for the remainder of the Plan Year in which you terminate employment. In order to continue coverage under the Plan, you must elect COBRA coverage and agree to pay 102% of your elective and automatic contributions to the Plan. Unless you pay these sums from your compensation prior to your termination, these payments must be made with after tax monies. The Plan Administrator is not required to offer you the right to choose COBRA continuation coverage if, at the time of your termination, the amount remaining to be contributed by you from your annual election equals or exceeds the maximum additional amount you could receive from the Plan. Dependent Care Reimbursement Accounts are not subject to COBRA, and your employer is not required to allow you to continue your contributions to that account or receive payments from the account for claims incurred after the date of your termination from this Plan.

If you wish to elect COBRA continuation coverage, you must complete and return your COBRA election form to the Plan Administrator within 60 days from receipt (or within 60 days from the date of your termination, whichever is greater). Please review the explanation of COBRA by referring to your Group Plan.

POWERS OF THE PLAN ADMINISTRATOR

The Plan Administrator is responsible for the day-to-day operation of the Plan. Upstate Administrative Services, Inc., as the Claims Administrator, is responsible for processing your claims and making the initial determination as to the eligibility of your claims. Colgate University is the Plan Administrator of this plan. As the Plan Administrator, Colgate University has the obligation to protect the Plan and the Plan Participants by ensuring that the Plan operates under the terms and conditions established by the federal government. In addition to other duties, the Plan Administrator has the power to change the elections and Salary Redirection of certain employees called “Highly Compensated” and “Key Employees” to prevent the Plan from unfairly benefitting Highly Compensated Employees or Key Employees.

In addition to the above, the Plan Administrator has certain discretionary powers. Notwithstanding any other provision in the Plan to the contrary, and to the full extent permitted by ERISA and the Internal Revenue Code, the Plan Administrator shall have the exclusive authority and discretion to construe any uncertain or disputed term or provision in the Plan. This includes, but is not limited to, the following:

- Determining whether any individual is eligible for Benefits under the Plan; and
- Determining the amount of Benefits, if any, an individual is entitled to under the Plan; and
- Interpreting all of the provisions of this Plan; and
- Interpreting all of the terms used in this Plan.

The Plan Administrator's exercise of this discretionary authority shall:
• Be binding upon all interested parties, including, but not limited to, the Participant, the Participant's estate, any beneficiary of the Participant and the Employer;

• Be entitled to deference upon review by any court, agency or other entity empowered to review the Plan Administrator's decisions, to the fullest extent permitted by law; and

• Not be overturned or set aside on such judicial review, unless found by clear and convincing evidence to be arbitrary and capricious, or to have been made in bad faith.

TERMINATION OR MODIFICATION OF THIS PLAN
Colgate University intends to sponsor the Plan described herein as a continuing program, however, your employer specifically reserves the right to amend, suspend or terminate the Plan described herein at any time and for any reason. Notwithstanding any provision in the Plan to the contrary, you, your spouse, and/or your dependents shall not have any right to benefits under the Plan which in any way interferes with the Employer's right to amend or terminate the Plan. Your employer makes no promise to continue plan benefits in the future and rights to future benefits will never vest. If the Plan is terminated, you will have any Salary Redirections returned to you which were paid to the Plan for that portion of the Plan Year after the Plan termination.

CAPTIONS
The captions which are inserted within this document are inserted for convenience only and shall not be deemed to in any way limit the scope or alter the interpretation of the subject matter contained therein.

PROTECTION OF YOUR PERSONAL INFORMATION - SUMMARY OF THE PLAN'S PRIVACY PRACTICES
A federal law known as the Health Insurance Portability and Accountability Act of 1996 (commonly known as “HIPAA”), requires that health plans protect the confidentiality of your private health information (called “PHI”). This Summary of Privacy Practices is intended to summarize how your medical information may be used and disclosed by the Colgate University Employee Choice Plan or others in the administration of your claims. This summary will also describe certain rights that you are granted under HIPAA and other provisions of law. For a complete description of your rights under HIPAA and a description of the plan's privacy practices, please refer to the Plan's Notice of Privacy Practices, which is available from the Plan Administrator upon request.
Our Pledge Regarding Your Medical Information - We are committed to protecting your personal health information. We are required by law to (1) make sure that any medical information that identifies you is kept private; and (2) to provide you with certain rights with respect to your medical information; and (3) to give you notice of our legal duties and privacy practices; and (4) follow all privacy practices and procedures currently in effect.

Under HIPAA, you have certain rights with respect to your PHI, including certain rights to see and to copy the information, receive an accounting of certain disclosures of the information, and, under certain conditions, amend the information which the Plan maintains. You also have the right to file a complaint with the Plan and/or with the Secretary of the U.S. Department of Health and Human Services if you believe that your rights under HIPAA have been violated.

How Your Medical Information may be Used and Disclosed by the Plan and Others - We may use and disclose your protected health information (“PHI”) without your permission to facilitate payments under the Plan and for any other health care operations under or connected with the Plan. We will disclose your PHI to employees of the Upstate Administrative Services, Inc. (the Plan's Claims Administrator) and to certain designated employees of Colgate University for the purposes of processing your claims and general administration of the Plan. Any persons who obtain your PHI may not share that information with any other persons or entities, except as permitted and/or required by law. In all other situations, we must obtain your authorization in writing before we disclose your PHI to any other persons or entities. Neither the Plan nor your employer can retaliate against you if you refuse to sign an authorization or revoke an authorization you had previously given. Your PHI may not be used by the Plan or your employer for employment-related actions or decisions or in connection with any other benefit or employee benefit plan of the employer.

Your Rights Regarding Your Medical Information - You have the right to inspect and copy your medical information; to request corrections of your medical information; and to obtain an accounting of certain disclosures of your medical information by the Plan. You may also have the right to request that additional restrictions or limitations be placed on the use or disclosure of your medical information, or that communications about your medical information be made in different way or at different locations.

How to File Complaints - If you believe your privacy rights have been violated, you have the right to file a complaint with the Plan or with the Office for Civil Rights. Neither the Plan nor Colgate University will retaliate against you for filing a complaint.
1. NAME OF PLAN - Colgate University Employee Choice Plan.

2. PLAN NUMBER - 505


4. EMPLOYER NAME, ADDRESS, AND EMPLOYER I.D. NUMBER

   Colgate University
   13 Oak Drive, Hamilton, NY 13346-1398
   (315) 824-7411  EIN: 15-0532078

5. PLAN ADMINISTRATOR / PLAN SPONSOR

   Colgate University
   13 Oak Drive, Hamilton, NY 13346-1398
   (315) 824-7411

6. CLAIMS SUPERVISOR

   Upstate Administrative Services, Inc.
   PO Box 6589, Syracuse, NY 13217-6589
   (315) 422-1533

6. PLAN YEAR - January 1 to December 31.

7. FILING PERIOD - All claims must be received by the Claims Administrator within 60 days after the end of the Plan Year.

8. SERVICE OF LEGAL PROCESS - Any person authorized by statute to receive service on behalf of Colgate University.

9. TYPE OF ADMINISTRATION - Employer Administration with claims paid by third party administrator.