

# **Flexible Dependent Care Reimbursement Account Summary Plan Description**

**Brandeis University**  
Office of Human Resources  
January 1, 2016

## **FLEXIBLE DEPENDENT CARE REIMBURSEMENT ACCOUNT**

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### **Benefit Overview**

A Flexible Dependent Care Reimbursement Account allows you to set aside a portion of your salary for dependent care expenses on a pre-tax basis (meaning the federal, state and social security taxes will not be taken). The portion of salary elected is placed into a dependent care expense account and is reimbursed to you as you incur expenses from the date of enrollment through the end of the plan year (Plan year runs from January 1<sup>st</sup> through December 31<sup>st</sup>) or when you become ineligible for benefits. The amount you elect to set aside will be deducted in equal amounts from your paychecks.

### **Flexible Dependent Care Reimbursement Account**

The account may be used to pay for dependent care expenses that enable you (and your spouse, if applicable) to work or to search actively for work. You can also use the account to pay for eligible dependent care expenses if your spouse is a full-time student. ("Saturday night" baby-sitting expenses do not qualify). Before you decide to enroll, you may want to compare the Flexible Dependent Care Reimbursement Account to the federal tax credit. You cannot take a federal tax deduction or credit on your income taxes for expenses reimbursed through the Flexible Dependent Care Reimbursement Account. Consult a tax advisor if you have any questions about your individual situation. It is your responsibility to comply with IRS regulations.

### **Eligible Dependents**

- Your Children under age 13 and for whom the taxpayer is entitled to a dependent deduction under the Internal Revenue Code;
- your spouse, if they are physically or mentally incapable of self-care; and
- Any other person considered a dependent for tax purposes who is physically or mentally incapable of caring for himself or herself.

### **Eligible Dependent Care Expenses**

The following is a partial list of expenses that may be eligible for reimbursement through the Flexible Dependent Care Reimbursement Account:

- Payment made for services provided in your home as long as services are not provided by someone you also claim as a dependent, nor by your child who is under age 19.
- Payments made for dependent child (child younger than age 13) care services outside your home. If you use the services of a dependent care center that provides care for at least six people (other than residents), the center must be in compliance with state and local laws.
- Expenses for summer day camp programs are allowable but only when the primary purpose of the camp is care; however, if camp hours exceed the employee's working hours, submit only that portion of expense incurred for work-related hours. **Overnight camp is NOT an allowable expense, even on a prorated basis.**
- Payments made for care outside your home for a spouse or for dependents of any age who are mentally or physically disabled and that person must spend at least eight hours a day in your home (this restriction does not apply to dependents under the age of 13).

For more information about eligible and ineligible dependent care expenses, refer to IRS Publication 503, Child and Dependent Care Expenses, available from the IRS or through the IRS Web site at [www.irs.ustreas.gov](http://www.irs.ustreas.gov).

### **Contribution Limits**

The maximum dependent care deposit, established by the IRS, is the least of the following:

- Actual costs;
- The earned income of the lower paid spouse;
- \$5,000 (\$2,500 if you are married and file separate federal tax returns). The \$5,000 is a family maximum;
- Or if you spouse is physically or mentally incapable of self-care or is a registered full-time student, you may consider spouse's earned income of \$200 monthly (\$400 monthly if you have 2 or more dependents).

### **Forfeiture of Contributions**

Per IRS regulations, if you do not spend all the money in your Flexible Dependent Care Reimbursement Account during the time you are eligible for the Plan, you forfeit the amount remaining. Please keep in mind, because of this “use it or lose it” provision; you should plan your anticipated expenses carefully before electing your expense account total.

### **Eligibility**

Regular faculty or staff who are paid by the University and are scheduled to work at least 50 percent of a normal full-time work schedule in your department and who have a minimum appointment of six months or more are eligible to enroll in the Flexible Dependent Care Reimbursement Account.

Note: Postdocs/Research Associates and those holding visiting appointments are excluded because of their temporary status.

### **Enrollment**

Eligible employees may enroll within 31 days from their date of hire or appointment, or within 31 days of when you first receive your benefits information, whichever is later. If you do not enroll when you first become eligible for the plan, you may enroll during the annual open enrollment period (usually held in November) for the Plan Year beginning January 1. A Plan Year is defined as the calendar year. In addition, you may be able to enroll in the Plan outside the open enrollment period if you experience a change in your life that has an impact on your benefits.

A Flexible Reimbursement Account Enrollment form must be completed and submitted to the Benefits section of the Office of Human Resources. The effective date of your Flex Account will be the first of the month that coincides with or immediately follows your date of hire or your enrollment deadline. Applications submitted during the open enrollment period are effective for the Plan Year beginning January 1. Expenses incurred before participation began or after participation has terminated cannot be reimbursed.

Important Note: Flexible Reimbursement Accounts do not roll over from year to year. You must submit a new application during the annual open enrollment period if you want to participate the following year.

### **Change in Amount Deducted**

According to IRS regulations, once you have indicated the amount you wish to have credited to your Flexible Dependent Care Reimbursement Account, you may not begin, stop or change this amount during the plan year, with the exception of certain changes in family status or employment status.

### **Change in Status – (Qualifying Events/Other Permissible Events)**

IRS regulations under Section 125 of the Internal Revenue Code require that once you have made your pre-tax election for coverage, you may not change them during the plan year unless you have a qualifying change in status or other permissible event. If you request an election change, it must be on account of and correspond with the change in status. If you experience a change in status, or other permissible event, you must contact the Benefits section of the Office of Human Resources within 31 days of the event; otherwise, you will need to wait until the next annual open enrollment. The plan administrator reserves the right to review and interpret all requests for a benefit change due to a change in status or other permissible event.

#### **Qualifying Events**

1. Change in legal marital status, including marriage, death of spouse, divorce, legal separation or annulment;
2. The birth, adoption or placement for adoption of a child;
3. Death of a spouse or dependent;
4. The termination or commencement of employment of your spouse, the switching from part-time to full-time (or vice versa) by you or your spouse;
5. You, your spouse, or eligible dependent begins or returns from an unpaid leave of absence; or

6. Such other events that the Administrator determines will permit the revocation of an election (and, if applicable, the filing of a new election) during a plan year under regulations and rulings of the Internal Revenue Service.

#### **Other Permissible Events**

- If you are participating in the Flexible Dependent Care Reimbursement Account, a change in your dependent care provider will be treated as a change in available coverage that will allow you to adjust your coverage level for the balance of the plan year.
- If your daycare provider cost under the Flexible Dependent Care Reimbursement Account, significantly increases or coverage is significantly curtailed, you may change your current election and elect similar coverage offered by the University for the balance of the plan year. Cost increases imposed by a day care provider who is your relative shall not be considered significant and your Flexible Dependent Care Reimbursement Account election cannot be changed for the balance of the plan year on account of such increases.

Proof of the changes are required and reviewed before any change in the amount deposited will be approved.

#### **Effective Date of Change in Status**

The change will be effective the date of the event, i.e., date of birth or marriage. Contact the Benefit section of the Office of Human Resources within 31 days of a change in status. Otherwise, you will not be able to make a change in status until the next annual open enrollment period. The Plan Administrator reserves the right to review and interpret all requests for a benefit change due to a qualifying event.

#### **Plan Administrator Adjustments to Your Deposits**

If necessary, the Brandeis Plan Administrator may increase, reduce, suspend or stop your deposit amounts at any time if:

- An adjustment needs to be made in your pay period deposit in order to meet your annual election amount (i.e. number of pay periods changes, deposit not taken from scheduled paycheck);
- Your salary, after your flexible reimbursement account contributions are deducted, does not cover the contribution to your other University benefit plans;
- To meet IRS regulations;
- If the Plan is terminated.

#### **Non-Discrimination Compliance Changes by Plan Administrator**

If the Plan Administrator determines, before or during any Plan Year, that the Plan or any benefit option under the Plan may fail to satisfy for such Plan Year any non-discrimination requirement imposed by the Internal Revenue Code or any limitation on benefits provided to Highly Compensated or Key employees, the Administrator shall impose a pro-rata reduction on the benefit elections of all Highly-Compensated or Key employees sufficient to assure compliance with such requirement or limitation.

#### **End of Employee Deposits**

Your before tax contributions to your Flexible Dependent Care Reimbursement Account end at the end of the plan year or when you become ineligible for benefits. You become ineligible if you reduce your work schedule to less than half-time, transfer to an ineligible position, transfer to an approved unpaid leave of absence, terminate your employment or retire from the University. However, you may continue to submit claims for reimbursement from your account for expenses incurred within the same Plan Year (whether incurred before or after the date participation terminates).

No such reimbursement shall exceed the remaining balance, if any, in your Flexible Dependent Care Reimbursement Account for the Plan year in which expenses were incurred.

If you die during a plan year, your spouse (or, if none, your executor or administrator) may be reimbursed from your unused account balances for eligible expenses as permitted by the plan. Claims must be submitted within 120 days of your death.

### **Forfeited Deposits**

Each Plan year you can use the Flex Reimbursement Account to pay for eligible expenses you incur during that plan year. Your account will remain open for three months beyond the end of that plan year. You can be reimbursed for expenses you incurred during that plan year but were not billed to you until after the year ended. Reimbursements during this three-month period can only be made from the prior year's account for expenses incurred during that prior year.

**Remember that any money left in your Dependent Care Reimbursement Account three months after the end of a plan year will be forfeited.** This restriction has been imposed by the IRS in return for the tax advantages provided by the accounts. Forfeited funds will be used by the University to defray costs of the administration of the plan.

### **Effects on Your Salary**

The reduction in your salary to make Flex Account deposits are made on a before tax basis each pay period. This means that it reduces your salary subject to the Social Security tax which will result in minimal decreases in social security benefits for most participants whose salary is below the Social Security wage base. Participation in this plan will not affect your salary for purposes of annual salary reviews, contributions by you or the University to the basic retirement plan, or the amount of your life insurance or disability benefits.

### **Claims Procedures**

When you have an eligible expense during the year you can file a claim against your Flexible Dependent Care Reimbursement Account. The University has chosen Crosby Benefit Systems, Inc., a third party administrator, to process reimbursements to you from your Flexible Dependent Care Reimbursement Account. All expenses you claim for reimbursement must be for services you received during the plan year while you were participating in the plan.

To file a claim, you must complete a Dependent Care Reimbursement Request Form and attach the original receipt (cancelled checks are not sufficient) showing the service provided, the name(s) of the covered dependent(s), the provider's name, address, provider tax ID number, the date the service was rendered, and the expenses. Crosby Benefits processes reimbursement request forms on a daily basis.

Submit the reimbursement form(s) with supporting documentation directly to one of the following:

Reimbursement Portal: [www.MyCrosbyBenefits.com](http://www.MyCrosbyBenefits.com)

Email: [servicecenter@crosbybenefits.com](mailto:servicecenter@crosbybenefits.com)

Fax: 978-367-9626

Mail: Crosby Benefit Systems

PO Box 25172

Lehigh Valley, PA 18002-5172

**Remember, you cannot take a federal tax deduction or credit on your income taxes for expenses reimbursed through these accounts.**

### **Deadline to Submit Claims**

You have four months following the end of a plan year (April 30th) to turn in expenses incurred during the plan year for reimbursement. **The IRS requires that any funds not used by the end of this period must be forfeited.** Because of this forfeiture requirement, it is essential that you estimate your expected dependent care expenses carefully.

## Summary Plan Description

The following information, together with the accompanying Flexible Dependent Care Reimbursement Account booklet is the Summary Plan Description required by the Employee Retirement Income Security Act of 1974. All inquiries relating to the following information should be referred directly to the Plan Administrator.

**Plan Name:** **Brandeis University Flexible Dependent Care Reimbursement Account**

**Plan Number:** **512**

**Plan Sponsor:** **Brandeis University**  
415 South Street  
Waltham, MA 02454-9110

**Plan Administrator:** **Brandeis University**  
Vice President for Human Resources  
415 South Street  
Waltham, MA 02454-9110  
(781) 736-4468

The administration of the plan shall be under the supervision of the plan administrator. To the fullest extent permitted by law, the plan administrator shall have the discretion to determine all matters relating to eligibility, coverage and benefits under the plan and the plan administrator shall have the discretion to determine all matters relating to the interpretation and operation of the plan. Any determination by the plan administrator, or any authorized delegate, shall be final and binding, in the absence of clear and convincing evidence that the plan administrator or delegate acted arbitrarily and capriciously.

**Employer Identification Number:** **04-2103552**

**Agent for Service of Legal Process:** **Brandeis University**  
Vice President for Human Resources  
415 South Street  
Waltham, MA 02454-9110  
(781) 736-4468

### **Plan Year:**

The financial record of the plan is kept on a plan year basis beginning on each January 1 and ending on each December 31.

### **Administration of Flexible Dependent Care Reimbursement Account Plan:**

The Plan is administered by the Plan Administrator with benefits provided in accordance with the provision of the applicable IRS regulations. Crosby Benefits Systems is the third party administrator.

### **Circumstances which may result in disqualification of eligibility, denial, forfeiture or suspension of benefits:**

As set forth in the accompanying Flexible Dependent Care Reimbursement Account booklet.

### **Plan Funding:**

The Plan is financed by contributions from the participating employees.

### **Amendment and Termination of Plans:**

Brandeis University has established the Plan with the bona fide intention and expectation that it will be continued indefinitely, but the University shall not have any obligation whatsoever to maintain a Plan for

any given length of time. The University, by action of its Board, also may delegate any of its power and duties with respect to the Plan or its amendments to one or more officers or other employees of the University. Any such delegation shall be stated in writing. The University will exercise good faith, apply standards of uniform application, and refrain from arbitrary action.

No vested rights of any nature are provided under the Flexible Dependent Care Reimbursement Account Plan. Any claims incurred before the date of any plan amendment or termination will be paid in accordance with the plan terms in effect at the time the claim or expense was incurred; provided the claim is filed with the Plan in accordance with the applicable claims procedures and within the applicable time limits for filing such claims.

**No Employment Rights:**

Neither the Plan nor this summary creates an employment contract nor any right to continued employment at Brandeis University.

**Denial of Claims:**

If your claim is denied, the Plan Administrator will provide claimants with a written notification within 90 days of its receipt of such claim. If special circumstances arise and additional time is required, the Plan Administrator will notify the claimant (within the initial 90 day period), explaining why additional time is needed, and by when they expect to render a final decision. In such an event, the Plan Administrator will have up to an additional 90 days to decide the claim. Any notice of denial will:

- Set forth the specific reasons for the denial,
- Cite the provisions of the Plan on which the decision is based,
- Describe any additional material or information necessary for the claimant to complete his or her claim and explain why such material or information is necessary,
- Explain the review procedure under the plan.

The claimant or their representative may appeal any denial of a claim within 60 days of receipt of such a denial by submitting a written request for review to the Plan Administrator. The claimant may also:

- Submit a statement of issues and comments, and
- Request copies, free of charge, or the opportunity to review the plan documents and any other pertinent documents, records or other information relevant to the claim.

The Plan Administrator will notify the claimant in writing within 60 days of its receipt of the request, unless special circumstances arise and the Plan Administrator requires additional time. (Upon its notification to the claimant within 60 days, the Plan Administrator may have up to 60 more days in which to make its final decision.) The notice of the Plan Administrator will specify the reasons for the final decisions and cite the plan provisions on which the decision is based. The notice will also advise the claimant of his or her rights to review or request (free of charge) copies of relevant documents, records and other information, as well as his or her rights under ERISA to bring a civil action with respect to the denial of the claim.

**STATEMENT OF ERISA RIGHTS**

As a participant in the Flexible Dependent Care Reimbursement Account, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

**Receive Information about Your Plan and Benefits**

- Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

- Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The 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.

### **Prudent Actions by Plan Fiduciaries**

In addition to creating rights for plan participants ERISA imposes duties upon the people 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, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent your from obtaining a benefit or exercising your rights under ERISA.

### **Enforce Your Rights**

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request a copy of plan documents or the latest annual report from the plan and do not receive them within 30 days, you may file suit in a Federal court. In such 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 administrator.

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain timeframes.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in federal court. 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 who have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

### **Assistance with Your Questions**

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, or if you need assistance in obtaining documents from the plan administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration