



UNION COLLEGE

Summary Plan Description

for

Employee Choice Plan

INTRODUCTION

We are pleased to offer you a flexible benefit plan (Section 125). Under this program, you are allowed to make pre-tax deferrals to cover the cost of various benefits and/or make pre-tax deferrals into spending accounts. The benefits that are available to you are outlined in this summary plan description. We will also tell you about other important information concerning the Plan, such as the rules you must satisfy before you can join and the laws that protect your rights.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and social security taxes. Under our Plan, these same expenses will be paid for with a portion of your pay before Federal/State income or social security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this summary plan description carefully so that you understand the provisions of our Plan and the benefits you will receive. We want you to be fully informed before you enroll in the Plan and while you are a participant. You should direct any questions you have to Union College Human Resources. There is a plan document on file which you may review if you desire. In the event there is a conflict between this summary plan description and the plan document, the plan document will control. Also, if there is a conflict between an insurance contract and either the plan document or this summary plan description, the insurance contract will control.

All relevant employee protected health information (PHI), manual and electronic, shall be maintained in a manner consistent with privacy standards established by HIPAA.

Union College reserves the right to modify or terminate the Plan, in whole or in part, at any time. Termination of the Plan will result in loss of benefits for all covered persons.

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FLEXIBLE BENEFITS - SECTION 125

Eligibility To Participate In The Plan

Eligible employees are any regular employee of Union College who is scheduled to work 20 hours or more per week and at least six hundred sixty (660) hours per year. Employees who retire with special arrangements or are placed on Long Term Disability/Workers' Compensation will be eligible to continue coverage under the plan for a period of time to be specified in their arrangement or age 65, whichever is later.

Effective Date Of Coverage

You will receive benefit information, including applications, during your first month of employment. You must enroll within 30 calendar days of your date of employment. The effective date of coverage is the first of the month following your date of hire, your date of hire if it is the first of the month or January 1st following the annual enrollment period.

You must enroll within 30 calendar days of your date of employment. Otherwise, you will have to wait until the next annual enrollment period.

You must complete the appropriate flex benefit application to participate in the Plan. The application includes your personal choices for each of the benefits which are being offered under the Plan. Your signature will authorize us to set aside some of your earnings in order to pay for the benefits you have elected. Applications for the appropriate vendors will also be required.

Coverage Changes

You may change your current enrollment status, Individual, Two Person, or Family, by applying for a change within thirty-one (31) days after a Qualified Life Event such as marriage, divorce, birth, death, loss of other coverage, etc. Your new coverage becomes effective on the date of the Qualified Life Event. The change must be consistent with the type of Qualified Life Event.

Changes can also be made to your coverage status during the annual enrollment period, as applicable.

Disqualification, Loss Of Eligibility And Termination

Coverage ceases on the last day of the month you stop working for Union College or immediately when this program ends. Coverage for all dependents ceases on the last day of the month in which your active employee coverage ends, or when dependent status is lost.

Your children will be disqualified for benefits when they reach the disqualifying age (26).

Union College may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described within this document. Termination of the Plan will result in loss of benefits for all covered persons. Union College will not be liable to you if an insurance company fails to provide any of the benefits described above, even if the failure to provide benefits is due to our negligence or gross neglect (for example, if we fail to enroll you or pay premiums). Also, your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance coverage terminates.

Enrollment

You are allowed to make pre-tax deferrals for the following items:

- To cover the cost of medical, dental, vision and supplemental life insurance benefits, and/or
- Make pre-tax deferrals into spending accounts commonly referred to as Flexible Spending Accounts (FSA). See the section on FSAs for details about these accounts.

During your initial enrollment and during the annual enrollment period, you will be able to elect to have some of your pay directed to this Plan. This amount will be used to pay the employee portion of the cost for the benefits you have chosen. The portion of your pay that is directed to the Plan is not subject to Federal income or withholding tax or to social security taxes. In other words, you are allowed to use tax-free dollars to pay for certain kinds of benefits and expenses which you normally pay for with taxable dollars.

Union College will provide tax-free dollars, based on your benefit choices, to pay for certain premium expenses under various insurance programs that we offer you. These premium expenses include: medical, dental, vision and supplemental life insurance. These dollars are called Flex Spending Dollars. Flex Spending Dollars are allocated based on your choices for medical and dental insurance. If you choose not to participate with the medical or dental insurance, then you will receive dollars for opting out. The flex spending dollar values are established on a yearly basis and subject to change every calendar year.

FLEXIBLE SPENDING ACCOUNTS

Eligibility To Participate In The Plan

Eligible employees are any regular employee of Union College who is scheduled to work 20 hours or more per week and at least six hundred sixty (660) hours per year.

Effective Date Of Coverage

You will receive benefit information during your first month of employment. You must enroll within 30 calendar days of your date of employment. The effective date of coverage is the first of the month following your date of hire, your date of hire if it is the first of the month or January 1st following the annual enrollment period.

You must enroll within 30 calendar days of your date of employment. Otherwise, you will have to wait until the next annual enrollment period.

You must complete the appropriate application to participate in these accounts. Your signature will authorize us to set aside some of your earnings in these accounts.

Coverage Changes

You may change your current enrollment by applying for a change within thirty-one (31) days after a Qualified Life Event such as marriage, divorce, birth, death, loss of other coverage, acquisition of employment by spouse or loss of employment by spouse, etc. Your new coverage becomes effective on the date of the Qualified Life Event. The change must be consistent with the type of Qualified Life Event.

Changes can also be made to your coverage status during the annual enrollment period, as applicable.

Disqualification, Loss Of Eligibility And Termination

Coverage ceases on the last day of the month you stop working for Union College or immediately when this program ends. Coverage for all dependents ceases on the last day of the month in which your active employee coverage ends, or when dependent status is lost. You will be allowed to submit for reimbursement until March 31st of the following year for services received prior to your termination date.

Upon termination of coverage under the Plan, you and your covered dependents may be eligible to continue the Medical FSA coverage, as described in the "Continuation Coverage Under COBRA" section, at your expense.

Union College reserves the right to modify or terminate the Plan, in whole or in part, at any time. Termination of the Plan will result in loss of benefits for all covered persons.

Continuation Coverage Under COBRA

You and your dependents have the right under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) to continue your Medical FSA under certain circumstances when you would otherwise lose coverage. To do so, you must pay 102% of the full cost of coverage.

Your Coverage

You and your covered family members are eligible to continue coverage for up to 18 months if:

- You leave your employment with Union College for any reason other than gross misconduct; or
- You are no longer eligible because your working hours are reduced.

If you are disabled, as defined by the Social Security Administration, at the time of the qualifying event, you may be entitled to an extra 11 months of coverage, for a total of 29 months. You must notify Union College of your disability before the end of the original 18-month period, and within 60 days of the disability determination, to receive the additional extension. You must pay 102% of the full cost of coverage.

Your Dependents

Your eligible dependents can also extend coverage for up to an additional 18 months if any of the following events occur during the original 18-month continuation period:

- You die;
- You are divorced;
- You stop making contributions for a spouse from whom you are legally separated;
- You become entitled to Medicare; or
- A covered child is no longer eligible under the Plan.

Applying for COBRA Continuation

Union College will give you information about how to continue COBRA coverage at the time you become eligible. It is your responsibility to inform your employer of any status changes that would make your dependents eligible for COBRA coverage. You, or your dependent(s), must inform Union College and make the election to continue coverage within 60 days to ensure that there is no break in coverage.

Enrollment

During your initial enrollment and during the annual enrollment period, you will be able to elect to have some of your pay directed to these accounts. You can place your money in a Health Care Spending Account and/or a Dependent Care Spending Account. It is very important that you choose the value for these accounts carefully because any unclaimed money remaining as of March 15th of the following year will be forfeited. A new enrollment is required, by law, each year. Monies remaining in the Health Care Spending Account at the end of the plan year may be utilized in the following plan year for services received through March 15th. Dependent Care spending Account monies will not carry into the following year.

Plan Details

Health Care Spending Account

The Health Care Spending Account enables you to pay for expenses which are not covered by our medical plans and save taxes at the same time. The account allows reimbursement with your pre-tax dollars for out-of-pocket medical, dental and vision expenses incurred by you and your dependents. Some of the expenses which qualify for the Health Care Spending Account include:

- Medical Insurance deductibles and co-payments
- Prescription co-payments
- Dental care
- Nursing care
- Vision care
- Alternative care (i.e. acupuncture, massage therapy, homeopathic treatment, etc.)

A more complete list of covered expenses is available from Union College. The maximum value that you can contribute to your Health Care Spending Account each Plan Year is \$5,000.

Dependent Care Spending Account

The Dependent Care Spending Account enables you to pay for out-of-pocket, work-related dependent daycare cost with pre-tax dollars. If you are married, you can only use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time.

An eligible dependent is any member of your household for whom you can claim expenses on Federal Income Tax Form 2441 "Credit for Child and Dependent Care Expenses." Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves and reside in the Participant's home for more than one-half of the year. Dependent Care arrangements which qualify include:

- A Dependent (Day) Care Center, provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws.
- An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible.
- An "Individual" who provides care inside or outside your home. The "Individual" may not be a child of yours under age 19 or anyone who you claim as a dependent for Federal tax purposes.

You should make sure that the dependent care expenses you are currently paying for qualify under our Plan. The law places limits on the amount of money that can be placed into a Dependent Care Spending Account yearly. The maximum value that you can contribute to your Dependent Care Spending Account each Plan Year is \$5,000 if married, filing joint return, or a single parent. According to IRS regulations, if you are married and file separate returns, then the Plan Year maximum is \$2,500.

In order to have the reimbursements made to you, from this account, excludable from your income, you must report the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year. In addition, Federal tax laws permit a tax credit for certain

dependent care expenses you may be paying for even if you are not a participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Spending Account under our Plan. Ask your tax advisor which is better for you.

Reimbursement Payments

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred. Expenses are considered “incurred” when the service is performed, not necessarily when it is paid for. Reimbursement request forms are available in Human Resources or from the Human Resources web site. Health Care Spending Account reimbursement requests must be accompanied by an Explanation of Benefits or original receipt showing the insurance payment and your expense. Dependent Care Spending Account reimbursement requests must be accompanied by an original receipt showing the dates of service and amount paid. If the request qualifies as a benefit or expense that the Plan has agreed to pay for, you will receive a reimbursement payment in a check separate from your normal paycheck.

Reimbursements which are made from the Plan are generally not subject to federal/state income tax or withholding. Nor are they subject to Social Security taxes. Services/products that are covered by any of the health insurance plans, should first be submitted to the appropriate insurance plan before submittal to the Health Care Spending Account. The individual health insurance plan will process the claim in accordance with their standard procedures.

Unused Monies

Any monies left in your Dependent Care Spending Accounts at the end of the Plan Year or in the Health Care Spending Account as of March 15th of the following Plan Year will be forfeited. You can request reimbursement until March 30th of the following year for qualifying expenses that you incur during the Plan Year and, for the Health Care Spending Account, until March 15th of the following Plan Year. Because it is possible that you might forfeit amounts in your Spending Accounts if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which Spending Accounts you want to contribute to and how much to place in each account before the Plan Year begins.

You want to be fairly certain that the amount you decide to place in each account will be used up entirely.

Effect On Social Security

Your social security benefits may be reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make and that we match to the Federal Social Security System.

Highly Compensated And Key Employees

Under the Internal Revenue Code, “highly compensated employees” and “key employees” generally are Participants who are officers, shareholders or highly paid. You will be notified by Union College each Plan Year whether you are a “highly compensated employee” or a “key employee”.

If you are within these categories, the amount of contributions and benefits for you may be limited so

that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents. Federal tax laws state that a plan will be considered to unfairly favor key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan. Plan experience will dictate whether contribution limitation on “highly compensated employees” or “key employees” will apply. You will be notified of these limitations if you are affected.

Account Statements

Union College will provide you with a statement of your account, periodically during the Plan Year, that shows your account balance. It is important to read these statements carefully so you understand the amount remaining in your spending account(s). Remember, you want to spend all the money in your spending account(s) by the end of the Plan Year.

Health Insurance Portability And Accountability Act (HIPAA)

Title I of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) protects health insurance coverage for workers and their families when they change or lose their jobs. Under HIPAA, the College is required to provide “Certificates of Prior Creditable Coverage” for previous health insurance coverage. You may need to provide this certificate if medical advice, diagnosis, care, or treatment was recommended or received for a condition within the six (6) month period prior to your enrollment in a new plan. When you become covered under another group health plan, check with the plan administrator to see if you need to provide this certificate. You may also need this certificate to buy, for yourself or your family, an insurance policy that does not exclude coverage for medical conditions that are present before you enroll.

Title II of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) addresses Administrative Simplification provisions. These provisions require the Department of Health and Human Services to establish national standards for electronic health care transactions and national identifiers for providers, health plans, and employers. It also addresses the security and privacy of health data.

All employee protected health information (PHI), manual and electronic, shall be maintained in a manner consistent with privacy standards established by HIPAA.

PLAN INFORMATION

Your ERISA Rights

As a participant in the group benefits plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974, known as ERISA. ERISA provides that all Plan Participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all Plan Documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports.
- Obtain copies of all Plan Documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this Summary Annual Report.

In addition to creating rights for Plan Participants, ERISA imposes obligations upon the persons who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called "Fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and Beneficiaries.

No one, including your Employer, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If it should happen that Plan Fiduciaries misuse the Plan's money or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, if it finds your claim is frivolous.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the Pension and Welfare Benefits Administration.

How To Submit A Claim

Notice of Claim. Claim forms are available in Human Resources, Union College, 17 South Lane, Schenectady, NY, 12308 or call 518-388-6108.

Proof of Claim. All claim forms must be accompanied by the itemized bill or statement of services and the corresponding Explanation of Benefits.

Payment of Benefits. In general, claims payments will be paid directly to the providers. However, if the claim submission indicates that you have already paid the provider, the benefits payable under the group policy will be payable to you. Note that reimbursement for prescription drugs will be made payable to you.

Assignment. Your insurance is a non-assignable (coverage cannot be transferred to another person).

Claims Procedures

The following claims procedures conform to requirements of ERISA for filing claims under the Plan in the event that you wish to make a claim for benefits.

Benefit Determinations

Post-Service Claims

Post-Service Claims are those claims that are filed for payment of benefits after health care has been received. If your post-Service Claim is denied, you will receive a written notice from the Plan Administrator within 30 days of receipt of the claim, as long as all needed information was provided with the claim. The Plan Administrator will notify you within this 30 day period if additional information is needed to process the claim, and may request a one time extension not longer than 15 days and pend your claim until all information is received.

Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45 day time frame and the claim is denied, the Plan Administrator will notify you of the denial within 15 days after the information is received. If you don't provide the needed information within the 45 day period, your claim will be denied.

A denial notice will explain the reason for denial, tell you where in the Plan to find the explanation of coverage, and provide the claim appeal procedures.

Legal Proceedings

Notwithstanding the foregoing, and to the extent permitted by law, no action at law or in equity can be brought under any benefit after one year from the date of service.

GENERAL INFORMATION ABOUT THE PLAN

The following information is provided to you in accordance with the Employee Retirement Income Security Act of 1974 (ERISA). This plan summary, together with the Plan Document constitutes your Summary Plan Description required by ERISA.

Union College is providing this information, to comply with the ERISA reporting rules and regulations.

Employer/Plan Sponsor	Union College Human Resources Schenectady, NY 12308 (518) 388-6133
Employer Identification Number	14-1338580
Plan Number	501
Plan Type	Welfare Benefit Plan
Plan Year	The plan year is the 12-month period ending on December 31 st .
Plan Administrator and Agent for service of legal process	Union College Human Resources Schenectady, NY 12308 (518) 388-6108
Type of Administration	The Plan is self insured
Source of Contributions to the Plan	Union College provides the flex dollars given to employees through the flex benefit enrollment application. Based on the insurance plans chosen, the employee will pay a pre-determined amount, per pay period, through payroll deductions. Employees contribute to the spending accounts, per pay period, at a level chosen by them through payroll deductions.