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CIS Trust

Health Savings Account (HSA)
And
Dependent Care Flexible Spending Account (FSA) Programs
With Transitioning
Limited Purpose Healthcare Flexible Spending Account (FSA)

Summary Plan Description

Effective January 1, 2017 through December 31, 2017

The Health Savings Account and Flexible Spending Account Programs form part of a Cafeteria Plan as defined in Section 125 of the Internal Revenue Code and are designed to permit an eligible employee to contribute on a pre-tax salary reduction basis to an account for reimbursement of qualified healthcare expenses and dependent care expenses.

December, 2016

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HSA TAX SAVINGS EXAMPLE

By electing to contribute a portion of your salary to the HSA Program, you essentially use this money to pay for expenses on a TAX-FREE basis that would otherwise be paid out of your take-home pay. **This example shows how the HSA Program could save this employee $380 in taxes!**

	Without HSA	With HSA	Savings with HSA
Gross Income	$50,000	$50,000	
Healthcare Expenses Run Through the HSA		$1,200	
Taxable Income	$50,000	$48,800	
Federal Tax*	$3,491	$3,311	$180
State Income Tax*	$3,648	$3,540	$108
Social Security (FICA) Tax	$3,825	$3,733	$92
Paycheck After Taxes	$39,036	$38,216	
Expenses Not Run Through the HSA	$1,200	$0	
Employee's Spendable Income	$37,836	$38,216	**$380**

This employee could reduce her taxes by $380 by using the HSA!!

*Estimate based on the IRS and Oregon tax table rates for a married employee.

FREQUENTLY ASKED QUESTIONS

REGARDING THE HEALTH SAVINGS ACCOUNT ("HSA") PROGRAM

Q. WHAT IS A HEALTH SAVINGS ACCOUNT (HSA) PROGRAM?

If you are enrolled in the High Deductible Health Plan and satisfy the Health Savings Account Program ("HSA") eligibility requirements, your employer will establish an HSA account on your behalf. Your employer may make contributions to your HSA account on a tax-free basis. You are also eligible to make your own contributions to the HSA account on a pre-tax salary reduction basis. The funds in your HSA account can be used to reimburse you for qualified healthcare expenses incurred by you or your dependents that are not covered under a group health plan. Even more appealing, in the event you can cover your medical costs without using the funds from the HSA, you can save these funds for future use. Funds in an HSA are not forfeited if you do not use them – they accumulate year over year. You can elect to make these pre-tax HSA contributions by completing, signing and returning an HSA Election Form to your employer.

Q. WHO CAN PARTICIPATE IN THE HSA PROGRAM?

In order to be eligible to make or receive HSA contributions for any month, you must satisfy several requirements for that month:

- You must be enrolled in the High Deductible Health Plan ("HDHP");
- You cannot be covered under a Healthcare FSA or another group health plan that is not an HDHP, including a spouse's Healthcare FSA.
- You must not be entitled to Medicare, Medicaid or TRICARE benefits; and
- You must not be entitled to medical benefits from the Department of Veteran Affairs ("VA") (other than for a service-connected disability) or from the Indian Health Service ("IHS") during the preceding three months.

Note: If you are not eligible for an HSA because you are entitled to Medicare, Medicaid, TRICARE, VA or IHS benefits, then you may be eligible for another healthcare expense reimbursement program offered by your employer, such as by a Healthcare FSA.

Q. WHAT TYPES OF HEALTHCARE EXPENSES CAN BE REIMBURSED FROM MY HSA?

Your HSA can be used to reimburse you for qualified healthcare expenses that apply toward your HDHP deductible. Additionally, you can be reimbursed for qualified healthcare expenses that your HDHP does not cover. Qualified healthcare expenses are listed under IRS Code Section 213(d) and are updated periodically. Please refer to the IRS website (www.irs.gov, Publication 502) for the most current information published by the IRS.

Your HSA cannot be used to reimburse you for most health insurance premiums. However, the following premiums may be reimbursed from HSA funds on a tax-free basis:

- Qualified long-term care insurance premiums;
- COBRA premiums;
- Health plan coverage while an individual is receiving unemployment compensation; and
- Medicare premiums, other than Medigap coverage.

You may use your HSA funds to cover the healthcare expenses for your spouse, children and other individuals who are considered your dependents for tax purposes.

Q. WHOSE HEALTHCARE EXPENSES CAN BE REIMBURSED FROM MY HSA?

Your HSA can be used to reimburse you for qualified healthcare expenses incurred by you, your spouse or a qualified dependent. For this purpose, the standard to determine a dependent child differs from that applied under the group health plan rules. Specifically, while a group health plan allows coverage of a child up to age 26, your HSA generally cannot reimburse you for the expenses of the child unless he or she qualifies as your dependent for income tax purposes. This generally means that the child must be under the age of 19, or under the age of 24 if a full-time student.

Q. CAN I CHANGE MY HSA CONTRIBUTION RATE OR DISCONTINUE CONTRIBUTIONS?

If you do not elect to make HSA contributions when initially eligible, or if you later wish to change the election you made, you may change your election once a month in accordance with procedures established by your employer. A change in an HSA contribution election will be effective the first of the month following the date the election change is received by your employer.

Q. WHAT HAPPENS IF I HAVE AN HSA BALANCE AT YEAR END?

You are not required to spend all the funds contributed to your HSA within the same year. Unused funds will accumulate year after year in your HSA; unused funds are not forfeited. There is no limit on the number of withdrawals or fund distributions you can make from your HSA, up to the available balance. You may withdraw funds at any time.

Q. WHAT HAPPENS IF I USE MY HSA TO PAY FOR NON-QUALIFIED HEALTHCARE EXPENSES?

A distribution from your HSA account for reasons other than to reimburse you for qualified healthcare expenses is taxable. The distribution will also be subject to a 20-percent additional penalty if received prior to age 65.

Q. WILL I RECEIVE ANY TAX FORMS TO HELP ME PREPARE MY TAXES AT YEAR END?

Yes, you will be sent the necessary tax forms. First, you will receive a Form 5498-SA that shows all of the contributions you and your employer made to your HSA. Second, if distributions were made from your HSA, you will receive a Form 1099-SA that shows the amount of any distributions made from your HSA during the calendar year. Your Form W-2 will show the amount of any pre-tax contributions you made to your HSA and any contributions your employer made to your HSA. Please consult your tax advisor for further information regarding your specific situation.

Q. IF I TRANSTITION TO A HIGH DEDUCTIBLE HEALTH PLAN (HDHP) WITH A HEALTH SAVINGS ACCOUNT (HSA) FROM A TRADITIONAL MEDICAL PLAN, AND CARRIED OVER MONEY FROM MY GENERAL HEALTHCARE FSA WHEN COVERED BY THE TRADITONAL MEDICAL PLAN (NON-HDHP), WHAT HAPPENS?

If you participated in the Healthcare FSA Program, and if you had an unused balance as of the end of the year, that unused balance (up to $500) will be carried over to the following plan year. However, since you moved to a HDHP with HSA, the money will be moved to a “limited purpose” FSA. This means you can only reimburse expenses for dental, vision and preventative care services. By making this change, you remain eligible for contributions to a HSA that can be used to reimburse healthcare expenses. If the unused dollars were carried over to a general Healthcare FSA Program, you would be ineligible for a HSA.

HEALTH SAVINGS ACCOUNT ("HSA") PROGRAM SUMMARY

STEPS TO ELECT HSA CONTRIBUTIONS

1. **Estimate your family's annual out-of-pocket healthcare expenses.** You may include expenses for anyone included on your federal tax return (spouse, children, etc.).

2. **Determine your employer HSA contribution.** Because there are limits on the amount of the combined employer and employee contributions that may be made for a year, you will need to know the amount of the HSA contribution that your employer will make on your behalf.

3. **Submit an Election Form.** Divide your estimate by the number of paychecks you expect to receive during the plan year or remaining in the plan year if making a mid-year change. Complete, sign and submit an HSA Election Form to your employer.

4. **Reimbursement claim.** After you have received healthcare services and know the amount of your responsibility for the bill (for example, by an Explanation of Benefits ("EOB") statement), you may request reimbursement to the bank or other financial institution in which your HSA account is held.

Contribution Limits

In general, you are permitted to contribute to your HSA account, or to have HSA contributions made by your employer on your behalf, for each month during a calendar year that you are covered by a HDHP. A monthly limitation applies. The monthly limitation is 1/12 of the applicable annual contribution limit described below (reduced by the amount the employer will make on your behalf to your HSA account).

The HSA contribution limits for 2017 are below.

- Contribution limit for individual coverage is $3,400.
- Contribution limit for family coverage is $6,750.
- If you are age 55 or over by the end of 2017, the IRS allows you to contribute an additional "catch-up" amount of $1,000.

Employee Contributions

If you elect to make your own HSA contributions, your contributions to the HSA will be deducted from your pay on a pre-tax basis.

When determining the amount of your contribution to the HSA, you must take into consideration the following:

- Your contribution limits based on your type of coverage (individual or family); and
- Any monthly amount that is being contributed to your HSA by your employer. If your employer is contributing to your HSA account, you will need to reduce your contribution by the monthly amount your employer has elected to contribute on your behalf.

Employer Contributions

If your employer has elected to contribute to your HSA, these contributions will be credited to your HSA account based on the contribution schedule determined by your employer (e.g. monthly, quarterly, annually).

Excess Contributions

The IRS imposes a penalty on excess contributions. Additionally, you are required to pay tax on any interest earned on excess funds. It is each employee's responsibility to ensure that HSA contributions do not exceed maximum limits.

HEALTH SAVINGS ACCOUNT CLAIMS

[Reserved for Discussion of HSA Reimbursement Request Procedures]

HEALTH SAVINGS ACCOUNT INTERNET ACCESS
[RESERVED]

FREQUENTLY ASKED QUESTIONS

REGARDING THE DEPENDENT CARE FSA PROGRAM

Q. WHAT IS A DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT PROGRAM (FSA)?

The Dependent Care Flexible Spending Account Program forms part of the CIS Employee Benefits Trust Plan (the "Plan"). The Dependent Care FSA Program allows you to voluntarily set aside money to be used to reimburse you for qualified dependent care expenses. Without the Dependent Care FSA Program, you would have to pay for these expenses with after-tax dollars – that is, with money that you have already paid taxes on. The money that you elect to contribute under the Dependent Care FSA Program is automatically deducted from your gross wages before federal, state and Social Security taxes are withheld. The contributions are not considered taxable income, and therefore do not appear on your W-2 Form as taxable income. Since your taxable income is reduced, so are your taxes.

Q. WHO CAN PARTICIPATE IN THE DEPENDENT CARE FSA PROGRAM?

An employee is eligible to participate in the Dependent Care FSA Program if the employee:

- Is regularly scheduled to work 20.00 hours or more per week; and
- Has satisfied the employer's waiting period.

The following classes of employees cannot participate in the Dependent Care FSA Program:

- Contract workers and independent contractors;
- Temporary employees and casual employees (employees hired short-term to meet specific needs of the employer, as determined in the employer's sole discretion); and
- Individuals paid by a temporary or other employment or staffing agency.

Q. WHY SHOULD I PARTICIPATE?

The Dependent Care FSA Program may save you more in taxes than the dependent care tax credit (filed with your federal income tax return).

Q. IF I MAKE PRE-TAX CONTRIBUTIONS TO THE DEPENDENT CARE FSA PROGRAM, WON'T I MAKE LESS MONEY?

No. Your spendable income will increase by the amount of your tax savings.

Q. HOW MUCH WILL BE DEDUCTED FROM MY SALARY FOR THE BENEFITS I SELECT?

Your salary reduction amount for a pay period is an amount equal to the annual contribution for the benefits you elected, divided by the number of remaining pay periods in the plan year following your participation effective date.

Q. WHEN CAN I MAKE A CHANGE IN MY ELECTION?

In general, once you have enrolled in (or have chosen not to enroll in) the Dependent Care FSA Program for a plan year, the enrollment election must remain in effect for the rest of the plan year. In other words, you generally will not be able to modify or revoke your Dependent Care FSA Program election until the next open enrollment.

An exception to this general rule applies upon the event of a "qualified status event change." Under this exception, you may change your election if you, your spouse, or a dependent experience an event (listed below) which results in a gain or loss of eligibility for coverage under the Dependent Care FSA Program, or a similar plan maintained by your spouse's or dependent's employer, and your desired election change corresponds with that gain or loss of coverage.

A change may be made to your Dependent Care FSA Program election upon the occurrence of an event described below, provided that the event results in a gain or loss of eligibility under the Dependent Care FSA Program.

- Your legal marital status changes through marriage, divorce, death, legal separation or annulment.
- The number of your dependents changes by reason of birth, adoption (or placement for adoption), or death.
- You, your spouse or any of your dependents have a change in employment status that affects eligibility under an employee benefit plan of your employer, or a plan maintained by the employer of your spouse or dependent. If you terminate employment or take a leave of absence, you must wait at least 31 days for termination or leave of absence to qualify.
- One of your dependents satisfies or ceases to satisfy the requirements for coverage under an employee benefit plan of your employer, or a plan maintained by the employer of your spouse or a dependent, due to attainment of age or any similar circumstances.

- You changed your election under another employer-sponsored plan, as long as the change made under the other plan was permitted by IRS regulations or was made for a plan year that is different from the plan year of the Dependent Care FSA Program (i.e., the year beginning January 1 and ending December 31).
- Your child no longer qualifies for dependent care because he or she has turned 13.
- You change dependent care providers (including school or other free provider) resulting in a change in your dependent care expenses.
- Your dependent care provider who is not your relative changes your costs significantly. A relative is any person who is a child, parent, stepchild, sibling, aunt, uncle, cousin, or in-law of the participant.

The election change request must be filed within 31 days of the date of the qualifying event, and becomes effective on the 1st of the month following the event and the approval of the request.

If you have questions regarding a change in elections, please call CIS Benefits at 1-855-763-3829.

Q. WHAT IF I'M ALREADY IN THE DEPENDENT CARE FSA PROGRAM?

Participation in the Dependent Care FSA Program terminates at the end of each plan year. You MUST re-enroll each plan year to continue your participation.

Q. WHEN DOES PARTICIPATION BEGIN?

If you are an existing employee, you must enroll online during Open Enrollment (unless a "qualified status event" occurs). Your participation in the Dependent Care FSA is January 1 through December 31 of the new plan year.

If you are a new employee, you must complete, sign and return to your employer the Enrollment Form your employer included in the enrollment materials. If you fail to return the form by the deadline indicated in your enrollment materials, you will not be able to participate in the Dependent Care FSA Program until the next open enrollment period (unless a "qualified status event" occurs). Enrollment during the plan year is effective the 1st of the month following enrollment.

Q. WHAT IS THE "OPEN ENROLLMENT PERIOD" AND THE "PLAN YEAR"?

The open enrollment period is the period prior to the beginning of the plan year during which you have an opportunity to elect to participate under the Dependent Care FSA Program by enrolling online through the benefits portal: www.cisbenefits.org . You will be notified of the timing and duration of the open enrollment period.

The plan year is the 12 months beginning on each January 1, and ending on December 31.

Q. WHAT IF I DON'T USE ALL OF THE MONEY I ELECT IN THE DEPENDENT CARE FSA PROGRAM?

In exchange for the tax advantages associated with the Dependent Care FSA Program, **the IRS requires that any money left over in your account at the end of the plan year be forfeited**. Unspent amounts in your Dependent Care FSA Account cannot be carried forward to pay for expenses incurred in the following plan year.

By reason of the "use-it-or-lose-it" rule, and the restrictions on mid-year election changes discussed above, it is very important that you carefully estimate your eligible expenses before deciding how much to contribute for expenses incurred during the year. ASI can help you estimate your allowable expenses for the plan year.

Q. ARE THERE ANY NEGATIVES THAT I SHOULD KNOW ABOUT?

Yes, because you are not paying Social Security tax on the portion of your income that you contribute to the Dependent Care FSA Program, your Social Security benefits may be slightly reduced. However, if you invest your tax savings, in many cases you would have more money available at retirement than the benefit you would have received from the amount not paid into Social Security.

Participation in the Dependent Care FSA Program is an alternative to taking a dependent care "tax credit" allowed with your tax filing each year. You may receive a tax break on your expenses, but you must choose whether to use the dependent care "tax credit" or the Dependent Care FSA Program. The IRS does not permit you to receive two tax breaks on the same expenses.

Q. WHEN WILL MY PARTICIPATION IN THE DEPENDENT CARE FSA PROGRAM TERMINATE?

You will cease to be a participant in the Dependent Care FSA Program upon the earliest of the following dates:

- The expiration of the plan year for which you have elected to participate in the Dependent Care FSA Program (unless you elect to continue participating during the open enrollment period for the next plan year;
- The date on which you cease to be eligible to participate in the Dependent Care FSA Program because of retirement, termination of employment, layoff, reduction in hours, or any other reason;
- The date you revoke your election to participate under a circumstance that permits such a change of election under the terms of the Dependent Care FSA Program; or
- The termination of the Dependent Care FSA Program.

If you terminate employment during a plan year, you will cease to be eligible to participate in the Dependent Care FSA Program.

Q. WHAT IF I AM REHIRED AFTER TERMINATING EMPLOYMENT?

If you terminate employment with the employer, but you return to work within 30 days during the same plan year, your participation will be reinstated as it was. You will have the option of reinstating your coverage at the same annual level you had prior to your termination or reinstating your coverage at the same per pay period amount with a reduced annual amount. Should you chose the same annual amount, your per pay period contributions will be adjusted so that your total contributions for the year will equal your annual coverage amount. Should you return to work after 30 days during the same plan year, you may make a new election for the remainder of the plan year.

Q. WHAT IF I GO ON FMLA?

If you go on FMLA, you will cease to be eligible to participate in the Dependent Care FSA Program. If your Dependent Care FSA Program coverage ceases while you are on FMLA leave for any reason (including for non-payment of premiums), then you may re-enter the Dependent Care FSA Program upon return from FMLA on the same basis as you were participating prior to the leave. You will be entitled to elect whether to be reinstated in the Dependent Care FSA Program at the same coverage level as in effect before the FMLA leave (with increased contributions for the remaining period of coverage) or at a coverage level that is reduced pro-rata for the period of FMLA leave. If you elect a coverage level that is reduced pro-rata for the period of FMLA leave, the amount withheld from your compensation on a payroll-by-payroll basis for the purpose of paying under the Dependent Care FSA Program will be equal to the amount withheld prior to the period of FMLA leave.

Q. HOW CAN I GET ANSWERS TO OTHER QUESTIONS?

Check ASI's website www.asiflex.com. You can email ASI at asi@asiflex.com or call ASI toll free at 1-800-659-3035. A representative is available from 5 a.m. to 5 p.m. Pacific Time, Monday through Friday, and from 7 a.m. to 11 a.m. Pacific Time on Saturday.

Q. HOW QUICKLY WILL MY CLAIMS UNDER THE DEPENDENT CARE FSA PROGRAM BE PAID?

ASI will process your claim no later than the first banking day following their receipt of the claim. Valid dependent care claims will be paid on the day processed up to the balance in your account under the Dependent Care FSA Program. Any excess dependent care claim will be paid as contributions are received from payroll. If there is a problem with your claim, ASI will notify you on the day the claim is processed either by U.S. Mail or by email.

Q. IS DIRECT DEPOSIT AVAILABLE?

Yes. You may have your claims payments sent directly to your checking, money market or savings account. ASI will send a notice of each payment to you. ASI can send this notice via email, if you prefer. Email and direct deposit provide you with the fastest, safest payment method, as well as the fastest notification method.

Q. WHAT HAPPENS IF MY CLAIM FOR REIMBURSEMENT IS DENIED?

If your claim is denied, in whole or in part, ASI will notify you in writing within 30 days of the date of receipt of your claim. This time period may be extended for an additional 15 days for matters beyond the control of ASI, including in cases where a claim is incomplete. ASI will provide written notice of any extension, including the reasons for the extension and the date by which a decision by ASI is expected to be made. When a claim is incomplete, the extension notice will also specifically describe the information required. You will have 45 days from receipt of the notice in which to provide the specified information. Decision on your claim will be suspended until the specified information is provided. Notice of a denied claim will include:

- The specific reasons for the denial;
- The specific plan provisions on which the denial is based;
- A description of any additional material or information necessary for you to validate the claim, and an explanation of why such material or information is necessary; and
- Appropriate information on the steps to be taken if you wish to appeal the claim denial.

If your claim is denied, in whole or part, you (or your authorized representative) may request that the claim denial be reviewed. The request must be made in writing to CIS, the Plan Administrator. Your **appeal must be made in writing within 60 days** of your receipt of the notice that the claim was denied. If you do not appeal on time, you will lose the right to appeal the denial and the right to file suit in court. Your written appeal should state the reasons that you feel your claim should not have been denied. It should include any additional facts or documentation that you feel supports your claim. You may review (upon request and at no charge) documents and other information relevant to your appeal.

Your appeal will be reviewed and decided by CIS in a reasonable time (no later than 60 days) after CIS receives your request for review. If the decision on review affirms the initial denial of your claim, you will be furnished with a notice of adverse benefit determination on review setting forth:

- The specific reasons for the decision on review; and
- The specific plan provisions on which the decision is based.

DEPENDENT CARE FSA PROGRAM SUMMARY

The Dependent Care FSA Program is designed to allow you to set aside amounts on a pre-tax basis in an account, and to have qualified dependent care expenses then reimbursed to you tax-free from that account.

STEPS TO PARTICIPATE IN THE DEPENDENT CARE FSA PROGRAM:

1. **Estimate your total dependent care expenses for the plan year**. Include predictable expenses only.
2. **Enroll**. If enrolling during Open Enrollment, you will enter the amount divided by the number of paychecks you will receive during the plan year in the online Dependent Care FSA section. If enrolling as a New Hire, complete an Enrollment Form entering the amount divided by the number of paychecks you will receive for the remainder of the plan year. Return the completed Enrollment Form to your employer within the required timeline.
3. **File claims.** After you have received dependent care services, you may submit a claim for reimbursement of those expenses to ASI.
4. **Receive reimbursements.** ASI will review your claim, and, if approved, will reimburse you within one business day of receipt of your claim up to the amount you have on deposit in your account. If your claim exceeds the balance of your account under the Dependent Care FSA Program, the difference will be recorded and paid as funds become available from payroll.

IMPORTANT DEPENDENT CARE FSA PROGRAM INFORMATION

Annual Maximum: $5,000 **Annual Minimum: There is no minimum.**

IRS Contribution Limit

The tax-favored treatment of your contributions to the Dependent Care FSA Program is limited by federal regulations. By reason of these regulations, the maximum that you elect to contribute to the Dependent Care FSA Program during the calendar year should be the **least of:**

- $5,000, if you are single and file an individual tax return, or married and file a joint tax return;
- $2,500, if you are married and file a separate tax return; or
- Your taxable income or your spouse's taxable income, whichever is less. (For example, if you earn $25,000 per year and your spouse earns

$3,000, then your contribution to a Dependent Care FSA Program for the year should be limited to $3,000.

Contributions to all Dependent Care FSA programs that you and your spouse may participate in should not exceed $5,000 on a combined basis in any calendar year. Thus, if your spouse's employer also sponsors a Dependent Care FSA program, the most that you and your spouse should contribute under both programs on a combined basis is $5,000.

If your spouse is a full-time student or cannot care for himself or herself, you may be considered to have an income of $250 per month if you have one qualified dependent, or $500 per month if you have two or more qualified dependents.

Alternative Dependent Care Tax Credit

Under the IRS rules, you may claim a dependent care tax credit on your federal income tax return. This credit provides a dollar-for-dollar write-off against your taxes for qualified dependent care expenses, subject to limits. The tax credit cannot be used for expenses paid by the Dependent Care FSA Program. The tax credit amounts may range from 20% to 35% of dependent care costs. The exact percentage is based upon the individual's adjusted gross income. The credit cannot be claimed on more than $3,000 of dependent care expenses if there is one child, or $6,000 for two or more children.

The dependent care tax credit may provide you with tax savings to cover the same types of expenses covered by the Dependent Care FSA Program. As a result, you can either participate in the Dependent Care FSA Program, or take the tax credit when filing your tax return. If you have questions about which approach is best for you and your family, you should consult a tax advisor.

A Qualifying Individual is your dependent who is under the age of 13 who lives with you at least one half of the year. It also includes an older dependent who is mentally or physically incapable of self-care who resides with you for more than one half of the year and is a qualifying child or relative. The child of a divorced or separated employee is treated as a qualifying individual of the custodial parent irrespective of who claims the dependency exemption. The child is treated as having been in the custody of the parent who has custody for the greater portion of that year.

A Qualified Provider can provide care in your home or outside your home. If the care is provided outside your home and the facility cares for more than 5 individuals, then it must be licensed by the State. The expenses **may not** be paid to your spouse, a child of yours who is under the age of 19 at the end of the year in which the expenses are incurred, or to an individual for whom you or your spouse are entitled to a personal tax exemption as a dependent.

The amount that you contribute to the Dependent Care FSA Program for a calendar year will appear on your W-2 Form. This will inform the IRS that you have received dependent care benefits through the Dependent Care FSA Program. **You will then be required to file Schedule 2** with your IRS Form 1040A or **Form 2441** with your IRS Form 1040 for the calendar year. Please note that this filing is for informational purposes. You will not pay taxes on your contributions.

Qualifying Dependent Care Expenses

Qualifying dependent care expenses are those that you incur in order for you (and your spouse, if married) to be gainfully employed that are considered to be employment-related expenses to the extent that you or another person (if any) incurring the expense are not reimbursed for the expense through any other plan. Only expenses incurred for care and well-being qualify for this tax break (kindergarten, summer school and private school expenses do not). Day camp fees incurred in order for you to work are allowable, but overnight camps are not. Refer to IRS Publication 503 for additional information. You can access this publication from ASI's website. The purpose of Publication 503 is to assist people with their income tax filing. It does not specifically address Dependent Care FSA Programs. However, most of the items listed as eligible for the tax credit in Publication 503 can be claimed under the Dependent Care FSA Program. **You can only claim expenses based on the date incurred (not paid as stated in Publication 503)**. Please contact ASI at asi@asiflex.com, or at (800) 659-3035, if you have any questions regarding particular expenses.

Qualifying Expenses are those that enable you to be gainfully employed, including:

- Day-care centers
- Day camps, including recreational or specialized camps (e.g., soccer or computer)
- Nannies
- Before and after-school care expenses

Non-Qualifying Dependent Care Expenses

This is a partial list of items that do not qualify under the Dependent Care FSA Program. There may be other items that do not qualify that are not listed here.

- Care that is not incurred in order for you to work or look for work
- Kindergarten or other educational expenses
- Amounts paid to your spouse, or to your (or your spouse's) son or daughter who is under 19 years old at the end of the year
- Care for a child for whom you have 50% or less physical custody
- Care for a child age 13 or older who is not disabled
- Overnight Camps
- Child support payments

FLEXIBLE SPENDING ACCOUNT CLAIMS

ASI, (800) 659-3035	asi@asiflex.com
PO Box 6044 Columbia, MO 65205-6044	Claims processed daily – within 1 day
World Wide Web www.asiflex.com for claim forms and personal account information	

Allowable expenses must be incurred during the portion of the plan year that you are a participant. Claims must be filed by March 31 following the end of the plan year. After March 31, your account will be closed and any balance remaining will be forfeited in accordance with federal regulations.

You must submit a completed claim form along with **copies** of invoices or statements **from the provider** or other independent third party to serve as proof that you have incurred an allowable expense in order to receive payment. Statements are **required** to **include:**

- **The provider's name;**
- **The date(s) of service;**
- **A description of the service(s); and**
- **The expense amount.**

You can submit a claim online or download claim forms on the ASI website at www.asiflex.com. You may request paper copies by phone at (800) 659-3035.

You may have the dependent care provider complete the dependent care section of the claim form and sign on the line provided in lieu of providing the above documentation for dependent care claims.

The tax identification number or Social Security Number of the dependent care provider should be listed on each of your claim forms. You must provide this number with your federal income tax return. Please check with your dependent care provider (**before** enrolling in this category) to be sure that you are able to obtain their tax I.D. number or Social Security number.

Payment from the Dependent Care FSA Program will be made up to the approved amount of your claim or your current balance, whichever is less. Any portion of your claim which is not paid will be paid automatically as money is contributed from payroll. Total payments for the year are restricted to your annual election.

Direct deposit into the bank account of your choice is available for your claim payments. By using direct deposit, you will not need to wait for a check to arrive to deposit yourself. A notice that a payment was made will be sent to you. This direct deposit notice is available by U.S. Mail or by email. If you prefer, a check can be mailed to you instead of directly deposited.

Email notice. If you choose direct deposit, ASI can send the notices of claim payments directly to your email account.

FLEXIBLE SPENDING ACCOUNT INTERNET ACCESS

You can access information regarding your accounts under the Dependent Care FSA Program on the Internet 24 hours a day, 7 days a week. Information is updated every morning to reflect the previous day's transactions. You can find out if a claim has been processed, a payment has been made or your current balance using Internet access. Information for the current plan year is viewable (the previous plan year until March 31 following the end of that plan year is available as well). There is no personally identifying information on the Internet, which means this information will be meaningful to you, but not to anyone else.

To access your account:

1. Go to http://www.asiflex.com
2. Click on "**Account Detail**"
3. Click in the box to the right of "**Your FlexPin**"
4. Type your Personal Identification Number ("PIN"). Your PIN is provided on your enrollment confirmation. You can also call ASI at (800) 659-3035 to get your PIN.
5. Click "**Submit**"
6. Select the plan year from the drop down box if available. This box will not be displayed if only one plan year is available.
7. Select the category you wish to view if you are enrolled in more than one category. All transactions for the plan year are shown through the previous day. Information is updated early each morning.
8. Click "**Lookup**"
9. Be sure to click "**Sign out (or enter another FlexPin**)" when you finish. This closes out your account for security purposes.

GENERAL PLAN INFORMATION

Name of the Plan	CIS Employee Benefits Trust Plan. The Health Savings Account Program and the Flexible Spending Account Program form part of the Plan.
Plan Sponsor	CIS Trust (CIS) 1212 Court St NE Salem, OR 97301 (503) 763-3800
Plan Administrator	CIS Trust (CIS) 1212 Court St NE Salem, OR 97301 (503) 763-3800
HSA Plan Administrator	____________________________ ____________________________ ____________________________ ____________________________
FSA Plan Administrator	ASI PO Box 6044 Columbia, MO 65205-6044 (800) 659-3035 asi@asiflex.com

The plan year is the twelve-month period beginning January 1 and ending December 31.

Although the HSA Program and the Dependent Care FSA Program form part of the Plan, they are separate programs for purposes of administration, and all reporting and nondiscrimination requirements imposed by the IRS.

The HSA and FSA Programs are not underwritten by an insurance company, and benefits are not guaranteed by a contract of insurance. The maximum contributions that may be made under an HSA or FSA Program for a participant is the total of the maximums that may be elected or otherwise designated as contributions for benefits as described in the HSA Program Summary and Dependent Care FSA Program Summary sections.

ASI has been hired to perform certain administrative functions for the Dependent Care FSA Program. ASI processes all claims for the Dependent Care FSA Program. If you have any questions concerning claims, please contact ASI by mail at P. O. Box 6044, Columbia, MO 65205; by phone at 800-659-3035; by email at asi@asiflex.com; or on-line at www.asiflex.com.

Your employer has hired a HSA Banking Vendor to perform certain administrative functions for the HSA Program. The HSA Vendor processes all claims for the HSA Program. If you have any questions concerning claims, please contact your HSA Vendor.

In preparing this summary of your HSA and FSA Programs, we have done our best to explain their various features in straightforward, non-technical language. Of course, this information is based on a legal plan document that governs the HSA and FSA Programs. It is not our intention in summarizing the material features of the HSA and FSA Programs to change the meaning expressed by the formal document. If we have inadvertently indicated anything that disagrees or is inconsistent with the legal plan document, the formal plan document is the one we must follow in the administration of the HSA and FSA Programs and determining your rights under the HSA and FSA Programs. A copy of that document is available for your review through your employer. You may also obtain a copy upon payment of reasonable photocopying charges.

The HSA Vendor, ASI and CIS will perform their duties as the Claims Administrator and the Plan Administrator, respectively, and in their sole discretion will determine an appropriate course of action in light of the reason and purpose for which the FSA Programs are established and maintained. In particular, the HSA Vendor, ASI and the Plan Administrator will have full, discretionary authority to interpret all plan documents, and make all interpretive and factual determinations as to whether any individual is entitled to receive any benefit under the terms of the HSA or Dependent Care FSA Program. Any interpretation of the terms of any plan document, and any determination of fact adopted by the HSA Vendor, ASI or the Plan Administrator, will be final and legally binding on all parties. Any interpretation will be subject to review only if it is arbitrary, capricious, or otherwise an abuse of discretion. Any review of a final decision or action of the HSA Vendor, ASI or the Plan Administrator will be based only on such evidence presented to or considered by the HSA Vendor, ASI or the Plan Administrator at the time of the decision that is the subject of review. Accepting any benefits or making any claim for benefits under the HSA or Dependent Care FSA Program constitutes agreement with and consent to any decisions that the HSA Vendor, ASI or the Plan Administrator make in their sole discretion, and further constitutes agreement to the limited standard and scope of review described by this section.

To the extent permitted by law, the HSA Vendor, ASI, the Plan Administrator, and any other party assuming a fiduciary or decision making role will not incur any liability for any act or for failure to act except for their own willful misconduct or willful breach of the HSA or Dependent Care FSA Program. The standard will be one of ordinary care.

Benefits Offered:

- Health Savings Account Program (HSA)
- Dependent Care Flexible Spending Account (FSA) Program

Sample Claim and Provider Documentation

This day care receipt contains the items the Internal Revenue Code requires:

1. It is signed by the provider of service - "Ima Sitter"
2. It contains a description of the services - "day care services"
3. It explicitly lists "1-2-04 to 1-08-04" as the range of the dates that the day care was provided.
4. It includes the amount <u>charged</u> for the day care "$300.00"; not necessarily the amount paid.
5. It identifies the person for whom the day care was provided - "Mike Riddick"

Day care documentation must contain all of these items in order to be processed.

I provided day care services for Mike Riddick

From 1/02/04 to 1/08/04. The total sum for services provided was $300.00.

Signed Ima Sitter

Ima Sitter
123 Main Street
Columbia, MO 65203
SSN 123-45-6789

We must be able to identify the participant

CLAIM FORM

Please read requirements on reverse side

Riddick, John M.	ASI	111 — 22 — 4444
Last Name, First Name	Employer	Social Security Number
110 E. Ash St.		Columbia MO 65203
Street Address		City,State,Zip

Dependent Care Assistance (day care, babysitting, etc.)

Name of Dependent	Age	Service Period From	Service Period to	Name, Address and Tax Payer Id number of Provider of service	Charge for Services	ASI use only
Mike	10	1/02	1/08	Ima Sitter, 123 Main St. Columbia MO 65203 123-45-6789	300.00	
		Total Dependent Day Care Claim			300.00	

I provided the dependent care as stated above

Care Provider's original signature | Date | SSAN/Tax ID#

Medical Benefits

Date Care Provided*	Name of Service Provider	Expense Description	Name and relationship of Person for whom expense incurred	Amount that is your responsibility	ASI use only
01/05/04	I William See, M.D.	Eye Exam	Mary - daughter	10.00	
		Total Medical Amount Requested		10.00	

Please arrange documentation in order listed above.

*Claims for future services will not be accepted.

The undersigned participant in the Plan certifies that all expenses for which reimbursement or payment is claimed by submission of this form were incurred during a period while the undersigned was covered under his/her employer's Flexible Spending Plan with respect to such expenses and that the expenses have not been reimbursed and are not reimbursable from any other source. Any Dependent Care Assistance expenses claimed here were provided for my dependent under the age of 13 or for a dependent who is incapable of self care. The undersigned fully understands that he or she alone is fully responsible for the sufficiency, accuracy, and veracity of all information relating to this claim which is provided by the undersigned, and that unless an expense for which payment or reimbursement is claimed is a proper expense under the Plan, the undersigned may be liable for payment of all related taxes including federal, state, or local income tax on amounts paid from the Plan which relate to such expense.

John M. Riddick — Employee Signature

01/08/04 — Date

The participant must sign the claim form.

Separate dependent care documentation is not required if the provider signs the form <u>after</u> the dependent care section is completed.

I. William See, MD
Ophthalmology
2020 Seymour
Crystalview, MO 65201

Service Date	Description	Charge for Services
01/05/04	Eye Exam	$10.00

Patient's Name Mary Riddick

This healthcare service statement contains the items the IRS regulations require:

1. It identifies the provider of service - "I. William See, MD"
2. It contains a description of the services - "Eye Exam"
3. It <u>explicitly</u> states the date of the eye exam - "1/05/04"
4. It includes the amount <u>charged</u> for the exam "$10.00"; not necessarily the amount paid at the time of service.
5. It identifies the person receiving the eye exam - "Mary Riddick"

Medical documentation must contain all of these items in order to be processed.

Every request and all documentation <u>must</u> contain all the items shown in blue