Tooele City

125 CAFETERIA PLAN

Summary Plan Document

Administered by Public Employees Health Program (PEHP)
560 East 200 South, Suite 110, Salt Lake City, Utah 84102-2004

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INTRODUCTION

Most of us have health care expenses that health insurance does not cover. In addition, many of us pay a considerable amount of money each year for dependent day care expenses. These out-of-pocket expenses take a big bite out of our take home pay. That's why your Employer has expanded its employee benefits program by offering THE 125 CAFETERIA PLAN, administered by the Public Employees Health Program (PEHP). The Cafeteria Plan saves you money and helps your pay go farther.

This document briefly describes advantages and special rules that apply to the Cafeteria Plan. Please read it carefully. It will help you understand how the program works so that you can take full advantage of its many attractive features. If there is anything you do not understand, contact the PEHP, at (801) 366-7503 or (800) 753-7751.

HOW THE CAFETERIA PLAN WORKS

The Cafeteria Plan program increases your spendable income by reducing your taxes. It accomplishes this by allowing you to use "before-tax" dollars to pay for specific out-of-pocket health care and dependent day care expenses. Employees who do not participate in the Cafeteria Plan program will pay the same type of expenses with "after-tax" dollars.

The difference between "before-tax" and "after-tax" dollars is very important. "Before-tax" dollars is your gross pay before Federal, State, and Social Security taxes are calculated and deducted. "After-tax" dollars is the net amount remaining after all taxes have been deducted from your pay. It makes good sense to use "before-tax" dollars to pay for eligible health care and dependent day care expenses.

CAUTION SHOULD BE USED IN DETERMINING THE AMOUNT TO BE DEDUCTED FROM YOUR PAYCHECK FOR THE CAFETERIA PLAN, AS UNUSED FUNDS CANNOT BE RETURNED. In 2005, the IRS relaxed the “use it or lose it” rules by allowing $570 to rollover to the next plan year. The rollover amount may adjust annually for inflation. The rollover only applies to the Health FSA accounts.

Cafeteria Plan Reimbursement Accounts

There are two types of accounts you may use when participating in the Cafeteria Plan program: one for health care and one for dependent day care. You can open one or the other-or both! You decide how much you want to set aside in an account for the plan year, up to the allowed $2,850 maximum for health, may adjust annually for inflation, and $5,000 for dependent day care. Through payroll deductions, money is conveniently and automatically deposited into a Cafeteria Plan Reimbursement Account each pay period throughout the year-before Federal, State, and Social Security taxes are computed. The minimum contribution necessary to participate is $130.00 per plan year.

PEHP provides benefit cards with medical reimbursement accounts. These cards are the most efficient method of using your **medical flexible spending** contributions. When you pay co-payments on benefits covered by your PEHP insurance, use the card. The provider will send the claim information to PEHP for payment of their portion. PEHP FLEX personnel will use the claim information to process the charge on the card as a flex claim and reduce your account. If we cannot match the claims data and the card charges, PEHP will contact you and request additional documentation. You do not have to file a claim for charges on the card, but always save your receipts and documentation.

Sometimes you will be able to charge items that are not covered by PEHP insurance on the card, such as other than PEHP insurance, vision exams, and prescription glasses. Since there will be no claims data, PEHP will contact you and request documentation.

If you have an eligible expense for which you did not or could not use the card (non-prescription drugs, band aids, etc. or when your balance is too low to pay the amount from the card), you can submit a claim form to the Public Employees Health Program at 560 East 200 South Suite 100, Salt Lake City, UT 84102-2004. You will then be reimbursed with direct deposit or a check from PEHP with the tax-free money that you have set aside in the account. PEHP will not pay the provider directly except by use of the card.

The Cafeteria Plan Can Save You Money

The Cafeteria Plan saves you money because the money contributed to a Cafeteria Plan Reimbursement Account is not taxed. Cafeteria Plan deductions are taken out of your gross pay before Federal, State, and Social Security taxes are calculated. This means that your taxable income (the income reflected on your annual W-2 form) is lowered. By lowering your taxable income, you'll pay less tax and have more money to spend.

Here's an example of how this works. . .

Susan and Glen both earn $40,000 a year, and pay out of their own pocket $400 for health care and $2,000 for dependent day care incurred during the year. Susan decides to enroll in a Cafeteria Plan Health Care and Dependent Day Care Account. Glen decides not to participate in either Cafeteria Plan account, but claims the dependent childcare credit on his tax return.

	Susan	Glen
Annual pay	$40,000	$40,000
Before-tax Cafeteria Plan contributions (health care and dependent day care expense)	-2,400	-0-
Taxable Income	$37,600	$40,000
Estimated Utah Income Taxes	-1,553	-1,723
Soc Sec Taxes (7.65%)	-2,876	-3,060
Estimated Federal Income	-3,866	-4,226
Take-home pay	$29,305	$30,991

After-tax payment of health care and dependent day care expenses	-0-	-2,400
Federal Tax Credit / Child Care	-0-	400
Remaining annual spendable income	$29,305	$28,991
Increase in spendable income	$ 314	

By using the Cafeteria Plan Reimbursement Accounts, Susan saves $314 in taxes. Glen, on the other hand, is taxed on his full pay. This means that Susan has $314 more in spendable income, even after paying the same $2,400 in expenses that Glen paid. Why pay more taxes than you have to? It makes good sense to use a Cafeteria Plan Reimbursement Account to pay for eligible health care and dependent day care expenses.

This is a conservative example based on the 1999 tax tables. Taxes were calculated for a head-of-household with two exemptions. Of course, the increase in spendable income will vary depending upon the amount that you decide to set aside in a Cafeteria Plan Reimbursement Account and your own individual tax situation.

Immediate Tax Savings

Since The Cafeteria Plan contributions are deducted every pay period, in equal installments throughout the year, your tax savings are immediate--not just when your tax return is filed at the end of the year. Expenses reimbursed with tax-free dollars from a Cafeteria Plan account may not be claimed again as a tax deduction on your annual tax return. In other words, you cannot claim your expenses twice.

YOUR CAFETERIA PLAN HEALTH CARE REIMBURSEMENT ACCOUNT

You can set aside any amount, up to $2,850 a year, in a Cafeteria Plan Health Care Reimbursement Account. This tax-free money is used to reimburse you for eligible health care expenses. To be eligible for reimbursement, you must incur an eligible expense on or after your effective date of coverage during the plan year that you are participating in a Cafeteria Plan Health Care Reimbursement Account. Expenses may be for you or any other person who satisfies the definition of an eligible dependent. Eligible dependents include anyone who qualifies as a dependent for tax purposes under the Internal Revenue Code.

You should only contribute enough money to a Health Care Reimbursement Account to cover the eligible health care expenses that you will incur during the plan year. Since coverage and co-payments vary depending upon which health insurance plan (if any) you or your dependents are enrolled in, consult your plan document for information on coverage limitations AND exclusions. Remember, any money you elect to have deducted into the Cafeteria Plan Reimbursement Account program, in excess of the Rollover amount, may be forfeited if you are unable or choose not to claim it within the plan period guidelines.

Eligible Health Care Expenses

In general, any health care expense incurred from legal treatments provided by a licensed health care practitioner, while practicing within the scope of their license and which is not covered by health insurance, is an eligible expense. Additionally, all referrals and prescribed treatments must be made by licensed health care providers practicing within the scope of their license to qualify as an eligible expense.

Here is a partial listing of the type of expenses which may qualify for reimbursement under a Cafeteria Plan Health Care Reimbursement Account:

Medical

- Acupuncture
- Allergy Injections
- Alcohol and Drug Rehabilitation Programs*
- Artificial Eyes and Limbs
- Blood Transfusions
- Charges not considered "Reasonable and Customary"
- Chiropractic Care
- Diabetic Supplies*
- Experimental Procedures
- Hearing Care
- Insulin Treatments
- Insurance Deductibles and Co-payments
- Nursing
- Organ Transplants
- Over the Counter Medication
- Physical, Speech and Occupational Therapy
- Prescriptions and non-prescription drugs
- Psychotherapy
- Radium Therapy
- Routine Physical Exams
- Sterilization Equipment and Supplies*
- Arches
- Back Supports
- Birth Control Supplies
- Braces and Splints
- Crutches
- Hearing Aides
- Instruction, Training, and Equipment for the Deaf
- Orthopedic Shoes
- Orthotics
- Oxygen and Equipment
- Support Hosiery
- Wheelchairs

Dental

- Bridges
- Cleaning Teeth
- Crowns
- Dental X-rays
- Dentures
- Extracting Teeth
- Fillings
- Fluoride Treatments
- Gum Treatments
- Oral Surgery
- Orthodontics
- TMJ

Vision

- Eye Exams
- Eyeglasses
- Contact Lenses, including lens care supplies
- Laser Eye Surgery
- Instruction, Training, and Equipment for the Blind

Miscellaneous

- Organ Donor Expenses
- Medical equipment and qualified home improvements*
- Maintaining a Mentally Disabled Children in a Special Home
- Remedial reading for a Child Suffering from Dyslexia*
- Smoking Cessation Programs*
- Feminine Hygiene products
- Special School Costs for Physically and Mentally Disabled Children with Severe Learning Disabilities*

*Must be prescribed by a Medical Doctor, Doctor of Optometry, Doctor of Podiatry, or Osteopathic Physician for a specific medical condition. A copy of the prescription(s) must accompany expense documentation each time such an item is claimed for Cafeteria Plan reimbursement.

For more information, please consult IRS Publication 502. However, insurance premiums do not qualify for reimbursement from Health Spending Accounts.

Medicare / Medicaid Entitlement

A Participant's revocation or amendment of participation during the Plan Year, and new election for the remainder of the Plan Year, is allowable if the Employee, Spouse, or Dependent Child becomes entitled to coverage under Medicare or Medicaid.

Health Care and Taxes

Unless your out-of-pocket health care expenses exceed 7.5% of your total adjusted gross income, you will not be able to claim them on your Federal tax return. For instance, if your adjusted gross income is $18,000, your health care expenses must exceed $1,350 and then only the expenses exceeding $1,350 can be deducted. Non-prescription drugs and bandages cannot be included in medical expenses on your tax return, but they are reimbursable from a medical flexible spending account. What can you do about this? Open a Cafeteria Plan Health Care Reimbursement Account! Paying out-of-pocket costs with before-tax dollars gives you immediate tax savings and increases your spendable income.

YOUR CAFETERIA PLAN
DEPENDENT DAY CARE REIMBURSEMENT ACCOUNT

The amount that you can contribute to a Cafeteria Plan Dependent Day Care Reimbursement Account depends upon whether you are married or single. If you are married, tax laws require that both you and your spouse be employed to use a Dependent Day Care Reimbursement Account (see exception noted below).

- If you are single, you can set aside up to $5,000 a year in a tax-free Dependent Day Care Reimbursement Account.
- If you are married and file a separate tax return, you can put up to $2,500 into a Dependent Day Care Reimbursement Account.
- If you are married and file a joint tax return, the maximum contribution is the lesser of your two incomes, up to a $5,000 limit. For example, suppose you earn $18,000 a year and your spouse earns $4,000, the maximum amount that could be payroll deducted for the Cafeteria Plan Dependent Day Care account is $4,000.
- The minimum contribution is $10.00 per payday.

To be eligible for reimbursement:

- An expense must be incurred on or after your effective date of coverage
- It must occur during the time frame allowed for the plan year in which you are participating in a Cafeteria Plan Dependent Day Care Reimbursement Account
- It must qualify as an eligible expense under the program rules

You should only contribute enough money to a Dependent Day Care Reimbursement Account to cover the eligible dependent day care expenses that you will incur during the plan year. Remember, any money you elect to have deducted into the Cafeteria Plan Reimbursement Account Program may be forfeited if you are unable or choose not to claim it within the plan period guidelines.

Eligible Dependent Day Care Expenses

The dependent or childcare costs that you incur, in order for you and your spouse (if applicable) to work, qualify as eligible expenses. In addition, if your spouse is disabled or attends school and is not able to care for your eligible dependents, costs incurred to care for your eligible dependents may also be covered. Eligible dependents include anyone who qualifies as a dependent for tax purposes under the Internal

Revenue Code. You may not use a Dependent Day Care Reimbursement Account to pay for babysitting expenses for a social event or for the cost of sending your child to an overnight camp.

Also excluded is any expense that is excluded by federal regulations including but not limited to food, clothing, or educational services unless these services are minimal or insignificant and inseparable from the portion of the expense that is for care, or for the individual's well being and protection. Educational services where the primary purpose is education, not care, include, but are not limited to, elementary and secondary schools, summer schools, continuing education classes, etc.

Some examples of eligible expenses are:

- A qualified day care center, nursery school, babysitter, or nurse.
- A maid or cook, if part of their job is to care for a person who qualifies for dependent day care.
- A relative who provides dependent day care, if the relative is not your dependent for income tax purposes or your child or stepchild under age 19.

To qualify for reimbursement under this program, your dependent children must be under age 13.

- Dependents that are age 13 or older must be totally disabled and spend at least eight hours each day in your home.
- If dependent day care services are provided by a day care facility that cares for more than six children at once, it must be a state licensed day care center.
- You must furnish the name, address and taxpayers' identification number (Social Security number) of each day care facility or private individual that provides care on each Cafeteria Plan claim submitted.(1)

Dependent Day Care and Taxes

Eligible dependent day care expenses can save you taxes in two different ways: you may be entitled to a tax credit on your individual tax return, and you may participate in a Cafeteria Plan Dependent Day Care Reimbursement Account.

The maximum Federal tax credit available for one dependent is $2,400 and $4,800 for two or more dependents. This number may adjust annually. (Please note: the available tax credit and the additional savings realized on Social Security and State taxes, by participation in a Cafeteria Plan Dependent Day Care Reimbursement Account may result in greater tax savings than the Federal tax credit. Generally speaking, families earning around $25,000 or more are better off using a (Dependent Day Care Reimbursement Account). Participation in a Dependent Day Care Reimbursement Account would also benefit certain low-income families (i.e., families who have adjusted gross incomes which result in no Federal income tax liability, do not benefit from a tax credit, but would save on Social Security taxes).

It is important to note that new tax laws, effective January 1, 1989, reduce dollar for dollar the Federal tax credit available to you when you participate in a Dependent Day Care Reimbursement Account. For example: if your tax credit is $4,800 and you use a Dependent Day Care Reimbursement Account to pay $4,000 in dependent day care expenses, you can only claim up to an $800 credit on your Federal tax return.

Expenses claimed through a Cafeteria Plan account cannot be claimed again as a yearend tax credit; however, that portion of eligible expenses not claimed through The Cafeteria Plan may be eligible for a yearend tax credit.

Before making your final decision about participation in a Cafeteria Plan Dependent Day Care Reimbursement Account, please consult a tax professional.

HOW THE CAFETERIA PLAN AFFECTS YOUR OTHER BENEFITS

Many of the benefits that you receive are based upon your salary. Included in this category are disability coverage, retirement, social security, and deferred compensation. Of these, the only benefits that could possibly be affected by your participation in The Cafeteria Plan are social security and deferred compensation.

Social Security

Since The Cafeteria Plan contributions are deducted on a before-tax basis, they are not included in your F.I.C.A. taxable wages. As a result, your Social Security benefit at retirement may be reduced, but only slightly. With the changes in Social Security benefits and taxes, and with the increasing age at which employees can receive Social Security retirement benefits, the calculation of the actual impact may be different for each individual. However, the savings in taxes more than make up for the small loss of Social Security benefits at retirement. If you want to know the actual impact on your benefits, contact the Social Security Administration.

Deferred Compensation

Additional tax savings may be realized if you choose to participate in both The Cafeteria Plan and one of the Deferred Compensation Plans (DCP), either a 401(k),457or 403(b). Income, for DCP purposes, means your income remaining after all tax-free and tax-deferred deductions have been taken. Since The Cafeteria Plan contributions are tax-free, the maximum DCP contribution that you are allowed to make may be lower than anticipated depending on the amount of The Cafeteria Plan contribution. Please call the Public Employees Health Program (801) 366-7503 if you have any questions regarding the Cafeteria Plan program affect on DCP. However, remember that dollars directed to 401(k), 457 or 403(b) plans also reduce your State and Federal tax withholdings (but not FICA withholdings).

CAFETERIA PLAN ELIGIBILITY AND ENROLLMENT

All medical insurance eligible employees may enroll and participate in the Cafeteria Plan program. Others may be eligible. If you are unsure whether you are eligible to participate or not, check with your payroll person.

The annual open enrollment period will be held in the month of May for the following plan year. To participate in an upcoming year, you must enroll online at www.pehp.org or return a completed enrollment form to the Public Employees Health

Program, 560 East 200 South, Suite 100, Salt Lake City, UT 84102-2004 by the end of the enrollment period. You must re-enroll each year that you wish to participate in the Cafeteria Plan program. This gives you the opportunity to evaluate your needs for the new period and possibly change your elected deduction amounts. Enrollment forms are available online at www.pehp.org.

New employees may enroll within the first 60 days of their employment by providing the Public Employees Health Program with a completed enrollment form or online election and verification of hire date.

Employees who have a change in family status (i.e., marriage, divorce, birth of a child, etc.) may enroll within 60 days of the event. Proper documentation (marriage license, birth certificate, divorce decree, etc.) and a completed Cafeteria Plan application must be received by the Public Employees Health Program within 60 days of the change in family status.

It is then the employee's responsibility to monitor their own paycheck stubs to see that the intended change occurs. If the expected change does not take place, the employee must contact their payroll department or Public Employees Health Program (801) 366-7503 immediately so that adjustments can be made.

EFFECTIVE DATE OF COVERAGE

When you enroll in the Cafeteria Plan during the open enrollment period, your coverage becomes effective on July 1st, the start of the next plan year. For new employees who enroll within the first 60 days of their employment, coverage becomes effective on their hire date. If an employee, following a change in family status (i.e. marriage, divorce, birth of a child, etc.):

- Enrolls in a Cafeteria Plan account, coverage is effective on the date that the family status change occurred.
- Chooses to increase contributions to an existing Cafeteria Plan account; the original effective date of coverage for the current plan year applies to the increased amount.
- Wishes to decrease or stop payroll deductions to an existing Cafeteria Plan account, there is no change to the effective date of coverage.

You may submit claims for eligible expenses incurred on or after the effective date of coverage for the plan period in which you are enrolled.

CHANGING YOUR CAFETERIA PLAN DEDUCTIONS

The payroll deduction that you choose for the Cafeteria Plan may not be changed during the course of a year unless you have a change in status, change in your family's status (i.e., marriage, divorce, birth of a child, etc.) and/or change in your employment status. Within 60 days of the change in status you are required to furnish the Public Employees Health Program 560 East 200 South, Suite 100, Salt Lake City, UT 84102-2004 with proper documentation (marriage license, birth certificate, divorce decree, etc.) and complete a new Cafeteria Plan application. Payroll deductions may be started, stopped, increased or decreased if one of the above status changes occur. However, the change in the new election must be consistent with the status change.

In addition, money cannot be transferred between Cafeteria Plan accounts. There are strict government rules, which state that the money contributed to each account must remain completely separate and dedicated to its original elected purpose.

CAFETERIA PLAN CLAIM AND REIMBURSEMENT PROCESS

The Cafeteria Plan covers eligible health care and dependent day care expenses that are incurred for the plan year that you are enrolled. This means that treatment and/or services must be provided on or after your effective date of coverage and during the time allowed for the plan year that you are a participant. The date that an expense was paid has no bearing on whether or not it is eligible under the program.

Whenever you have verification of an eligible expense that was not paid with the card, you must complete a Cafeteria Plan claim to receive reimbursement. Claim forms may be obtained from your department payroll clerk. Claims will be processed and the eligible amount reimbursed directly to you by PEHP. Cafeteria Plan reimbursements will not be considered part of your taxable income for the year.

Claim Submission Deadlines

PEHP processes paper claims with in two days of receipt. Direct deposit and check payments will be made at least twice a week. You have 90 days following the end of the plan year to submit claims to the Public Employees Health Program for reimbursement of health care and/or dependent day care expenses incurred for the previous plan year.

Claim Documentation

When submitting Cafeteria Plan paper claims, each expense that you claim must be supported by appropriate documentation. Appropriate documentation includes good quality copies of original: receipts, statements, OR any other document that shows the name of the provider, the service date, the type of service, and the amount of your total out-of-pocket expense.

It is recommended that you keep your own original receipts of service and billings, regardless of whether the card was used or you paid by other means. A personal record should be kept of exactly what you have submitted. This is especially important because the Public Employees Health Program is unable to provide you with copies of The Cafeteria Plan claims and claims documentation.

If the required information is not on the claim, the claim may be rejected and sent back to you. The minimum required data includes: social security number, employee name and address information, date(s) of service received, type of service received, service provider, and amount of the claim. In addition, the claim MUST be signed, and if you are submitting a dependent day care claim, the provider's tax ID number must be provided.

Health Care Claims

If an expense is not covered by a medical or dental plan, itemized statements or receipts from the health care provider are acceptable as documentation. In addition, some health care expenses may require that a written prescription be furnished by your physician or health care provider.

Medical claims are prepaid up to the elected annual deduction amount, even though the reimbursement may be more than you have had deducted at that time. If you should terminate before the end of the plan year, and have been reimbursed more than you have had deducted through the Cafeteria Plan program, you may have the additional amount deducted from your final paycheck.

Some form of documentation must accompany each item claimed, including claims for ongoing service situations. Due to the unique nature of orthodontia expenses, the following special documentation requirements have been established for paper claims:

- The first orthodontia claim submitted must include a copy of the written agreement between you and the orthodontist, indicating the total estimated charges and the period of treatment.
- All claims submitted must include copies of receipts from the orthodontist as evidence of payment.

When using the card, documentation in addition to the claims data from PEHP may be needed for dental claims. We will contact you if we need the documentation.

Dependent Day Care Claims

Acceptable documentation for dependent day care expenses are copies of provider issued receipts or statements. PLEASE NOTE: To comply with new Federal tax law, the provider's name, address and taxpayer identification number (Social Security number) must be listed on each dependent day care claim. This information should be noted in the "NAME OF PROVIDER AND TAX ID#" section of the Cafeteria Plan Reimbursement claim form. The card is not available for dependent day care

Denied Cafeteria Plan Claims

Denied Cafeteria Plan claims may be appealed. Appeals must be received in writing, along with any supporting documentation, by the PEHP within 60 days of the denial notification. The PEHP will then respond within 60 days of receipt of your appeal.

Participants will be informed of all claims denied by the PEHP as being ineligible for reimbursement. Participants may not necessarily be informed if reimbursement is not forthcoming due to the amount claimed being more than the amount chosen as the elected deduction amount, for dependant day care.

With the Dependent Day Care Account, participants are only allowed reimbursement for the amount they have contributed.

With the Health Care Reimbursement Account, participants can only be reimbursed for the amount they have elected to contribute during the plan year.

Name and Address Changes

Employees are responsible for informing their own payroll/human resource department whenever there is a name and/or address change. Employees should then monitor their paychecks to verify that the name and/or address change takes place within the payroll system. Employees must include the correct home address on the claim. Failure to do so may result in delays in receiving Cafeteria Plan reimbursements. This can be avoided by signing up for direct deposit.

Duplicate Reimbursement/Overpayment

If reimbursement from Cafeteria Plan and any other source exceeds 100% of a health care or dependent day care expense, the Public Employees Health Program will either require you to refund the excess amount or will adjust future claim payment(s). In the event that your Cafeteria Plan reimbursements exceed the total amount that you have contributed for the year, you will be required to refund the difference within 15 days after notification by the Public Employees Health Program.

Termination of Employment/Employment Status Change

If your employment terminates, you retire, or you go from an eligible to an ineligible status during the year, you may either pre-pay the remaining obligation under the Salary Reduction Agreement, chose to continue your cafeteria plan benefit by filing out a COBRA enrollment form, or revoke all existing benefit elections and terminate your entitlement to the reimbursement of expenses incurred during the Plan Year.

A Participant who separates from service may elect to pre-pay the remaining obligation under the current Salary Reduction Agreement. The Participant may then apply for reimbursement throughout the end of that Plan Year.

If a Participant who separates from service elects COBRA, they will continue to make contributions to the Plan to provide for the funding of Benefits for the remainder of that Plan Year. If the individual (Qualified Beneficiary (QB)) who elects COBRA fails to timely make any required contributions, that QB shall not be entitled to reimbursements for the portion of the Plan Year for which contributions were not made. (Refer to COBRA requirements under Article 8 of the Plan Document)

In the event of your death, reimbursement for eligible expenses may be filed by your dependents (if any) until your accumulated contributions have been exhausted. In no event, however, will reimbursement be made for claims received after the applicable Cafeteria Plan claims submission deadlines.

A Participant, who separates from service and then returns to service as an Eligible Employee within 30 days, may have the previous election automatically reinstated for the remainder of that Plan Year. If the former Participant returns to service as an Eligible Employee after 30 days, the Employee may make a new election or resume the previous election for the remainder of that Plan Year.

BEFORE YOU DECIDE

Take some time to think about the health care needs of your family. Review last year's medical, dental, and vision expenses and those from the year before. Then, estimate your out-of-pocket expenses for the upcoming year considering what your medical and/or dental plan(s) cover and what portion you must pay.

If you pay for dependent day care, estimate the amount you expect to pay over the next year. Consider any changes that will occur in dependent day care costs and in the number of eligible dependents you may claim. Remember to take into account such predictable events as family vacations, children entering school, etc.
Cafeteria Plan Reimbursement Accounts should only be used for expenses that you can accurately predict. Ask yourself these questions. . .

Does anyone in my family wear contacts, glasses, or a hearing aid?
Do my children need orthodontia? Does my doctor want me to quit smoking?
Do I have any small medical bills, not covered by insurance, that chip away at my hard-earned paycheck?
Do I pay for the care of an incapacitated spouse or dependent parent?
Do I have young children who need day care so I can work?
Do I pay a housekeeper to care for my child part of the day?

If you answer YES to any of the above questions, a Cafeteria Plan Reimbursement Account may be right for you. Why not pay your predictable health care and dependent day care expenses with tax-free money?

ABOUT THIS DOCUMENT

This document summarizes the major features of the 125 Cafeteria Plan (Cafeteria Plan). It is recommended that you attempt to refer to the most recent printing of this material occasionally during the plan year. Every effort has been made to make sure this information is clear, easy to understand and accurate. The official plan document contains complete plan provisions and is available for inspection, upon request, through your Employer, or at the Public Employee Health Program Office. In case of any discrepancy between this document and the official plan document, the official plan document will take precedence.

FOR ADDITIONAL INFORMATION

For further clarification of the concepts and rules contained within this document, or if you are experiencing any problem with your Cafeteria Plan accounts, please contact the Public Employees Health Program, FLEX Plan Administration, 560 East 200 South, Suite 110, Salt Lake City, Utah 84102-2004 at (801) 366-7503 or (800) 753-7751.