

**YOUR
HEALTH REIMBURSEMENT ACCOUNT
Plan Document
April 1, 2008**

THIS DOCUMENT IS INTENDED FOR ALL EMPLOYEES AND OTHER BENEFICIARIES
ELIGIBLE FOR AND/ OR CURRENTLY RECEIVING COVERAGE FOR BENEFITS UNDER A
HEALTH REIMBURSEMENT ACCOUNT

INDEPENDENT COLLEGES AND UNIVERSITIES BENEFITS ASSOCIATION, INC.



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OVERVIEW

In this document, we will detail important information concerning the HRA (Health Reimbursement Account), such as the eligibility rules, the vesting rules, what constitutes eligible expenditures, and the laws that protect Your rights. This document is **not** a contract between Your Employer, or The Independent Colleges and Universities Benefits Association (ICUBA) and You. Your Employer and ICUBA intend to maintain the HRA, but reserve the right, in Your Employer's sole discretion, to amend, modify in any manner or terminate HRA at any time, which may result in the modification or termination of Your coverage. Your Employer has final right to interpret any provision of the HRA. Eligible expenditures incurred prior to the HRA modification or termination will be paid as provided under the terms of the HRA prior to its modification or termination. All assets of the HRA are held in a separate account from Your Employer and therefore, are not intended to be subject to claims of any Employer or ICUBA creditor.

Read this HRA description carefully so that You understand the provisions of the HRA and the benefits You will receive. The most current edition of this plan document is always available through the Internet site Your Employer has designated for such information to be posted. You should direct any questions You have to the Employer or to the current vendor:

Quiana Moorer, Benefits Supervisor
ICUBA
P.O. Box 616927
Orlando, FL 32861-6927
Phone: 866-377-5102
Fax: 866-377-5180
E-Mail: benefitsadministration@icuba.org

You may also access Your HRA balance at <http://icubabenefits.org>.

This document constitutes the Summary Plan Description of the HRA required by ERISA Section 102.

INTRODUCTION

Your Employer has established an HRA for Employees who enroll in higher out of pocket (e.g., higher deductibles) medical plans (see IRS Notice 2002-45), such as the PPO 70 or Risk/Reward PPO or Risk/ Reward Blue Options Medical Plans. Your HRA:

1. Is funded with cash **solely** by Your Employer and not pursuant to any type of salary reduction election under an Internal Revenue Code Section 125 Cafeteria Plan or a 2003 Medicare Prescription Drug Act Health Savings Account (NO Employee contributions to the HRA are allowed);
2. Reimburses You for ALL eligible expenditures (as defined by Internal Revenue Code Section 213 and the regulations promulgated there under) incurred by You and the Your spouse and dependents (as defined in Internal Revenue Code Section 152), or a Section 152 domestic partner, up to the balance of cash funds in Your HRA, **while Your spouse and Your dependents are also enrolled in a high deductible plan**, currently administered by The Independent Colleges and Universities Benefits Association, Inc. (ICUBA);
3. Increases cash balances with Employer contributions into Your HRA, funded in equal calendar month installments on the last day of the month and any unused portion at the end of the Plan Year (April 1 through March 31) is carried forward as long as eligibility rules are still met **or while enrolled as a COBRA participant**, if benefit continuation is elected through COBRA;
4. Earns interest posted to Your available balance quarterly;
5. Allows the accumulated balance to vest with You after 36 continuous months of participation in an HRA or if You experience a break in coverage due to an USERRA leave; and
6. Balance is available through a MasterCard® health debit card or by submitting an electronic or paper claim request, and can be reviewed on-line at <http://icubabenefits.org>

An HRA is meant to encourage Employees to choose higher out of pocket medical plans (e.g., PPO 70, Risk/ Reward PPO or Risk/ Reward Blue Options medical plans offered by Your Employer). Your Employer contributes a monthly payment to Your HRA. The HRA balance is never taxed and earns interest. You may use Your HRA only for eligible expenditures.

All monies deposited into the HRA on Your behalf are deposited by Your Employer. The amount of the money deposited is in accordance to the medical plans coverage You choose and determined at the absolute sole discretion of Your Employer.

The Employer's contribution schedule to the HRA may be obtained from Your Human Resources department, or may be viewed at <http://icubabenefits.org> or the Internet site designated by Your Employer to contain such information.

The Employers' contributions to an Employee's HRA increases in conjunction with the Employees' out of pocket responsibility determined by the medical plan enrolled in (e.g. higher deductible medical plans). Once You first become enrolled in an applicable medical plan, You

are eligible to participate in the HRA. Your first deposit will be made the last day of the month following 30 days of enrollment, and subsequently every month thereafter, money is deposited into Your HRA account on the last day of each month You are eligible for an HRA.

An eligible dependent may participate in the Health Care Spending Account (HCSA) without participating in an ICUBA medical plan; however, a spouse, or a dependent must be enrolled in an ICUBA Medical plans with an HRA in order to receive reimbursement from the HRA.

Unused HRA monies roll over plan year to plan year as long as You are an active Employee enrolled in a medical plan sponsored by Your Employer that provides for an HRA benefit. Employees on COBRA are also allowed access to their balance providing You elect and contribute toward the HRA. If You are vested, You may continue to submit claims providing You pay the administration fee monthly.

You may continue to receive HRA monthly contributions while on COBRA as long as You pay 102% of the monthly HRA contribution made. For example, if Your Employer provides \$50 per month HRA contribution if You enroll in as an active employee in the PPO 70 Plan, then You may continue to receive the \$50 HRA monthly contribution on COBRA if You pay \$51 per month for that HRA contribution.

If a COBRA participant fails to purchase the monthly HRA contribution, then any HRA balances remaining are forfeited.

A former Employee with a vested HRA may continue to have access to their HRA account balance as long as they continue to pay the monthly administrative fee to the HRA administrative vendor chosen by Your Employer.

The money in an HRA is accessible to You through The ICUBA Benefits Card™, **which is a MASTERCARD® HEALTH DEBIT CARD.**

Monies placed in an HRA by an Employer for an Employee *may not revert to cash under any circumstances*; and may be used only for eligible expenditures. Upon employment termination, except in the case that You are vested in Your HRA, all monies left in the HRA return to Your Employer (i.e., it is Employer money) except for the period of time You are receiving COBRA medical benefits in a Plan that Your Employer provides HRA contributions to active Employees (and You pay for the right to receive such HRA contributions monthly). You will have 90 calendar days from the date of Your employment termination to submit claims incurred during the time You were an active Employee with Your Employer. Ninety calendar days after Your employment termination, any money left in the HRA is the Employer's, unless You have a vested HRA or You are participating in a COBRA medical plan that has an HRA attached to it for active employees (and You pay for the right to receive such HRA contributions monthly) .

ELIGIBILITY AND PARTICIPATION

Who Is Eligible?

As an Employee of a Member School participating in the ICUBA medical plan, when You enroll in a plan that offers an HRA, Your eligible dependents that are also enrolled in the ICUBA medical plans are eligible for the HRA. If during open enrollment for the Plan Year of April 1 through March 31, You enroll in a high deductible medical plan for which Your Employer provides an HRA, You commence participation in the HRA on April 1. If Your first day of eligibility in the HRA is for any other reason than during the open enrollment period, You are eligible to commence participating in the HRA the first of the month following the date You first become eligible to participate in the medical plans. Your first HRA deposit will be made at the end of the month for which You become eligible to participate in the HRA.

Enrollment and Participation Requirements

You are eligible to participate in the HRA as long as You have funds in Your HRA and You are either an active Employee receiving coverage from an eligible medical plan (i.e. the medical plan has an HRA attached), You are vested, or You are in an eligible COBRA medical plan. These funds can never be converted to cash and are portable (can be accessed beyond separation from employment for a monthly administrative fee) with 36 months continuous participation or if You have a break in coverage due to an USERRA leave. If You drop a health plan with an HRA or leave employment and do not have 36 months continuous participation, You forfeit the balance in the HRA account. If You drop a health plan with an HRA and are not vested with 36 months continuous participation, yet remain employed You also forfeit the balance in the HRA account. If You re-enroll during a later enrollment period, You start a new HRA account and a new 36-month vesting period.

COBRA Beneficiaries may participate in an HRA only so long as they are enrolled in a medical plan with an HRA, and the COBRA Beneficiary is current with his or her premium payment, which includes a monthly premium equal to 102% of the monthly HRA contribution. Dependents who become eligible for COBRA receive an HRA in the same fashion as an active Employee. Only an Employee paying for the HRA monthly contribution as a COBRA participant may have access to HRA balances accumulated up until the point of employment termination or other COBRA Qualifying Event.

Dependents are only eligible to use an HRA for eligible expenditures if they are also enrolled in an ICUBA medical plan, or the eligible Internal Revenue Code Section 152 dependent is receiving reimbursement from a vested HRA. Retirees are **not** eligible to participate in the HRA.

If an Employee vests in their HRA balance and then dies, only those eligible dependents enrolled in an Employer medical plan with an HRA may continue to participate in the HRA, and then only for the period of time that the eligible dependent receives COBRA benefits. Dependents on COBRA already at the time of the Employee death are not eligible to participate in the vested HRA.

Under Federal law, if You, Your spouse, and/or Your covered dependents (qualified beneficiaries) lose coverage under this HRA, then You, Your spouse, and/or Your covered dependents may be entitled to Continuation of Health Care Coverage (COBRA). If You take leave under the Family and Medical Leave Act, You may revoke or change Your existing

elections for health insurance. If Your coverage in these benefits terminates, due to Your revocation of the benefit due to Your non-payment of contributions while on leave, You will be permitted to reinstate coverage for the remaining part of the HRA plan year (April 1 through March 31) upon Your return. If You are going into or returning from USERRA military service, You have special rights and continue participation in the HRA as if no break in service has occurred.

HRA BENEFITS

The IRS requires that expenditures submitted for reimbursement must be substantiated.

An HRA may only reimburse a medical care expense that is attributable to a deduction allowed under Internal Revenue Code Section 213, and the regulations promulgated there under. Additionally, an HRA may only reimburse a medical care expense that is incurred after the date the HRA is in existence or an expense that is incurred after the date You are enrolled under the HRA, whichever occurs last.

Reimbursement for insurance covering medical care expenses as defined in Internal Revenue Code Section (213)(d)(1)(D) are allowable reimbursements under an HRA, **including amounts paid for premiums for health coverage for retirees and COBRA qualified beneficiaries as well as premiums for qualified long term care insurance.** Employer contributions to an HRA are not attributable to salary reduction merely because it is provided in conjunction with an Internal Revenue Code Section 125 Cafeteria Plan.

ELIGIBLE EXPENSE LISTING

The HRA will reimburse certain out-of-pocket medical, dental and vision expenses. Those eligible expenditures that qualify are those permitted by Internal Revenue Code Section 213, and the regulations promulgated there under. All expenses reimbursable by a Health Care Spending Account are eligible for reimbursement under this HRA. See IRS Publication 502 "Medical and Dental Expenses"

The following are typical eligible expenditures:

- Deductible and co-payment amounts
- Amounts, which exceed the limits of Your health plan (e.g., visits in excess of 20 for mental health, 60 visits for a chiropractor, \$1500 for a hearing aid, \$3500 for durable medical equipment, etc.)
- Dental and orthodontia charges not paid for by a dental plan (see IRS Publication 502)
- Charges for services in excess of the usual and customary charge
- Vision exams, prescription eyeglasses, and contact lenses
- Lasik and RK eye surgery
- Hearing exams and hearing aids

Eligible health care expenses are expenses incurred for medical care. According to IRS Publication 502, "**Medical care expenses include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, and for treatments affecting any part or function of the body. The expenses must be primarily to alleviate or prevent a physical or mental defect or illness. Expenses for solely cosmetic reasons generally are not**

expenses for medical care. Also, expenses that are merely beneficial to one's general health are not expenses for medical care."

The IRS has further stipulated that the expense must be direct and proximate to the diagnosis, care, mitigation, treatment, or prevention of disease or illness. Amounts paid by individuals for procedures that are directed to improving appearance and do not promote the proper function of the body are not expenses for medical care deductible under section 213 of the Code unless the procedure is necessary to correct a deformity arising from a birth defect, disfiguring disease, or injury. Therefore, breast reconstruction surgery following a mastectomy for cancer and vision correction surgery such as LASIK are deductible under section 213, but teeth whitening procedures are not deductible under section 213.

Under the HRA, COBRA, retiree insurance premiums, long-term care insurance premiums, as well as any health care expenses that are deductible under Internal Revenue Code Section 213 which are not paid by insurance or any other source that provides benefits, are eligible for reimbursement through the HRA. Please refer to IRS Publication 502 for additional information.

Healthcare expenses are incurred when the services are provided and not when You are billed for or pay for those services.

There is no limit on the age of a child for medical expenses as long as the child qualifies as a dependent for tax purposes, and is also enrolled in the ICUBA medical plans, or is receiving reimbursement from a vested HRA. The Internal Revenue Service (IRS) has four basic rules for reimbursement of eligible expenses through an HRA:

- An individual may only be reimbursed for expenses incurred while a participant in the HRA.
- An expense is incurred when the service is performed (not when it is billed or paid).
- The participant must provide SUBSTANTIATION showing that the expense has been incurred (service has been provided).
- The beneficiary receiving reimbursement from the HRA has not received such reimbursement from any other source, and does not claim such medical expense on his or her tax return.

Your Employer will provide You with an ICUBA Benefits Card™ to use to pay for Your eligible expenses.

In addition, You may submit to ICUBA proof of the expenses You have incurred that have not been paid by any other health coverage. If the request qualifies as a benefit or expense that the HRA has agreed to pay, You will receive a reimbursement payment soon thereafter. Remember, reimbursements made from the HRA are generally not subject to federal income tax or withholding, nor are they subject to Social Security taxes.

Expense List

This eligibility listing is based upon interpretation of the IRS rules and regulations pertaining to HRA administration and is not intended to be legal advice. Unless indicated, a doctor's prescription is not required to accompany the reimbursement request. This is only a partial list intended to assist You with determining the scope of eligible expenses:

Acupuncture

You can include in medical expenses the amount You pay for acupuncture.

Alcoholism

You can include in medical expenses amounts You pay for an inpatient's treatment at a therapeutic center for alcohol addiction. This includes meals and lodging provided by the center during treatment.

You can also include in medical expenses amounts You pay for transportation to and from Alcoholics Anonymous meetings in Your community if the attendance is pursuant to medical advice that membership in Alcoholics Anonymous is necessary for the treatment of a disease involving the excessive use of alcoholic liquors.

Ambulance

You can include in medical expenses amounts You pay for ambulance service.

Artificial Limb

You can include in medical expenses the amount You pay for an artificial limb.

Artificial Teeth

You can include in medical expenses the amount You pay for artificial teeth.

Autoette

See *Wheelchair*, later.

Bandages

You can include in medical expenses the cost of medical supplies such as bandages used to cover skin.

Breast Reconstruction Surgery

You can include in medical expenses the amounts You pay for breast reconstruction surgery following a mastectomy for cancer.

Birth Control Pills

You can include in medical expenses the amount You pay for birth control pills prescribed by a doctor.

Braille Books and Magazines

You can include in medical expenses the part of the cost of Braille books and magazines for use by a visually impaired person that is more than the cost of regular printed editions.

Capital Expenses

You can include in medical expenses amounts You pay for special equipment installed in a home, or for improvements, if their main purpose is medical care for You, Your spouse, or Your dependent. The cost of permanent improvements that increase the value of Your property may be partly included as a medical expense. The cost of the improvement is reduced by the

increase in the value of Your property. The difference is a medical expense. If the value of Your property is not increased by the improvement, the entire cost is included as a medical expense.

Certain improvements made to accommodate a home to Your disabled condition, or that of Your spouse or Your dependents who live with You, do not usually increase the value of the home and the cost can be included in full as medical expenses. These improvements include, but are not limited to, the following items.

- Constructing entrance or exit ramps for Your home.
- Widening doorways at entrances or exits to Your home.
- Widening or otherwise modifying hallways and interior doorways.
- Installing railings, support bars, or other modifications to bathrooms.
- Lowering or modifying kitchen cabinets and equipment
- Moving or modifying electrical outlets and fixtures.
- Installing porch lifts and other forms of lifts (but elevators generally add value to the house).
- Modifying fire alarms, smoke detectors, and other warning systems.
- Modifying stairways.
- Adding handrails or grab bars anywhere (whether or not in bathrooms).
- Modifying hardware on doors.
- Modifying areas in front of entrance and exit doorways.
- Grading the ground to provide access to the residence.

Only reasonable costs to accommodate a home to a disabled condition are considered medical care. Additional costs for personal motives, such as for architectural or aesthetic reasons, are not medical expenses.

Amounts You pay for operation and upkeep of a capital asset qualify as medical expenses, as long as the main reason for them is medical care. This rule applies even if none or only part of the original cost of the capital asset qualified as a medical care expense.

Car

You can include in medical expenses the cost of special hand controls and other special equipment installed in a car for the use of a person with a disability. You can include in medical expenses the difference between the cost of a regular car and a car specially designed to hold a wheelchair. The includible costs of using a car for medical reasons are explained under *Transportation*, later.

Chiropractor

You can include in medical expenses fees You pay to a chiropractor for medical care.

Christian Science Practitioner

You can include in medical expenses fees You pay to Christian Science practitioners for medical care.

Contact Lenses

You can include in medical expenses amounts You pay for contact lenses needed for medical reasons. You can also include the cost of equipment and materials required for using contact lenses, such as saline solution and enzyme cleaner. See *Eyeglasses* and *Eye Surgery*, later.

Crutches

You can include in medical expenses the amount You pay to buy or rent crutches.

Dental Treatment

You can include in medical expenses the amounts You pay for dental treatment. This includes fees paid to dentists for X-rays, fillings, braces, extractions, dentures, etc. But see *Teeth Whitening* under *What Expenses Are Not Includible*, later.

Diagnostic Devices

You can include in medical expenses the cost of devices used in diagnosing and treating illness and disease. For example, if You have diabetes and use a blood sugar test kit to monitor Your blood sugar level. You can include the cost of the blood sugar test kit in Your medical expenses.

Disabled Dependent Care Expenses

Some disabled dependent care expenses may qualify as either:

- Medical expenses, or
- Work-related expenses for purposes of taking a credit for dependent care.

You can choose to apply them either way as long as You do not use the same expenses to claim both a dependent care credit and a medical expense deduction.

Drug Addiction

You can include in medical expenses amounts You pay for an inpatient treatment at a therapeutic center for drug addiction. This includes meals and lodging at the center during treatment.

Drugs

See *Medicines*, later.

Eyeglasses

You can include in medical expenses amounts You pay for eyeglasses and contact lenses needed for medical reasons. You can also include fees paid for eye examinations.

Eye Surgery

You can include in medical expenses the amount You pay for eye surgery to treat defective vision, such as laser eye surgery or radial keratotomy.

Fertility Enhancement

You can include in medical expenses the cost of the following procedures to overcome an inability to have children.

- Procedures such as *in vitro* fertilization (including temporary storage of eggs or sperm).
- Surgery, including an operation to reverse prior surgery that prevented the person operated on from having children.

Founder's Fee

See *Lifetime Care—Advance Payments*, later.

Guide Dog or Other Animal

You can include in medical expenses the costs of buying, training, and maintaining a guide dog or other animal to assist a visually impaired or hearing-impaired person, or a person with other physical disabilities.

Health Institute

You can include in medical expenses fees You pay for treatment at a health institute only if the treatment is prescribed by a physician and the physician issues a statement that the treatment is necessary to alleviate a physical or mental defect or illness of the individual receiving the treatment.

Health Maintenance Organization (HMO)

You can include in medical expenses amounts You pay to entitle You, Your spouse, or a dependent to receive medical care from a health maintenance organization. These amounts are treated as medical insurance premiums. See *Insurance Premiums*, later.

Hearing Aids

You can include in medical expenses the cost of a hearing aid and the batteries You buy to operate it.

Home Care

See *Nursing Services*, later.

Home Improvements

See *Capital Expenses*, earlier.

Hospital Services

You can include in medical expenses amounts You pay for the cost of inpatient care at a hospital or similar institution if a principal reason for being there is to receive medical care. This includes amounts paid for meals and lodging. Also, see *Lodging*, later.

Insurance Premiums

You can include in medical expenses insurance premiums You pay for policies with after-tax dollars that cover medical care. Policies can provide payment for:

- Hospitalization, surgical fees, X-rays, etc.,
- Prescription drugs,
- Dental care,
- Replacement of lost or damaged contact lenses,
- Membership in an association that gives cooperative or so-called “free-choice” medical service, or group hospitalization and clinical care, or
- Qualified long-term care insurance contracts (subject to additional limitations). See *Qualified Long-Term Care Insurance Contracts* under *Long-Term Care*, later.

If You have a policy that provides more than one kind of payment, You can include the premiums for the medical care part of the policy if the charge for the medical part is reasonable. The cost of the medical part must be separately stated in the insurance contract or given to You in a separate statement.

You cannot include premiums You pay for:

- Life insurance policies,
- Policies providing payment for loss of earnings,
- Policies for loss of life, limb, sight, etc.,
- Policies that pay You a guaranteed amount each week for a stated number of weeks if You are hospitalized for sickness or injury,
- The part of Your car insurance premiums that provides medical insurance coverage for all persons injured in or by Your car because the part of the premium for You, Your spouse, and Your dependents is not stated separately from the part of the premium for medical care for others, or
- Health or long-term care insurance if You elected to pay these premiums with tax-free distributions from a retirement plan made directly to the insurance provider and these distributions would otherwise have been included in income.

Taxes imposed by any governmental unit, such as Medicare taxes, are not insurance premiums.

Laboratory Fees

You can include in medical expenses the amounts You pay for laboratory fees that are part of medical care.

Lead-Based Paint Removal

You can include in medical expenses the cost of removing lead-based paints from surfaces in Your home to prevent a child who has or has had lead poisoning from eating the paint. These surfaces must be in poor repair (peeling or cracking) or within the child's reach. The cost of repainting the scraped area is not a medical expense.

If, instead of removing the paint, You cover the area with wallboard or paneling, treat these items as capital expenses. See *Capital Expenses*, earlier. Do not include the cost of painting the wallboard as a medical expense.

Learning Disability

See *Special Education*, later.

Legal Fees

You can include in medical expenses legal fees You paid that are necessary to authorize treatment for mental illness. However, You cannot include in medical expenses fees for the management of a guardianship estate, fees for conducting the affairs of the person being treated, or other fees that are not necessary for medical care.

Lifetime Care—Advance Payments

You can include in medical expenses a part of a life-care fee or “founder's fee” You pay either monthly or as a lump sum under an agreement with a retirement home. The part of the payment You include is the amount properly allocable to medical care. The agreement must require that

You pay a specific fee as a condition for the home's promise to provide lifetime care that includes medical care. You can use a statement from the retirement home to prove the amount properly allocable to medical care. The statement must be based either on the home's prior experience or on information from a comparable home.

Dependents with disabilities: You can include in medical expenses advance payments to a private institution for lifetime care, treatment, and training of Your physically or mentally impaired child upon Your death or when You become unable to provide care. The payments must be a condition for the institution's future acceptance of Your child and must not be refundable.

Payments for future medical care: Generally, You cannot include in medical expenses current payments for medical care (including medical insurance) to be provided substantially beyond the end of the year. This rule does not apply in situations where the future care is purchased in connection with obtaining lifetime care of the type described earlier.

Lodging

You can include in medical expenses the cost of meals and lodging at a hospital or similar institution if a principal reason for being there is to receive medical care. See *Nursing Home*, later.

You may be able to include in medical expenses the cost of lodging not provided in a hospital or similar institution. You can include the cost of such lodging while away from home if all of the following requirements are met.

1. The lodging is primarily for and essential to medical care.
2. The medical care is provided by a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital.
3. The lodging is not lavish or extravagant under the circumstances.
4. There is no significant element of personal pleasure, recreation, or vacation in the travel away from home.

The amount You include in medical expenses for lodging cannot be more than \$50 for each night for each person. You can include lodging for a person traveling with the person receiving the medical care. For example, if a parent is traveling with a sick child, up to \$100 per night can be included as a medical expense for lodging. Meals are not included.

Do not include the cost of lodging while away from home for medical treatment if that treatment is not received from a doctor in a licensed hospital or in a medical care facility related to, or the equivalent of, a licensed hospital or if that lodging is not primarily for or essential to the medical care received.

Long-Term Care

You can include in medical expenses amounts paid for qualified long-term care services and premiums paid for qualified long-term care insurance contracts.

Meals

You can include in medical expenses the cost of meals at a hospital or similar institution if a principal reason for being there is to get medical care.

You cannot include in medical expenses the cost of meals that are not part of inpatient care.

Medical Conferences

You can include in medical expenses amounts paid for admission and transportation to a medical conference if the medical conference concerns the chronic illness of Yourself, Your spouse, or Your dependent. The costs of the medical conference must be primarily for and necessary to the medical care of You, Your spouse, or Your dependent. The majority of the time spent at the conference must be spent attending sessions on medical information.

Medical Information Plan

You can include in medical expenses amounts paid to a plan that keeps medical information in a computer data bank and retrieves and furnishes the information upon request to an attending physician.

Medical Services

You can include in medical expenses amounts You pay for legal medical services provided by:

- Physicians,
- Surgeons,
- Specialists, or
- Other medical practitioners.

Medicare Part A

If You are covered under social security (or if You are a government employee who paid Medicare tax), You are enrolled in Medicare A. The payroll tax paid for Medicare A is not a medical expense. If You are not covered under social security (or were not a government employee who paid Medicare tax), You can voluntarily enroll in Medicare A. In this situation, You can include the premiums You paid for Medicare A as a medical expense.

Medicare Part B

Medicare B is a supplemental medical insurance. Premiums You pay for Medicare B are a medical expense. If You applied for it at age 65 or after You became disabled, You can include in medical expenses the monthly premiums You paid. If You were over age 65 or disabled when You first enrolled, check the information You received from the Social Security Administration to find out Your premium.

Medicare Part D

Medicare D is a voluntary prescription drug insurance program for persons with Medicare A or B. You can include as a medical expense premiums You pay for Medicare D.

Medicines

You can include in medical expenses amounts You pay for prescribed medicines, drugs, and over-the-counter medications. A prescribed drug is one that requires a prescription by a doctor for its use by an individual. You can also include amounts You pay for insulin. If You imported medicines or drugs from other countries, see *Medicines and Drugs From Other Countries*, under *What Expenses Are Not Includible*, later.

Mentally Retarded, Special Home for

You can include in medical expenses the cost of keeping a mentally retarded person in a special home, not the home of a relative, on the recommendation of a psychiatrist to help the person adjust from life in a mental hospital to community living.

Nursing Home

You can include in medical expenses the cost of medical care in a nursing home, home for the aged, or similar institution, for Yourself, Your spouse, or Your dependents. This includes the cost of meals and lodging in the home if a principal reason for being there is to get medical care.

Do not include the cost of meals and lodging if the reason for being in the home is personal. You can, however, include in medical expenses the part of the cost that is for medical or nursing care.

Nursing Services

You can include in medical expenses wages and other amounts You pay for nursing services. The services need not be performed by a nurse as long as the services are of a kind generally performed by a nurse. This includes services connected with caring for the patient's condition, such as giving medication or changing dressings, as well as bathing and grooming the patient. These services can be provided in Your home or another care facility.

Generally, only the amount spent for nursing services is a medical expense. If the attendant also provides personal and household services, amounts paid to the attendant must be divided between the time spent performing household and personal services and the time spent for nursing services. However, certain maintenance or personal care services provided for qualified long-term care can be included in medical expenses. See *Maintenance and personal care services* under *Long-Term Care*, earlier. Additionally, certain expenses for household services or for the care of a qualifying individual incurred to allow You to work may qualify for the child and dependent care credit. See IRS Publication 503, *Child and Dependent Care Expenses*.

You can also include in medical expenses part of the amount You pay for that attendant's meals. Divide the food expense among the household members to find the cost of the attendant's food. Then divide that cost in the same manner as in the preceding paragraph. If You had to pay additional amounts for household upkeep because of the attendant, You can include the extra amounts with Your medical expenses. This includes extra rent or utilities You pay because You moved to a larger apartment to provide space for the attendant.

You can include as a medical expense social security tax, FUTA, Medicare tax, and state employment taxes You pay for a nurse, attendant, or other person who provides medical care. If the attendant also provides personal and household services, You can include as a medical expense only the amount of employment taxes paid for medical services as explained earlier. For information on employment tax responsibilities of household employers, see IRS Publication 926, *Household Employer's Tax Guide*.

Operations

You can include in medical expenses amounts You pay for legal operations that are not for unnecessary cosmetic surgery. See *Cosmetic Surgery* under *What Expenses Are Not Includible*, later.

Optometrist

See *Eyeglasses*, earlier.

Organ Donors

See *Transplants*, later.

Osteopath

You can include in medical expenses amounts You pay to an osteopath for medical care.

Oxygen

You can include in medical expenses amounts You pay for oxygen and oxygen equipment to relieve breathing problems caused by a medical condition.

Prepaid Insurance Premiums

Premiums You pay before You are age 65 for insurance for medical care for Yourself, Your spouse, or Your dependents after You reach age 65 are medical care expenses in the year paid if they are:

1. Payable in equal yearly installments, and
2. Payable for at least 10 years, or until You reach age 65 (but not for less than 5 years).

Prosthesis

See *Artificial Limb*, earlier.

Psychiatric Care

You can include in medical expenses amounts You pay for psychiatric care. This includes the cost of supporting a mentally ill dependent at a specially equipped medical center where the dependent receives medical care. See *Psychoanalysis*, next, and *Transportation*, later.

Psychoanalysis

You can include in medical expenses payments for psychoanalysis. However, You cannot include payments for psychoanalysis that is part of required training to be a psychoanalyst.

Psychologist

You can include in medical expenses amounts You pay to a psychologist for medical care.

Qualified Long-Term Care Insurance Contracts

A qualified long-term care insurance contract is an insurance contract that provides only coverage of qualified long-term care services. The contract must:

1. Be guaranteed renewable,
2. Not provide for a cash surrender value or other money that can be paid, assigned, pledged, or borrowed,
3. Provide that refunds, other than refunds on the death of the insured or complete surrender or cancellation of the contract, and dividends under the contract must be used only to reduce future premiums or increase future benefits, and
4. Generally not pay or reimburse expenses incurred for services or items that would be reimbursed under Medicare, except where Medicare is a secondary payer, or the contract makes *per diem* or other periodic payments without regard to expenses.

The amount of qualified long-term care premiums You can include is limited. You can include the following as medical expenses on Schedule A (Form 1040).

1. Qualified long-term care monthly premium up to the amounts shown below.
 - a. Age 40 or under - \$290.
 - b. Age 41 to 50 - \$550.
 - c. Age 51 to 60 - \$1,110.
 - d. Age 61 to 70 - \$2,950.
 - e. Age 71 or over - \$3,680.
2. Unreimbursed expenses for qualified long-term care services.

Note. The limit on premiums is for each person.

Also, You cannot include premiums for long-term care insurance if You elected to pay these premiums with tax-free distributions from a qualified retirement plan made directly to the insurance provider and these distributions would otherwise have been included in income.

Qualified Long-Term Care Services

Qualified long-term care services are necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, rehabilitative services, and maintenance and personal care services (defined later) that are:

1. Required by a chronically ill individual, and
2. Provided pursuant to a plan of care prescribed by a licensed health care practitioner.

Chronically ill individual: An individual is chronically ill if, within the previous 12 months, a licensed health care practitioner has certified that the individual meets either of the following descriptions.

1. He or she is unable to perform at least two activities of daily living without substantial assistance from another individual for at least 90 days, due to a loss of functional capacity. Activities of daily living are eating, toileting, transferring, bathing, dressing, and continence.
2. He or she requires substantial supervision to be protected from threats to health and safety due to severe cognitive impairment.

Maintenance and personal care services: Maintenance or personal care services is care which has as its primary purpose the providing of a chronically ill individual with needed assistance with his or her disabilities (including protection from threats to health and safety due to severe cognitive impairment).

Special Education

You can include in medical expenses fees You pay on a doctor's recommendation for a child's tutoring by a teacher who is specially trained and qualified to work with children who have learning disabilities caused by mental or physical impairments, including nervous system disorders.

You can include in medical expenses the cost (tuition, meals, and lodging) of attending a school that furnishes special education to help a child to overcome learning disabilities. A doctor must

recommend that the child attend the school. Overcoming the learning disabilities must be a principal reason for attending the school, and any ordinary education received must be incidental to the special education provided. Special education includes:

- Teaching Braille to a visually impaired person,
- Teaching lip reading to a hearing-impaired person, or
- Giving remedial language training to correct a condition caused by a birth defect.

You cannot include in medical expenses the cost of sending a problem child to a school where the course of study and the disciplinary methods have a beneficial effect on the child's attitude if the availability of medical care in the school is not the principle reason for sending the student there.

Sterilization

You can include in medical expenses the cost of a legal sterilization (a legally performed operation to make a person unable to have children).

Stop-Smoking Programs

You can include in medical expenses amounts You pay for a program to stop smoking. However, You cannot include in medical expenses amounts You pay for drugs that do not require a prescription, such as nicotine gum or patches, that are designed to help stop smoking.

Surgery

See *Operations*, earlier.

Telephone

You can include in medical expenses the cost of special telephone equipment that lets a hearing-impaired person communicate over a regular telephone. This includes teletypewriter (TTY) and telecommunications device for the deaf (TDD) equipment. You can also include the cost of repairing the equipment.

Television

You can include in medical expenses the cost of equipment that displays the audio part of television programs as subtitles for hearing-impaired persons. This may be the cost of an adapter that attaches to a regular set. It also may be the part of the cost of a specially equipped television that exceeds the cost of the same model regular television set.

Therapy

You can include in medical expenses the amount You pay for therapy received as medical treatment.

You can include in medical expenses amounts You pay to an individual for giving “patterning” exercises to a mentally retarded child. These exercises consist mainly of coordinated physical manipulation of the child's arms and legs to imitate crawling and other normal movements.

Transplants

You can include any expenses You pay for medical care You receive because You are a donor or a possible donor of a kidney or other organ. This includes transportation.

You can include any expenses You pay for the medical care of a donor in connection with the donating of an organ. This includes transportation.

Transportation

You can include in medical expenses amounts paid for transportation primarily for, and essential to, medical care.

You can include:

- Bus, taxi, train, or plane fares or ambulance service,
- Transportation expenses of a parent who must go with a child who needs medical care,
- Transportation expenses of a nurse or other person who can give injections, medications, or other treatment required by a patient who is traveling to get medical care and is unable to travel alone, and
- Transportation expenses for regular visits to see a mentally ill dependent, if these visits are recommended as a part of treatment.

Car expenses: You can include out-of-pocket expenses, such as the cost of gas and oil, when You use a car for medical reasons. You cannot include depreciation, insurance, general repair, or maintenance expenses.

Transportation expenses You cannot include: You cannot include in medical expenses the cost of transportation in the following situations.

- Going to and from work, even if Your condition requires an unusual means of transportation.
- Travel for purely personal reasons to another city for an operation or other medical care.
- Travel that is merely for the general improvement of one's health.
- The costs of operating a specially equipped car for other than medical reasons.

Trips

You can include in medical expenses amounts You pay for transportation to another city if the trip is primarily for, and essential to, receiving medical services. You may be able to include up to \$50 per night for lodging. See *Lodging*, earlier.

You cannot include in medical expenses a trip or vacation taken merely for a change in environment, improvement of morale, or general improvement of health, even if the trip is made on the advice of a doctor. However, see *Medical Conferences*, earlier.

Tuition

Under special circumstances, You can include charges for tuition in medical expenses. See *Special Education*, earlier.

You can include charges for a health plan included in a lump-sum tuition fee if the charges are separately stated or can easily be obtained from the school.

Vasectomy

You can include in medical expenses the amount You pay for a vasectomy.

Vision Correction Surgery

See *Eye Surgery*, earlier.

Weight-Loss Program

You can include in medical expenses amounts You pay to lose weight if it is a treatment for a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease). This includes fees You pay for membership in a weight reduction group and attendance at periodic meetings. You cannot include membership dues in a gym, health club, or spa as medical expenses, but You can include separate fees charged there for weight loss activities.

You cannot include the cost of diet food or beverages in medical expenses because the diet food and beverages substitute for what is normally consumed to satisfy nutritional needs. You can include the cost of special food in medical expenses only if:

1. The food does not satisfy normal nutritional needs,
2. The food alleviates or treats an illness, and
3. The need for the food is substantiated by a physician.

The amount You can include in medical expenses is limited to the amount by which the cost of the special food exceeds the cost of a normal diet. See also *Weight-Loss Program* under *What Expenses Are Not Includible*, later.

Wheelchair

You can include in medical expenses amounts You pay for an autoette or a wheelchair used mainly for the relief of sickness or disability, and not just to provide transportation to and from work. The cost of operating and maintaining the autoette or wheelchair is also a medical expense.

Wig

You can include in medical expenses the cost of a wig purchased upon the advice of a physician for the mental health of a patient who has lost all of his or her hair from disease.

X-ray

You can include in medical expenses amounts You pay for X-rays for medical reasons.

INELIGIBLE EXPENSE LISTING

Following is a list of some items that You cannot include in figuring Your medical expense deduction. The items are listed in alphabetical order.

Baby Sitting, Childcare, and Nursing Services for a Normal, Healthy Baby

You cannot include in medical expenses amounts You pay for the care of children, even if the expenses enable You, Your spouse, or Your dependent to get medical or dental treatment. Also, any expense allowed as a childcare credit cannot be treated as an expense paid for medical care.

Controlled Substances

You cannot include in medical expenses amounts You pay for controlled substances (such as marijuana, laetrile, etc.), in violation of federal law.

Cosmetic Surgery

Generally, You cannot include in medical expenses the amount You pay for unnecessary cosmetic surgery. This includes any procedure that is directed at improving the patient's appearance and does not meaningfully promote the proper function of the body or prevent or treat illness or disease. You generally cannot include in medical expenses the amount You pay for procedures such as face-lifts, hair transplants, hair removal (electrolysis), and liposuction.

You can include in medical expenses the amount You pay for cosmetic surgery if it is necessary to improve a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or a disfiguring disease.

For example, if an individual undergoes surgery that removes a breast as part of treatment for cancer. She pays a surgeon to reconstruct the breast. The surgery to reconstruct the breast corrects a deformity directly related to the disease. The cost of the surgery is includible in her medical expenses.

Dancing Lessons

You cannot include the cost of dancing lessons, swimming lessons, etc., even if they are recommended by a doctor, if they are only for the improvement of general health.

Diaper Service

You cannot include in medical expenses the amount You pay for diapers or diaper services, unless they are needed to relieve the effects of a particular disease.

Electrolysis or Hair Removal

See *Cosmetic Surgery*, earlier.

Flexible Spending Account

You cannot include in medical expenses amounts for which You are fully reimbursed by Your flexible spending account if You contribute a part of Your income on a pre-tax basis to pay for the qualified benefit.

Funeral Expenses

You cannot include in medical expenses amounts You pay for funerals.

Future Medical Care

Generally, You cannot include in medical expenses current payments for medical care (including medical insurance) to be provided substantially beyond the end of the year. This rule does not apply in situations where the future care is purchased in connection with obtaining lifetime care or long-term care of the type described at *Lifetime Care—Advance Payments* or *Long-Term Care*, earlier under *What Medical Expenses Are Includible*.

Hair Transplant

See *Cosmetic Surgery*, earlier.

Health Club Dues

You cannot include in medical expenses health club dues, or amounts paid to improve one's general health or to relieve physical or mental discomfort not related to a particular medical condition.

You cannot include in medical expenses the cost of membership in any club organized for business, pleasure, recreation, or other social purpose.

Health Coverage Tax Credit

You cannot include in medical expenses amounts You pay for health insurance that You use in figuring Your health coverage tax credit.

Health Savings Accounts

You cannot include in medical expenses any payment or distribution for medical expenses out of a health savings account. Contributions to health savings accounts are deducted separately. See IRS Publication 969.

Household Help

You cannot include in medical expenses the cost of household help, even if such help is recommended by a doctor. This is a personal expense that is not deductible. However, You may be able to include certain expenses paid to a person providing nursing-type services. For more information, see *Nursing Services*, earlier under *What Medical Expenses Are Includible*. Also, certain maintenance or personal care services provided for qualified long-term care can be included in medical expenses. For more information, see *Long-Term Care*, earlier under *What Medical Expenses Are Includible*.

Illegal Operations and Treatments

You cannot include in medical expenses amounts You pay for illegal operations, treatments, or controlled substances whether rendered or prescribed by licensed or unlicensed practitioners.

Insurance Premiums

See *Insurance Premiums* under *What Medical Expenses Are Includible*, earlier.

Maternity Clothes

You cannot include in medical expenses amounts You pay for maternity clothes.

Medical Savings Account (MSA)

You cannot include in medical expenses amounts You contribute to an Archer MSA. You cannot include medical expenses You pay for with a tax-free distribution from Your Archer MSA. You also cannot use other funds equal to the amount of the distribution and include the expenses. For more information on Archer MSAs, see IRS Publication 969.

Medicines and Drugs From Other Countries

In general, You cannot include in Your medical expenses the cost of a prescribed drug brought in (ordered or shipped) from another country, because You can only include the cost of a drug that was imported legally. (You can include the cost of a prescribed drug the Food and Drug Administration announces can be legally imported by individuals.) However, You can include the cost of a prescribed drug You purchase and consume in another country if the drug is legal in both the other country and the United States.

Nonprescription Drugs and Medicines

Except for insulin, You cannot include in medical expenses amounts You pay for a drug that is not prescribed.

Your doctor recommends that You take aspirin. Because aspirin is a drug that does not require a physician's prescription, You cannot include its cost in Your medical expenses.

Nutritional Supplements

You cannot include in medical expenses the cost of nutritional supplements, vitamins, herbal supplements, "natural medicines," etc. unless they are recommended by a medical practitioner as treatment for a specific medical condition diagnosed by a physician. Otherwise, these items are taken to maintain Your ordinary good health, and are not for medical care.

Personal Use Items

You cannot include in medical expenses the cost of an item ordinarily used for personal, living, or family purposes unless it is used primarily to prevent or alleviate a physical or mental defect or illness. For example, the cost of a toothbrush and toothpaste is a nondeductible personal expense.

Where an item purchased in a special form primarily to alleviate a physical defect is one that in normal form is ordinarily used for personal, living, or family purposes, the excess of the cost of the special form over the cost of the normal form is a medical expense (see *Braille Books and Magazines* under *What Medical Expenses Are Includible*, earlier).

Swimming Lessons

See *Dance Lessons*, earlier.

Teeth Whitening

You cannot include in medical expenses amounts paid to whiten teeth. See *Cosmetic Surgery*, earlier.

Veterinary Fees

You, generally, cannot include veterinary fees in Your medical expenses, but see *Guide Dog or Other Animal* under *What Medical Expenses Are Includible* earlier.

Weight-Loss Program

You cannot include in medical expenses the cost of a weight-loss program if the purpose of the weight loss is the improvement of appearance, general health, or sense of well-being. You cannot include amounts You pay to lose weight unless the weight loss is a treatment for a specific disease diagnosed by a physician (such as obesity, hypertension, or heart disease). This includes fees You pay for membership in a weight reduction group and attendance at periodic meetings. Also, You cannot include membership dues in a gym, health club, or spa.

You cannot include the cost of diet food or beverages in medical expenses because the diet food and beverages substitute for what is normally consumed to satisfy nutritional needs. You cannot include the cost of special food in medical expenses unless all three of the following requirements are met.

1. The food does not satisfy normal nutritional needs.
2. The food alleviates or treats an illness.
3. The need for the food is substantiated by a physician.

The amount You can include in medical expenses is limited to the amount by which the cost of the special food exceeds the cost of a normal diet.

ICUBA BENEFITS CARD™

The ICUBA Benefits Card™ is issued by Metavante Bank. The card electronically accesses and debits an Employee's HRA when an eligible expenditure is incurred. Because it is a debit (stored-value) card, there is no risk of incurring Employee debt or overspending. If the funds are not in the account, the transaction will simply be denied. Cards can be provided carte blanc to all HRA Employee participants because no credit is being extended.

The ICUBA Benefits Card™ allows reimbursement to be made at point of sale without the need to issue a check or make a direct deposit into the Employee's bank account for reimbursement. The ICUBA Benefits Card™ provides for instant reimbursements for prescription, doctor, dentist, ophthalmologist and optometrist co-pays. If the merchant or health care provider accepts, ICUBA Benefit Card™ may be used. In addition, there is no Personal Identification Number ("PIN") associated with the ICUBA Benefits Card™. For consumer-activated terminals, the "credit" option must be chosen in order for the ICUBA Benefits Card™ to be accepted.

Some of the eligible Merchants are as follows:

- Chiropractors
- Dentist/Orthodontist
- Discount Stores
- Drug Stores and Pharmacies
- Home Health Care Services
- Hospitals
- Medical Equipment Providers
- Medical Service Practitioners
- Opticians
- Optometrists
- Orthopedic and Prosthetic Appliances

- Osteopaths
- Physicians
- Psychiatric Hospitals
- Supermarkets

The ICUBA Benefits Card™ allows for paperless adjudication of prescription drug co-pays, office visit co-pays and other co-pays. Because the HRA is regulated by the IRS, there may be instances where receipts are required for **SUBSTANTIATION**. Employees may access history of expenditures and remaining balances through the Internet by logging onto <http://icubabenefits.org> or by calling ICUBA at 1-866-377-5102.

When using the CUBA Benefits Card™, it is important to know the available balance in Your account. The plan requires that You exhaust the available balance in Your Health Care Spending Account (HCSA) prior to accessing the available funds in Your HRA.

If a transaction is not approved, it will be denied at Point of Sale. In the unlikely event that a sale does go through, but it was an ineligible expense, ICUBA will take steps to recover the ineligible expense. For instance, if an Employee charges their Rx co-pay of \$25 plus a \$10.99 DVD at the pharmacy counter, and then ICUBA takes the following steps to recover the \$10.99:

1. Send a participant letter asking them to reimburse their own account for an ineligible expense of \$10.99.
2. If the participant does not do this, the amount can be deducted from future reimbursement paid to participant for legitimate expenses.
3. As a last resort the Employer may be asked to payroll deduct that amount in order to reimburse the account.

The ICUBA Benefits Card™ may be suspended or cancelled immediately upon notification by Your Employer. Funds in the HRA are accessible to Employees through the ICUBA Benefits Card™. Employees may pay for eligible expenditures from their HRA either through the ICUBA Benefits Card™ at Point of Sale, or by submitting reimbursement request either online or via paper claim form to ICUBA. Any monies left in the HRA automatically rollover until termination of employment, termination of COBRA participation in an eligible medical plan, or until the HRA is vested and administrative fees have been paid to Your Employer.

WHEN TO FILE CLAIMS FROM YOUR HRA ACCOUNT

Employees, Vested Participants or COBRA beneficiaries must submit claims within 12 months of the time the expense is incurred, or within 90 days of becoming ineligible for any medical plans offered through Your Employer (e.g., at time of employment termination), whichever is earlier, in order to be considered an eligible expenditure. If at time of becoming ineligible to participate in an ICUBA medical plans You are vested in Your HRA, You do not need to adhere to the 90 day filing rule mentioned above. You may not claim an eligible expenditure as a deduction on Your personal income tax return nor be reimbursed by other health coverage (including any Health Care Spending Account [HCSA], health savings account, insurance policy, etc.).

HOW TO FILE YOUR HRA CLAIM

When You have a claim to submit for payment, You must:

1. Obtain a claim form from the Employer. You can obtain a claim form from ICUBA by logging into <http://icubabenefits.org> or by emailing benefitsadministration@icuba.org by calling 1-866-377-5102 or by logging onto Your Employer's Benefits website.
2. Complete the Employee portion of the form.
3. Scan or Fax to ICUBA Benefits Administration at 1-866-377-5180 copies of all bills from the service provider for which You are requesting reimbursement.
4. You may also request that reimbursement be made to You directly deposited into Your bank account by completing the direct deposit section fax at ICUBABenefits.org or voided check to 1-866-377-5180.
5. Submit electronically through <http://icubabenefits.org>, Fax or mail Your claim to:

**ICUBA Benefits Card
PO Box 616927
Orlando, FL 32861-6927**

A claim is defined as any request for a HRA benefit made by a claimant or by a representative of a claimant that complies with the HRA's reasonable procedure for filing benefit claims.

The Employer will provide written or electronic notification of any claim denial. The notice will state:

1. The specific reason or reasons for the denial.
2. Reference to the specific HRA provisions on which the denial was based.
3. A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary
4. A description of the HRA's review procedures and the time limits applicable to such procedures This will include a statement of Your right to bring a civil action under Section 502 of ERISA following a denial on review.

A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim.

If the denial was based on an internal rule, guideline, protocol, or other similar criteria, the specific rule, guideline, protocol, or criterion will be provided free of charge. If this is not practical, a statement will be included that such a rule, guideline, protocol, or criterion was relied upon in making the denial and a copy will be provided free of charge to the claimant upon request.

When You receive a denial, You will have 180 days following receipt of the notification to appeal the decision. You may submit written comments, documents, records, and other information relating to the claim. If You request, You will be provided, free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim.

The period of time within which a denial on review is required to be made will begin at the time an appeal is filed in accordance with the procedures of the HRA. This timing is without regard to whether all the necessary information accompanies the filing.

A document, record, or other information shall be considered relevant to a claim if it:

1. Was relied upon in making the claim determination;
2. Was submitted, considered, or generated in the course of making the claim determination, without regard to whether it was relied upon in making the claim determination;
3. Demonstrated compliance with the administrative processes and safeguards designed to ensure and to verify that claim determinations are made in accordance with HRA documents and HRA provisions have been applied consistently with respect to all claimants; or
4. Constituted a statement of policy or guidance with respect to the HRA concerning the denied claim.

The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial claim determination. The review will not afford deference to the initial denial and will be conducted by a fiduciary of the HRA who is neither the individual who made the adverse determination nor a subordinate of that individual.

VESTING

Employees with 36 months of continuous Employer contributions to their HRA become vested in their HRA. Your participation in an HRA needs to be *consecutive*, and may not be separated by any period. When You are vested in an HRA, You may continue to use Your HRA after Your employment termination, as long as You continue to pay the monthly administrative fee .

If an Employee vests in their HRA balance and then dies, only those eligible dependents enrolled in an Employer medical plan with an HRA may continue to participate in the HRA, and then only for the period of time that the eligible dependent receives COBRA benefits. Dependents on COBRA already at the time of the Employee death are not eligible to participate in the vested HRA. For example, if an Employee dies and their former spouse is already on COBRA because of a divorce, such divorced spouse does not have a right to the vested balance. If more than one individual is eligible for the vested balance while on COBRA, such account balances will be divided equally among each individual that makes a separate COBRA election.

Only Employees may vest in their HRA. The period of time a participant on COBRA also receives an HRA does not count toward vesting.

INTEREST

Any balance in an HRA on March 31, June 30, September 30, and December 31 will be credited with interest. The amount of interest is the same provided by the same amount of interest the HRA balance earns from the bank that holds the depository.

SUBSTANTIATION AND RECORDKEEPING

Because the HRA is regulated by the IRS, it is recommended that You follow the IRS guidelines for record retention. Because the IRS also requires that You show that the expense has not been reimbursed by any other plan, You may need to provide an Explanation of Benefits from another plan. The IRS recommends that for each medical expense, You should keep a record of:

- The name and address of each person/provider You paid, and
- The amount and date of each payment
- The amount paid by any other health plan

You should also keep a statement, explanation of benefits or itemized invoice showing the following:

- What medical care was received
- Who received the care
- The nature and purpose of any other medical expenses
- Who the other medical expenses were for
- The amount of the other medical expenses and the date of payment

You may have less substantiation requirements if You use the ICUBA Benefits Card™. While many eligible expenses will be recognized as co-payments, and will not require additional substantiation, there are unrecognized expenses for which You may have to provide documentation. Therefore, You should keep receipts for at least three weeks from the date of service as You may be asked to submit receipts not recognized by the ICUBA Benefits Card™. This information will be kept on file so once You have substantiated a recurring claim; You will not be requested to send in additional substantiation in the same plan year.

ORDER OF REIMBURSEMENT

If You are a participant in Health Care Spending Account (HCSA), funds will come first from the HCSA and then from the HRA. A medical care expense may not be reimbursed if the expense has been reimbursed or is reimbursable under any other accident or health plan. If coverage is provided by both the HRA and the HCSA, the HCSA must be exhausted before reimbursements are made from the HRA. This does not include expenses that are not reimbursable under the HCSA. For example, You may be reimbursed through the HRA for long-term care insurance premiums even if You still have a balance in the HCSA. In no case may You be reimbursed for the same medical care expense by both the HRA and the HCSA. See the ICUBA Benefits Card™ section for instructions on obtaining account balances.

ADMINISTRATIVE FEES

Active Employees and COBRA participants' administrative fees are paid by Your Employer. If You have a vested HRA, You must pay an annual administrative fee on Your first day of eligibility as a terminated Employee, and each month thereafter. The amount of the monthly fee is \$10 (to be increased by 6% each year commencing on April 1, 2009). Such monies will be taken from Your HRA.

EMPLOYMENT COVERAGE/TERMINATION AND DEATH

If Your employment is terminated during the HRA Plan Year for any reason, Your participation in the HRA will cease and any unused amounts are forfeited and returned to Your Employer, unless You continue COBRA coverage and pay 102% of the monthly HRA contribution.

However, if You have at least 36 full months of continuous participation as an active Employee (e.g., not as a COBRA beneficiary) in the HRA, You may continue to participate in the HRA indefinitely as long as You pay the monthly Administrative Fee.

It is important to note that Your final HRA deposit will be made according to when You leave active employment and Your active benefits end. If Your last day of active benefits ends after the 15th of the month, You will receive a HRA deposit for the month in which Your active benefits end.

If You terminate employment on the 15th or prior to the 15th of the month, You will not receive an HRA deposit for that month.

In the event of the termination of employment being the result of disability or death, the monies in the HRA will be forfeited unless You had at least 36 full months of continuous participation in the HRA, or You continue to participate in the HRA through COBRA. Such HRA balances may only be provided to Employees, or their heirs who were also enrolled in the Employee's medical HRA at the time of the Employee's death, and may only be used for eligible expenditures, and may never revert to cash, including as a death benefit. Such monies are available to the dependents only for the period of time that they are also enrolled in the ICUBA medical plan. Such dependents do not need to purchase monthly HRA contributions in order to receive access to the HRA balance during COBRA. Only eligible dependents of the deceased HRA vested participant may receive HRA balances. Such beneficiaries are subject to the administrative fee.

General Information about the HRA

This Section contains certain general information, which You may need to know about the HRA.

1. General HRA Information

- Health Reimbursement Account is the name of the HRA.
- The provisions of this HRA become effective on April 1, 2004.
- The HRA allows other Employers to adopt its provisions. You or Your beneficiaries may examine or obtain a complete list of Employers, if any, who have adopted Your HRA by making a written request to the Administrator.

2. Employer Information

The name, address and business telephone number of Your HRA's Administrator is:

ICUBA
P.O. Box 616927
Orlando, FL 32861-6927
Toll Free Phone: 1-866-377-5102
Toll Free Fax: 1-866-377-5102
Email: benefitsadministration@icuba.org

The Employer keeps the records for the HRA and is responsible for the administration of the HRA. The Administrator will also answer any questions You may have about our HRA. The Employer has the exclusive right to interpret the appropriate HRA provisions. Decisions of the Administrator are conclusive and binding. You may contact the Administrator for any further information about the HRA.

3. Service of Legal Process

The Employer is the HRA's Agent for service of legal process.

4. Type of Administration

The HRA administration is provided through a Third Party Claims Administrator. The HRA is not funded or insured. Benefits are paid from the general assets of the Employer.

YOUR RIGHTS UNDER ERISA

HRA participants, eligible Employees and all other Employees of the Employer may be entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. These laws provide that participants, eligible Employees and all other Employees be entitled to:

1. Examine, without charge, at the Administrator's office, all HRA documents, including insurance contracts, collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the HRA with the U.S. Department of Labor, and available at the Public Disclosure Room of the Employee Benefits Security Administration.
2. Obtain copies of all HRA documents and other HRA information upon written request to the Administrator. The Administrator may charge a reasonable fee for the copies.
3. Continue health care coverage for a HRA participant, Spouse, or other Dependents if there is a loss of coverage under the HRA because of a qualifying event. Employees or Dependents may have to pay for such coverage.
4. Review this summary HRA description and the documents governing the HRA on the rules governing COBRA continuation coverage rights.

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 time schedules.

Under ERISA, there are steps You can take to enforce the above rights. For instance, if You request materials from the HRA and do not receive them within thirty (30) days, You may file suit in a Federal court. In such a case, the court may request the 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 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 a HRA participant disagrees with the HRA's decision or lack thereof concerning the qualified status of a medical child support order, he or she may file suit in federal court.

In addition to creating rights for HRA participants, ERISA imposes obligations upon the individuals who are responsible for the operation of the HRA. The individuals who operate the HRA, called “fiduciaries” of the HRA, have a duty to do so prudently and in the interest of the HRA participants and their beneficiaries. No one, including the Employer or any other person, may fire a HRA participant or otherwise discriminate against a HRA participant in any way to prevent the HRA participant from obtaining benefits under the HRA or from exercising his or her rights under ERISA.

If it should happen that HRA fiduciaries misuse the HRA’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 You have any questions about the HRA, You should contact the Administrator.

If You have any questions about this statement, or about Your rights under ERISA, the Health Insurance Portability and Accountability Act (HIPAA), or if You need assistance in obtaining documents from the Administrator, You should contact the nearest office of the Employee Benefits Security Administration:

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. See <http://www.dol.gov> for more information.

PRIVACY NOTICE EFFECTIVE APRIL 1, 2008

This notice describes how medical information about You may be used and disclosed, and how You can get access to this information. Please review it carefully.

If You have any questions about this notice, please contact:

Official and Contact Person:

If You have any questions about this notice, please contact:

Robin Long
Deputy Plan Administrator
ICUBA
4850 Millenia Blvd.
Suite 329
Orlando, FL 32839
Phone: 407-354-4664

This Notice describes the medical information practices of Your Employer's Health Plan (the "Plan") and that of any third party that assists in the administration of Plan claims.

Our Pledge Regarding Medical Information

We understand that medical information about You and Your health is personal. We are committed to protecting medical information about You. We create a record of the health care claims reimbursed under the Plan for Plan administration purposes. This Notice applies to all of the medical records we maintain. Your personal doctor or health care provider may have different policies or notices regarding the doctor's use and disclosure of Your medical information created in the doctor's office or clinic. This Notice will tell You about the ways in which we may use and disclose medical information about You. It also describes our obligations and Your rights regarding the use and disclosure of medical information.

We are required by law to:

1. Make sure that medical information that identifies You is kept private;
2. Give You this Notice of our legal duties and privacy practices with respect to medical information about You; and
3. Follow the terms of the notice that is currently in effect.

How We May Use and Disclose Medical Information About You

The following categories describe different ways that we use and disclose medical information. For each category of uses or disclosures, we will explain what we mean and present some examples. Not every use or disclosure in category will be listed. However, all of the ways we are permitted to use and disclose information will fall within one of the categories.

For Treatment (as described in applicable regulations). We may use or disclose medical information about You to facilitate medical treatment or services by providers. We may disclose medical information about You to providers, including doctors, nurses, technicians, medical students, or other hospital personnel who are involved in taking care of You. For example, we might disclose information about Your prior prescriptions to a pharmacist to determine if a pending prescription is contraindicative with prior prescriptions. Likewise, we might disclose information about Your prior treatment to Your campus wellness program or health center if medical history is necessary to determine a course of treatment.

For Payment (as described in applicable regulations). We may use and disclose medical information about You to determine eligibility for Plan benefits, to facilitate payment for the treatment and services You receive from health care providers, to determine benefit responsibility under the Plan, or to coordinate Plan coverage. For example, we may tell Your health care provider about Your medical history to determine whether a particular treatment is experimental, investigational, or medically necessary or to determine whether the Plan will cover the treatment. We may also share medical information with a utilization review or pre-certification service provider. Likewise, we may share medical information with another entity to assist with the adjudication or subrogation of health claims or to another health plan to coordinate benefit payments.

For Health Care Operations (as described in applicable regulations). We may use and disclose medical information about You for other Plan operations. These uses and disclosures are necessary to run the Plan. For example, we may use medical information for: conducting quality assessment and improvement activities, underwriting, premium rating, other activities relating to plan coverage, submitting claims for stop-loss (or excess loss) coverage, conducting or arranging medical review, legal services, audit services, fraud and abuse detection programs, business planning and development such as cost management, business management, and general plan administrative activities.

As required by law, we will disclose medical information about You when required to do so by Federal, State or local law. For example, we may disclose medical information when required by a court order in a litigation proceeding such as a malpractice action.

To Avert a Serious Threat to Health or Safety

We may use and disclose medical information about You when necessary to prevent a serious threat to Your health and safety or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat. For example, we may disclose medical information about You in a proceeding regarding the licensure of a physician.

SPECIAL SITUATIONS

Disclosure to College or University Member

There are a few limited situations where information may be disclosed to any of the college or university Members of Your Employer. First, information may be disclosed to another health plan maintained by the Member for purposes of facilitating claims payments under that plan. Second, medical information may be disclosed to Member personnel solely for purposes of administering benefits under the Plan. Third, the Plan may disclose enrollment/unenrollment information to the Member for enrollment and unenrollment purposes only.

Information will only be disclosed to a Member if it has established certain safeguards and firewalls to limit the classes of Employees who will have access to medical information and to limit the use of PHI to plan purposes and for non-permissible purposes.

Organ and Tissue Donation

If You are an organ donor, we may release medical information to organizations that handle organ procurement or organ, eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

Military and Veterans

If You are a Member of the armed forces, we may release medical information about You as required by military command authorities. We may also release medical information about foreign military personnel to the appropriate foreign military authority.

Workers' Compensation: We may release medical information about You for workers' compensation or similar programs. These programs provide benefits for work-related injuries or illness.

Public Health Risks

We may disclose medical information about You for public health activities. These activities generally include the following:

1. To prevent or control disease, injury or disability;
2. To report births and deaths;
3. To report child abuse or neglect;
4. To report reactions to medications or problems with products;
5. To notify people of recalls of products they may be using;
6. To notify a person who may have been exposed to a disease or may be at risk for contracting or spreading a disease or condition.
7. To notify the appropriate government authority if we believe a patient has been the victim of abuse, neglect or domestic violence. We will only make this disclosure if You agree or when required or authorized by law.

Health Oversight Activities: We may disclose medical information to a health oversight agency for activities authorized by law; these oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government to monitor the health care system, government programs, and compliance with civil rights laws.

Important Note: You may wish the Member/Campus Human Resource office to assist You with a claim. We have provided a form to each Human Resource office for this purpose. If You provide us permission to use or disclose medical information about You, You may revoke that permission, in writing, at any time. If You revoke Your permission, we will no longer use or disclose medical information about You for the reasons covered by Your written authorization. You understand that we are unable to take back any disclosures we have already made with

Your permission, and that we are required to retain our records of the care that we provided to You.

Lawsuits and Disputes

If You are involved in a lawsuit or a dispute, we may disclose medical information about You in response to a court or administrative order. We may also disclose medical information about You in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell You about the request or to obtain an order protecting the information requested.

Law Enforcement

We may release medical information if asked to do so by a law enforcement official:

1. In response to a court order, subpoena, warrant, summons or similar process;
2. To identify or locate a suspect, fugitive, material witness, or missing person;
3. About the victim of a crime if, under certain limited circumstances, we are unable to obtain the person's agreement;
4. About a death we believe may be the result of criminal conduct;
5. About criminal conduct at the hospital; or
6. In emergency circumstances to report a crime, the location of the crime or victims, the identity, description or location of the person who committed the crime.

Coroners, Medical Examiners and Funeral Directors

We may release medical information to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. We may also release medical information about patients of the hospital to funeral directors as necessary to carry out their duties.

National Security and Intelligence Activities

We may release medical information about You to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

Inmates: If You are an inmate of a correctional institution or under the custody of a law enforcement official, we may release medical information about You to the correctional institution or law enforcement official. This release would be necessary:

1. For the institution to provide You with health care;
2. To protect Your health and safety or the health and safety of others; or
3. For the safety and security of the correctional institution.

Your Rights Regarding Medical Information About You

You have the following rights regarding medical information we maintain about You:

Right to Inspect and Copy

You have the right to inspect and copy medical information that may be used to make decisions about Your Plan benefits. To inspect and copy medical information that may be used to make decisions about You, You must submit Your request in writing to the Privacy Official. If You request a copy of the information, we may charge a fee for the costs of copying, mailing or other supplies associated with Your request.

We may deny Your request to inspect and copy in certain very limited circumstances. If You are denied access to medical information, You may request that the denial be reviewed.

Right to Amend

If You feel that medical information we have about You is incorrect or incomplete, You may ask us to amend the information. You have the right to request an amendment for as long as the information is kept by or for the Plan.

To request an amendment, Your request must be made in writing and submitted to the Privacy Official. In addition, You must provide a reason that supports Your request.

We may deny Your request for an amendment if it is not in writing or does not include a reason to support the request. In addition, we may deny Your request if You ask us to amend information that:

1. Is not part of the medical information kept by or for the plan;
2. Was not created by us, unless the person or entity that created the information is no longer available to make the amendment;
3. Is not part of the information which You would be permitted to inspect and copy; or
4. Is accurate and complete.

Right to an Accounting of Disclosures

You have the right to request an “accounting of disclosures” where such disclosure was made for any purpose other than treatment, payment, or health care operations. To request this list or accounting of disclosures, You must submit Your request in writing to the Privacy Official. Your request must state a time period, which may not be longer than six years and may not include dates before April 2003. Your request should indicate in what form You want the list (for example, paper or electronic). The first list You request within a 12-month period will be free. For additional lists, we may charge You for the costs of providing the list. We will notify You of the cost involved and You may choose to withdraw or modify Your request at that time before any costs are incurred.

Right to Request Restrictions

You have the right to request a restriction or limitation on the medical information we use or disclose about You for treatment, payment or health care operations. You also have the right to request a limit on the medical information we disclose about You to someone who is involved in Your care or the payment for Your care, like a family Member or friend. For example, You could ask that we not use or disclose information about a surgery that You had. We are not required to agree to Your request. To request restrictions, You must make Your request in writing. In Your request, You must tell us:

1. What information You want to limit;
2. Whether You want to limit our use, disclosure or both; and
3. To whom You want the limits to apply, for example, disclosures to Your spouse.

Right to Request Confidential Communications

You have the right to request that we communicate with You about medical matters in a certain way or at a certain location. For example, You can ask that we only contact You at work or by mail.

To request confidential communications, You must make Your request in writing to Privacy Official. We will not ask You the reason for Your request. We will accommodate all reasonable requests. Your request must specify how or where You wish to be contacted.

Right to a Paper Copy of This Notice

You have the right to a paper copy of this Notice. You may ask us to give You a copy of this Notice at any time. Even if You have agreed to receive this Notice electronically, You are still entitled to a paper copy of this Notice. You may obtain a copy of this Notice at in the Knowledge Base of the WebOne database to obtain a paper copy of this Notice. Please contact the Privacy Official for further information.

Changes to This Notice

We reserve the right to change this Notice. We reserve the right to make the revised or changed Notice effective for medical information we already have about You as well as any information we receive in the future. We will post a copy of the current notice on the Plan website. The notice will contain on the first page, in the top right-hand corner, the effective date.

Complaints

If You believe Your privacy rights have been violated, You may file a complaint with the Plan or with the Secretary of the Department of Health and Human Services. To file a complaint with the Plan, contact the Privacy Official. All complaints must be submitted in writing. You will not be penalized for filing a complaint.

Other Uses of Medical Information

Other uses and disclosures of medical information not covered by this Notice or the laws that apply to us will be made only with Your written permission.

THE UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT OF 1994 (USERRA)

The Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA) established requirements that employers must meet for certain employees who are involved in the Uniformed Services. In addition to the rights that You have under COBRA, You are entitled under USERRA to continue the coverage You had under the ICUBA Medical Plan.

Uniformed Services means the U.S. Armed Services (including the Coast Guard), the Army National Guard and the Air National Guard (when engaged in active duty for training, inactive duty training, or full-time National Guard duty), and the commissioned corps of the Public Health Service. The President is authorized to expand the categories of Uniformed Services through the exercise of Emergency or war powers.

Service in the Uniformed Services or Service means the performance of duty on a voluntary or involuntary basis in the Uniformed Services under competent authority, including active duty, active duty for training, initial active duty for training, inactive duty training, full time National Guard duty, and the time necessary for a person to be absent from employment for an examination to determine the fitness of the person to perform any of these duties.

- a. **Employee must give advance notice.** A Participant leaving for service in the Uniformed Services must give the Member/Employer advance notice of the absence from employment for service. Notices can be written or oral. No such notice is required if the notice is precluded by military necessity or if the giving of notice is impossible or unreasonable under the circumstances.
- b. **Employee absence must not exceed 5 years.** The cumulative length of absence and all previous absences from the employment of the current Employer for periods of service in the military must not exceed 5 years. The 5-year period does not include:
 1. When required to complete an initial period of obligated service;
 2. Inability to obtain release orders through no fault of the Employee;
 3. Required specific training requirements;
 4. When ordered to or retained on active duty because of war or national Emergency declared by the President or by Congress;
 5. When ordered to active duty in support of an operational mission or in support of a critical mission; or
 6. When called into service as a member of the National Guard.

c. **Employee must report to work within specific timeframes after service ends.** Upon completion of service in the military, the Employee must notify the Employer of the intention to return to work. The following guidelines will direct You to the method needed to conform to USERRA.

d.

Period of Absence	Return to Work Requirement
Less than 30 days	Report to work at the beginning of the first regularly scheduled work period following the end of service plus eight hours, or as soon as possible thereafter if satisfying the deadline is unreasonable or impossible through no fault of the Employee.
More than 30 days but less than 181 days	Submit an application for employment not later than 14 days after the completion of the service, or as soon as possible thereafter if satisfying the deadline is unreasonable or impossible through no fault of the Employee.
More than 180 days	Submit an application for employment not later than 90 days after the completion of the service.
Any period, if the absence was for purposes of an examination for fitness to perform service	Report to work at the beginning of the first regularly-scheduled work period following the end of service plus eight hours, or as soon as possible thereafter if satisfying the deadline is unreasonable or impossible through no fault of the Employee.
Person who is injured or ill as a result of (or Injury or Illness was aggravated by) military service	Apply for work or submit application as described above (depending on length of absence) when recovery is over, but recovery time is limited to two years. The two-year period is extended by any minimum time required to accommodate circumstances beyond the Employee's control that make compliance with these deadlines unreasonable or impossible.

e. **Employee's undesirable conduct.** Rights under USERRA will be terminated if service in the military ends under any of the following circumstances:

1. Separation from service with a dishonorable or bad conduct discharge;
2. Certain less-than-honorable circumstances as characterized by the Department of Defense;
3. For a commissioned officer, dismissal in connection with a court-martial; or
4. The dropping of a commissioned officer from the rolls as a result of an unauthorized absence for at least three months or as a result of a sentence imposed after a court-martial or a conviction in another court.

f. **USERRA coverage maximum twenty-four (24) months.** When a Participant takes a leave for service, USERRA coverage for the Participant begins the day after the Participant loses coverage under the Plan, and continues for up to twenty-four (24)

months. There are situations in which USERRA coverage will terminate before the maximum USERRA period expires.

- g. **COBRA and USERRA coverage are concurrent.** This means that both COBRA coverage and USERRA coverage begin upon commencement of the Participant's leave, and continue for up to twenty-four (24) months. COBRA coverage (but not USERRA coverage) may continue for longer, as described in the COBRA Section.
- h. If You or Your Covered Dependents elect to continue Your medical coverage pursuant to USERRA, You will be required to pay 102% of the full premium for the coverage elected (the same rate as COBRA). However, if Your Uniformed Service Leave of Absence is less than thirty (30) days, You are not required to pay more than the amount that You pay as an active Participant for that coverage.
- i. **USERRA leave time will count toward FMLA eligibility.** A Participant who was called to qualifying military service and is re-employed under USERRA's provisions is credited with the time he or she would have worked, but for his or her military service, when determining eligibility for Family and Medical Leave Act.
- j. If coverage is not continued during a USERRA Leave Of Absence, when the Employee returns to Actively At Work status no new Waiting Period will apply and Pre-Existing Conditions Limitations shall not apply.

THE NATIONAL DEFENSE AUTHORIZATION ACT

The National Defense Authorization Act for 2008 (p.l. 110-181) adds two types of FMLA leaves for the families of service members who are called up to duty in the Armed Forces. The Servicemember Caregiver Leave provides up to 26 weeks of unpaid Leave of Absence in a single 12 month period for any Eligible Employee who is the Spouse, Parent or next of kin of a covered servicemember who suffered a serious Injury or Illness in line of duty while on active duty that renders the servicemember medically unfit to perform the duties of his/her office, grade, rank or rating.

An Eligible Employee can take up to 12 weeks of unpaid Leave of Absence in a 12 month period as a result of any qualifying exigency because the Employee's Spouse, Son, Daughter or Parent is on active duty or has been notified of an impending call of duty in the Armed Forces in support of a "contingency operation."

If an Employee is on a National Defense Authorization Act Leave, the Employee may continue coverage in accordance with the National Defense Authorization Act and the Plan will continue coverage, as if the Employee were Actively At Work, if the following conditions are met:

1. The required contribution is paid; and
2. The Employee has written approval of leave from the Member.

Coverage will be continued for up to the greater of:

1. The leave period required by the Family and Medical Leave Act of 1993 and any amendments thereto or regulations promulgated hereunder; or

2. The leave period required by applicable state law.

If coverage is not continued during a Family or medical leave, when the Employee returns to Actively At Work status with no:

1. New Waiting Periods; or
2. Pre-Existing Conditions limitations.

APPENDIX A

The chart below explains if an expense is covered by the Health Care Spending Account or Health Reimbursement Account. A “Yes” indicates it is covered and a “No” means the expense is not covered.

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
A			
Acne products	Products used for general hygiene such as facial wash, cleansers, toners, and medicated makeup	No	No
Acne products	Products specifically marketed for and used to treat acne	Yes	Yes
Acupuncture	Treatment for a medical condition	Yes	Yes
Advance payments	Nonrefundable advance payments to a private institution for lifetime care, treatment, and training of a physically or mentally impaired Dependent after the death or disability of a legal guardian Special considerations: You must provide a statement of medical necessity from a doctor documenting the disability or mental impairment	Yes	Yes
Alcohol or drug addiction	Payments to a treatment center for alcohol or drug addiction, including meals and lodging	Yes	Yes
Allergy prevention products	Products purchased or used to alleviate allergies, such as a pillow, mattress, or vacuum Special considerations: You must provide a statement of medical necessity from a doctor documenting the diagnosed allergy and that the expense is for a product that will help alleviate the allergy symptoms	Yes	Yes
Allergy testing and shots		Yes	Yes
Ambulance service		Yes	Yes
Arch support	Foot products prescribed by a doctor to treat a medical condition	Yes	

Revised: July 8, 2008

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Artificial limbs		Yes	Yes
Automobile insurance premiums		No	No
Automobile modifications	Modifications include special hand controls and other equipment installed in an automobile for a person with a disability Special considerations: You must provide a statement of medical necessity from a doctor documenting the disability	Yes	Yes
B			
Birth control pills	Prescribed birth control pills	Yes	Yes
Birth control products	Prescribed devices such as diaphragms, IUDs, and Norplant, in addition to over-the-counter items such as home pregnancy tests, condoms, gels, and foams	Yes	Yes
Blood donation	Costs associated with blood donation Examples include self blood donations, storage fees, and processing fees	Yes	Yes
Blood pressure monitors	Costs include electronic monitors and replacement blood pressure cuffs	Yes	Yes
Body scans		Yes	Yes
Bottled water		No	No
Braille books and magazines	Costs are limited to those that exceed regular printed editions Special considerations: You must provide a receipt or advertisement with the price of the commonly available version of the book or magazine and a receipt of the Braille material	Yes	Yes
Breast augmentation	Examples include implants and injections Special considerations: Surgery or procedures that aren't medically necessary aren't eligible	No	No
Breast pumps	Pump prescribed by a doctor for a medical reason Special considerations: Breast pumps used for nursing and routine post-partum care aren't eligible	Yes	Yes

Revised: July 8, 2008

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
C			
Chelation therapy	Therapy used to treat a medical condition, such as lead poisoning	Yes	Yes
Childbirth classes	Classes necessary to reduce pain during labor and delivery. An example is Lamaze. Special considerations: Expenses related to parenting techniques, infant CPR, and breast feeding aren't covered	Yes	Yes
Chiropractor	Treatment for a medical condition	Yes	Yes
Christian Science practitioner	Medical expenses paid to a practitioner for medical care	Yes	Yes
Contact lenses and solutions	Products include saline solution and enzyme cleaner	Yes	Yes
Cosmetic services and products (medically necessary)	Those necessary to improve a deformity related to a congenital abnormality or injury resulting from an accident, trauma, or disfiguring disease (post-mastectomy reconstructive surgery, for example) Special considerations: You must provide a statement of medical necessity from a doctor documenting the deformity, disfigurement or injury	Yes	Yes
Cosmetic services and products	Surgery that is not medically necessary. Examples include liposuction, hair transplants, electrolysis, laser treatments , and face-lifts	No	No
Counseling	Marriage or family counseling Special considerations: Other types of counseling such as mental health and psychiatric care, are eligible to mental health expenses.	No	No
Crutches		Yes	Yes
D			
Dental coinsurance	Amounts not covered by You or Your spouse's dental plans	Yes	Yes
Dental co-payments		Yes	Yes

Revised: July 8, 2008

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Dental deductibles	Deductibles under You or Your spouse's dental plans	Yes	Yes
Dental expenses	Examples include fees for X rays, fillings, braces, extractions, crowns, and orthodontia	Yes	Yes
Dental implants	Fees for insertion of artificial tooth, bone grafting, and follow-up care	Yes	Yes
Dental reasonable/customary	Amounts not paid by a dental plan that exceed reasonable and customary amounts	Yes	Yes
Dentures		Yes	Yes
Diapers (adult)	Diapers necessary as a result of a medical condition	Yes	Yes
Diapers (child)		No	No
Diaper service	Cost for an agency that delivers and picks up cloth diapers	No	No
Dietician services	Fees paid to a dietician when referred by a doctor for treatment of a medical condition	Yes	Yes
DNA testing	DNA testing for paternal responsibility	No	No
Disability capital costs	Examples include constructing entrance or exit ramps, adding handrails, or modifying stairways at a personal residence for disability of an Employee or Dependent Special considerations: You must provide a statement of medical necessity from a doctor documenting the disability	Yes	Yes
Disability equipment	Equipment installed in the home or car for use by a disabled Employee or Dependent Special considerations: You must provide a letter of medical necessity from a doctor documenting the disability	Yes	Yes
E			
Earplugs	Plugs must be prescribed by a doctor for a medical condition	Yes	Yes
Ear wax removal materials	Kits and ear drops must be prescribed by a doctor for a medical condition	Yes	Yes
Erectile dysfunction	Medication prescribed by a doctor to treat a medical condition	Yes	Yes

Revised: July 8, 2008

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Exercise equipment (medically necessary)	Equipment recommended by a doctor for the treatment of a medical condition Special considerations Must provide a letter from a doctor describing the medical condition, such as a cardiac condition	Yes	Yes
Exercise equipment	Equipment used for general health purposes or prevention of an undiagnosed disease	No	No
Eye examinations		Yes	Yes
Eyeglasses	Costs include prescription glasses and nonprescription reading glasses	Yes	Yes
Eyeglass tinting and coating		Yes	Yes
Eye surgery	Surgery to correct defective vision	Yes	Yes
F			
Fluoride treatment	Costs include prescription or nonprescription fluoride and installation and monthly rental charges of a home water unit when recommended by a dentist	Yes	Yes
Flu shots		Yes	Yes
Food (prescribed)	Foods prescribed by a doctor to treat a medical condition. Examples are baby formula and gluten-free and lactose-free foods. Costs are limited to those that exceed common versions of the product Special considerations: Must provide a receipt or advertisement with the price of the commonly available version of the food and a receipt of the prescribed food	Yes	Yes
Funeral and burial expenses		No	No

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Future payments	Down payments or payments for services that have not been rendered or products not received Special considerations: However, lump-sum payments for future orthodontia services are an eligible exception. Once the service is rendered, an itemized bill indicating the date the service was rendered is required for the expenses to be considered eligible.	No	No
G			
Guide dog		Yes	Yes
H			
Health club or YMCA dues	Examples include Membership and personal trainer fees	No	No
Hearing aids		Yes	Yes
Hearing coinsurance	Amounts not covered by Your or spouse's hearing plans	Yes	Yes
Hearing deductible	Deductibles under Your or spouse's hearing plans	Yes	Yes
Hearing expenses	Costs include examinations and hearing aid batteries	Yes	Yes
Hearing reasonable and customary	Amounts not paid by a hearing plan that exceed reasonable and customary amounts	Yes	Yes
Hearing-impaired phone tools	Telephone equipment that allows a hearing-impaired person to communicate over a regular telephone	Yes	Yes
Hearing-impaired TV equipment	Equipment that displays the audio part of television programs as subtitles for a hearing-impaired person	Yes	Yes
Herbal remedies	Remedies that are prescribed by a doctor for a medical condition	Yes	Yes
Hospital care	Inpatient care, including the cost of a private room Special considerations: Fees for personal convenience items, such as a television, telephone, and concierge services are not eligible.	Yes	Yes

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Household help	Expenses for help, even if recommended by a doctor, due to an inability of Employee, Dependent, or retiree to perform physical housework	No	No
Humidifiers	Cost of portable units prescribed by a doctor for treatment of a medical condition	Yes	Yes
Hypnosis	Hypnosis prescribed for medical reasons	Yes	Yes
I			
Illegal medical treatment	Including surgery	No	No
Immunizations		Yes	Yes
Infertility	Treatments for infertility, including artificial insemination, in-vivo or in-vitro fertilization, embryo placement, egg and sperm storage, and ovulation monitors	Yes	Yes
J			
K			
L			
Laboratory and X ray fees		Yes	Yes
Laetrile	Anti-cancer drug	No	No
Language training	Training for a child with dyslexia or other learning disabilities. Fees for regular Schooling aren't eligible	Yes	Yes
LASIK surgery		Yes	Yes
Lead-based paint removal	Costs for residences with children who have or had lead poisoning	Yes	Yes
Legal fees	Fees paid to authorize treatment for mental illness, excluding guardianship or estate management fees	Yes	Yes
Lens replacement insurance	Insurance to replace eyeglass or contact lenses	No	No
Life insurance premiums	Premiums paid for the following policies: life insurance, repayment for loss of earnings, and accidental loss of life, limbs, or sight	No	No

Revised: July 8, 2008

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Lodging	Cost of lodging not provided in a hospital or similar institution while away from home if primarily for and essential to medical care (limited to \$50 per person per night) Special considerations: The \$50 is applicable to only the patient and caregiver and is limited to \$100 per night. You must provide a statement of medical necessity from a doctor documenting the medical condition.	Yes	Yes
Long-term care insurance premiums	Expenses include premiums for long-term care and facility fees, expenses for long-term care treatment are not covered.	No	Yes
M			
Massage therapy	Therapy prescribed by a doctor to treat an injury or trauma	Yes	Yes
Mastectomy-related bras	Bras prescribed by a doctor	Yes	Yes
Maternity care	Service and supplies from doctors, midwives, clinics, hospitals, and laboratories Special considerations: 3D and 4D ultrasounds aren't eligible	Yes	Yes
Maternity clothes		No	No
Medic alert identifications	Bracelet or necklace prescribed by a doctor in connection with treating a medical condition	Yes	Yes
Medical coinsurance	Amounts not covered by You or Your spouse's Medical plans	Yes	Yes
Medical conference	Admission and transportation costs	Yes	Yes
Medical contract fees	Annual contract costs for exclusive provider care Special considerations: Itemized expenses for services provided are eligible	No	No
Medical co-payments		Yes	Yes
Medical deductibles	Deductibles under You or Your spouse's Medical plans	Yes	Yes

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Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Medical equipment	Costs to buy or rent durable equipment prescribed by a medical practitioner to alleviate or treat a medical condition. Examples include medical beds, nebulaes, and sleep therapy devices	Yes	Yes
Medical information	Amounts paid to a medical information plan for storage and retrieval of medical information	Yes	Yes
Medical reasonable/customary	Amounts not paid by a Medical plans that exceed reasonable and customary amounts	Yes	Yes
Medical services	Services provided by doctors, surgeons, specialists, or other medical practitioners	Yes	Yes
Medical supplies	Over-the-counter items such as bandages, thermometers, and heating pads	Yes	Yes
Mental health	Includes psychoanalysis or amounts paid to a psychiatrist, psychologist, hospital, clinic, or mental health facility for medical care	Yes	Yes
Mentally handicapped home	<p>Costs of keeping a mentally retarded person in a special home, as recommended by a psychiatrist, to help the person adjust from life in a mental hospital to community living</p> <p>Special considerations: Must provide a letter of medical necessity documenting that the special home or facility is necessary to assist the person in adjusting from life in a mental hospital to community living</p>	Yes	Yes
N			
Nursing or retirement home fee	<p>Medical care portion of a fee for an eligible Dependent</p> <p>Special considerations: Fees for doctors, therapists, and other medical practitioners are eligible, but fees for the nursing or retirement home facility aren't eligible</p>	Yes	Yes

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Nursing services	Wages and other amounts paid for nursing services to a patient at home or in a facility, such as a nursing home or rehabilitation center Special considerations: Home health care and private duty nursing are eligible	Yes	Yes
Nursing services for newborns	Services by a nurse or attendant to care for a normal and healthy newborn at a hospital or at home	No	No
Nutritional supplements	Supplements taken for general health purposes. Examples include protein supplements, energy bars, and sports drinks	No	No
O			
Occupational therapy	Therapy received as medical treatment	Yes	Yes
Organ donor	Surgical, hospital, laboratory, and transportation expenses for an organ donor, if You paid the donor's expenses	Yes	Yes
Orthodontic fees	Orthodontic fees paid in a lump sum and in monthly installments	Yes	Yes
Orthopedic shoes and esthetics	Shoes and orthotics prescribed by a doctor for a medical condition	Yes	Yes
Over-the-counter medications	Medications taken for general health purposes	No	No
Over-the-counter medications	Medications taken to relieve pain, colds, and medical conditions	Yes	Yes
Oxygen or oxygen equipment	Costs for rental or purchased equipment to relieve breathing problems caused by a medical condition	Yes	Yes
P			
Pain relievers		Yes	Yes
Personal-use items	Includes toiletries and cosmetics, unless used to prevent or ease a physical or mental defect or illness. Then only the excess of cost over the normally used item is reimbursable	No	No
Physical examinations	Routine physical examinations and related charges	Yes	Yes
Physical therapy	Therapy prescribed by a doctor as treatment for a medical condition	Yes	Yes

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Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Premiums for medical insurance	<p>Premiums paid on an after-tax basis (i.e. not through an Internal Revenue Code Section 125 plan sponsored by an employer) for any type of medical insurance coverage, including premiums for private insurance not provided by an Employer</p> <p>Special considerations: Must provide indication that the medical premium is after-tax when a payroll or retirement statement is used to document the medical premium expense. Handwritten or verbal confirmation will not be accepted.</p>	No	Yes
Prenatal vitamins	Vitamins prescribed by a doctor for use during pregnancy	Yes	Yes
Prescription drugs	Exceptions may apply to drugs prescribed for cosmetic or general health purposes	Yes	Yes
Prosthetics		Yes	Yes
Psychiatric care	Medical costs for psychiatric care	Yes	Yes
Psychiatric expenses	Includes psychoanalysis or amounts paid to a psychologist for medical care	Yes	Yes
Q			
R			
S			
Sales taxes	Sales and service taxes on eligible medical care or products	Yes	Yes
Shipping	Charges to ship an eligible medical product	Yes	Yes
Social activities	Activities such as dancing or swimming lessons, even if recommended by a doctor for general health improvement	No	No
School (alternative)	<p>Costs of sending a problem child to an alternative School for benefits the child may receive from the course of study and disciplinary methods</p> <p>Special considerations: Court-ordered programs aren't eligible</p>	No	No

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
School payments for disabled	Expenses paid to an alternative School for a child with a severe learning disability if the main reason is using the School's resources for relieving the disability Special considerations: You must provide a statement of medical necessity documenting the School is necessary to relieve the child's learning disability	Yes	Yes
Speech therapy	Speech therapy costs when prescribed as treatment for medical conditions such as autism, dyslexia, developmental delays, and rehabilitation.	Yes	Yes
Sterilization	Costs of sterilization (vasectomy or tubal ligation) and reversal of sterilization operations	Yes	Yes
Sunglasses	Sunglasses prescribed by an eye doctor for light sensitivity	Yes	Yes
Stop-smoking program		Yes	Yes
Support hose	Hose prescribed by a doctor for a medical condition Special considerations: The hose must be primarily manufactured and marketed for relief of a medical condition. Hosiery primarily marketed for fashion isn't eligible	Yes	Yes
T			
Taxes	Social Security and Medicare taxes paid for a nurse, attendant, or other person who provides medical care	Yes	Yes
Teeth whitening or bonding	Costs include bleaching and special whitening toothpaste. These expenses are always considered cosmetic and aren't eligible	No	No
Toothbrush	Any type of toothbrush even if recommended by a dentist or orthodontist	No	No

Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Transportation expenses	Costs to receive medical care including airfare, parking, tolls, taxis, rental cars, buses, gas for Your car, or mileage at the rate of 18 cents per mile, or the current rate allowed by the IRS. Special considerations: You must provide a letter of medical necessity from a doctor documenting the medical condition for any expense \$100 or more if no diagnosis has been submitted previously	Yes	Yes
Tutoring	Tutoring fees, recommended by a doctor, for a child who has severe learning disabilities caused by a mental or physical impairment, including nervous system disorders	Yes	Yes
U			
Umbilical chord storage	Costs to collect, freeze and store umbilical cord blood only when a medical condition is present. Storage when no medical condition is present isn't eligible	Yes	Yes
Uniforms		No	No
UVR treatments	Ultraviolet radiation treatments recommended by a doctor for a medical condition, such as chronic psoriasis	Yes	Yes
V			
Vacation or travel	Time off or travel for general health purposes	No	No
Vaccinations	Amounts paid for vaccinations or immunizations against disease	Yes	Yes
Varicose vein surgery	Expenses associated with the removal of varicose veins prescribed by a doctor for treatment of a medical condition	Yes	Yes
Veneers	Only when covered by an insurance plan or recommended by a dentist as the only course of treatment	Yes	Yes
Vision coinsurance	Amounts not covered by You or Your spouse's vision plans	Yes	Yes
Vision co-payments		Yes	Yes
Vision deductibles	Deductibles under Your or spouse's vision plans		
Vision expenses	Costs not covered by a vision plan	Yes	Yes

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Short Description	Long Description	Health Care Spending Account	Health Reimbursement Arrangement
Vision expenses above reasonable/customary amounts	Amounts not paid by a vision plan that exceed reasonable and customary amounts	Yes	Yes
Vitamins	Prescribed by a doctor to cure a medical condition	Yes	Yes
Vitamins	Taken for general health purposes	No	No
W			
Warranties	Warranties purchased for health-related equipment	No	No
Weight loss	Program for general health	No	No
Weight loss	Program to cure a medical condition and must be prescribed by a doctor. Additional considerations: Examples include medical costs and program fees for support group and non-medically supervised programs. Eligible programs include Weight Watchers, Nutrisystems, and Medifast. Food is often a part of these programs, however, the fees associates with food aren't eligible	Yes	Yes
Wheelchair		Yes	Yes
Wigs	Wigs purchased with doctor's recommendation for the mental health of a patient who has lost all of his or her hair from disease	Yes	Yes
Work-related medical expenses	Costs for an accident or illness not covered by workers' compensation or another Medical plan	Yes	Yes
Work transportation expenses	Transportation costs to and from work, even though a physical condition may require special means of transportation	No	No
X			
Y			
Z			

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