

Mayor
David R. Martin

Director of Legal Affairs
KATHRYN EMMETT

CITY OF STAMFORD

Director of Human Resources
CLEMON WILLIAMS
cwilliams@stamfordct.gov

PLEASE NOTE THIS INFORMATION APPLIES TO THE FOLLOWING UNIONS ONLY

1199, CUSTODIANS, DENTAL HYGENISTS, FIRE, LEGAL, MAA, NURSES, POLICE, TEAMSTERS, UAW, AND UE

2015 Enrollment Materials for Flexible Reimbursement Account Plan

The City of Stamford continues to offer you a choice of reimbursement accounts under the Flexible Reimbursement Account Plan conforming with our various collective bargaining agreements. Reimbursement accounts can help you reduce the cost of predictable health-related and dependent care expenses, by letting you pay for these expenses on a before-tax basis.

The Flexible Reimbursement Account Plan includes:

- **Medical Reimbursement Account** – if you have out-of-pocket health care expenses for deductibles, coinsurance, vision and hearing care, and other services not covered by your health insurance.
- **Dependent Care Reimbursement Account** – if you pay dependent care expenses for a child under the age of 13, to a day care center or a babysitter while you work.

Your annual open enrollment period for the Flexible Reimbursement Account Plan is between November 15, 2014 and December 15, 2014. Selections you make for the 2015 Plan Year will become effective with the first pay period in January and remain in effect through the last pay period in December. This year, if you want to participate in the program, you must return the enclosed Flexible Reimbursement Account Enrollment Form to the Human Resource Department by December 15, 2014.

IMPORTANT NOTE: No faxed or scanned 2015 Flexible Election Forms will be accepted.

YOU MUST RE-ENROLL EACH YEAR TO MAINTAIN COVERAGE!

If you wish to participate in either or both of the Flexible Reimbursement Accounts in 2015, you must enroll during the annual open enrollment period since participation in the Plan for next year is not automatic — even if you participated in 2014 and want to contribute the same amount as you did this year. You must enroll each year in either (or both) Accounts to maintain coverage! Any questions, please contact: Renee LoConte, Benefits Manager at: rloconte@stamfordct.gov. or Angie Murphy at amurphy@stamfordct.gov.

OVERVIEW

How the Reimbursement Accounts Work

A Reimbursement Account allows you to set aside your pre-tax dollars in a special account to reimburse yourself for certain health and dependent care expenses. Once you decide how much you want to set aside, deductions are taken from your paycheck each pay period before income, Social Security (if applicable), and Medicare taxes are taken out.

When you incur an eligible expense, you pay it — just as you do now — and then apply for reimbursement from the appropriate Reimbursement Account.

You can choose to participate in only one of the Accounts, or both.

Reimbursements will be paid to you directly. The result is that you pay for eligible medical and dependent care expenses with tax-free dollars and tax-free dollars mean increased buying power. Every dollar you direct to the Reimbursement Account reduces your taxable income and saves you money.

Eligible Expenses

Through a Medical Reimbursement Account, you can be reimbursed for eligible health care expenses that are not paid by your medical Plan. Through a Dependent Care Reimbursement Account, you may be reimbursed for certain dependent care expenses that enable you and, if you are married, your spouse to work, under conditions permitted by the Internal Revenue Code. The chart below shows some examples of eligible expenses under each type of Reimbursement Account:

Medical Reimbursement Account	Dependent Care Reimbursement Account
<ul style="list-style-type: none">• Dental Care• Orthodontia• Eyeglasses/Contact Lenses• Hearing Care• Benefit Deductibles• Benefit Co-payments• Other Eligible Medical Expenses	<ul style="list-style-type: none">• Legally Approved Child Care Center• Caregivers for a Disabled Dependent or Spouse Living With You• Day Care Provider• Babysitter• Nursery School• Household Services, provided that these expenses are incurred for the care and well-being of a qualified dependent

Plan Carefully

It's important that you plan carefully to get the most out of your reimbursement accounts. Contribute only as much as you think you will need. As you might expect, in exchange for the significant tax advantages you gain from participating in Reimbursement Accounts, the IRS imposes certain restrictions:

- Once you make your election for the year, **you may not increase, decrease, or cancel contributions** until the next Annual Enrollment unless you experience a qualified change in family status. If you terminate employment during the year, your benefit elections will be revoked.
- The Medical Reimbursement Account and Dependent Care Reimbursement Account must be **maintained separately**. You may not transfer funds from one Account to another to cover unanticipated expenses.
- Medical or dependent care expenses reimbursed through the Medical Reimbursement Account or Dependent Care Reimbursement Account **cannot be claimed on your tax return**.
- **USE-IT-OR-LOSE-IT:** As of 2014, FSA Medical reimbursement account has a new ‘use it or lose it’ rule. If you have up to \$500 of unused health balance, it can roll over to the next year. **IF THERE ARE FUNDS REMAINING IN YOUR REIMBURSEMENT ACCOUNTS AT YEAR END, AND YOU DO NOT MAKE A CLAIM FOR A QUALIFYING REIMBURSEMENT ON OR BEFORE THE LAST DAY OF APRIL OF THE NEXT YEAR, THE MONEY IN YOUR ACCOUNT IS FORFEITED IN ACCORDANCE WITH FEDERAL TAX LAWS.**

Expenses incurred during the calendar year are eligible for reimbursement. Our Plan also has a grace period for the Medical Reimbursement Account (only). If you participate in the Medical Reimbursement Account Plan in 2015, expenses incurred up to March 15, 2015 are eligible for reimbursement from your 2015 calendar year reimbursement account.

The following chart shows highlights of this program. For more information, please take the time to read the pages that follow and evaluate how you can make the Plan best meet your needs.

	Medical Reimbursement Account	Dependent Care Reimbursement Account
Eligibility	All employees eligible to receive health benefits under a bargaining agreement or contract.	
Enrollment	Only during the annual open enrollment period.	
Plan Year	January 1 through December 31	
Benefit	Permits before-tax reimbursement of eligible medical/health care expenses.	Permits before-tax reimbursement of eligible dependent care expenses.
Contributions	The full amount you elect to contribute for the entire year is credited to your account at the time your election becomes effective.	The amount you elect to contribute is credited to your account as payroll deductions are made.
Annual Minimum	\$10 per pay period. A deduction will be made from each payroll period, except during the months of July and August.	\$10 per pay period. A deduction will be made from each payroll period, except during the months of July and August.
	Medical Reimbursement Account	Dependent Care Reimbursement Account
Annual Maximum	\$2,550	<ul style="list-style-type: none"> • \$5,000 if you are single, or married and file a joint return; or • \$2,500 if you are married and file

		separate returns; or <ul style="list-style-type: none"> • \$5,000 combined maximum if your spouse also contributes to a dependent care account; or • limited to the lesser of your or your spouse's earned income for the year (special limits apply if your spouse is a full-time student or incapable of caring for him or herself) •
Maximum Claim Payment	Your total health care contribution amount elected for the year, reduced by any health care reimbursements previously made to you for that year.	Only that portion of your total dependent care contribution amount for the year that was deducted from your payroll through that time, reduced by any dependent care reimbursements previously made to you for that year.
Filing Claims Medical Reimbursement Account	If enrolled in the Medical Reimbursement Account for 2014, you have a two and one-half month extension to use funds in this account. This means that expenses you incur from January 1, 2014 through March 15, 2015 can be applied towards your 2014 balance. Claims incurred from January 1, 2014 through March 15, 2015 will first be applied towards any remaining 2014 account balance and then to your new 2015 Medical Reimbursement Account balance, if any. You will have until the deadline, April 30, 2015, to submit claims to apply towards your 2014 account balance for expenses incurred from January 1, 2014 through March 15, 2015.	
Filing Claims Dependent Care Reimbursement Account	Claims must be filed for the year in which the expenses are incurred. You have until the last day of April following the close of each year to submit claims incurred for the prior year.	
Potential Forfeiture	If monies directed to your Reimbursement Account(s) are not applied to eligible medical or dependent care expenses in the calendar year withheld (plus the 2½ month extension for the Medical Reimbursement Account only), any remaining balance in your account(s) is forfeited.	

ELIGIBILITY AND PARTICIPATION

Eligibility

All employees of the City of Stamford who, under their respective collective bargaining agreement employment contracts, or other agreements, are eligible to be covered for health benefits.

Participation

Each year, during the annual open enrollment period, you have the opportunity to enroll in the Plan for the upcoming calendar year. You must re-enroll for each year during the open enrollment period since participation in the Plan for subsequent years is not automatic — even if you want to contribute the same amount as the previous year.

HOW REIMBURSEMENT ACCOUNTS WORK

General Overview

The Plan is comprised of two separate accounts: an account designed to permit reimbursement of eligible medical/health care expenses (your “Medical Reimbursement Account”) and an account designed to permit reimbursement of eligible dependent care expenses (your “Dependent Care Reimbursement Account”). You may elect to contribute to one or either accounts, or you may choose not to enroll in the Plan; participation is voluntary.

If you decide to enroll in the Plan, you will authorize the City of Stamford to deduct a specific amount of before-tax dollars from your paycheck each pay period during the covered portion of the year. The amount to be deducted from your paycheck — your “contribution” — is automatically credited to the balance in your Medical Reimbursement Account and/or Dependent Care Reimbursement Account.

You contribute to the Plan through before-tax payroll deductions; therefore, you may not deposit cash directly into your account. However, if you are on an unpaid leave under the Family and Medical Leave Act, you may make after-tax contributions during your leave.

When you incur an eligible expense, you pay for it directly. To obtain a reimbursement for that expense, just submit a Medical Reimbursement/Dependent Care Reimbursement Account Claim Form with your itemized receipt and any other required information. You will be reimbursed for that expense directly by the City of Stamford from your applicable account. It is up to the Plan Administrator, in his or her sole judgment, to determine whether an expense is an eligible expense and to request additional substantiation, such as an Explanation of Benefits issued by your health plan. Reimbursement of any eligible expense from your Dependent Care Account is limited to the specific account balance at any given time.

Tax Advantages

You make contributions to the Plan with before-tax dollars. This means that your contributions are taken out of your pay before federal, state, Medicare and, to the extent applicable, Social Security taxes are paid, so you reduce your current taxable income for the year by the amount you contribute.

The following examples illustrate the advantages of opening Flexible Reimbursement Accounts:

Example:

Tom, an unmarried employee, earns \$32,000 a year and incurs \$1,000 a year in eligible out-of-pocket medical expenses. By opening a Medical Reimbursement Account, due to the federal, state, Social Security and Medicare tax savings, his take-home pay increases annually by \$401.50.

Example:

Alice, a married employee, earns \$72,000 a year and incurs \$5,820 a year in eligible medical and dependent care expenses. By opening Medical and Dependent Care Reimbursement Accounts, due to the federal, state and Medicare tax savings (assumes no Social Security withholdings), her take-home pay increases annually by \$1,975.89.

The above examples are based on federal taxes payable at 28%, Connecticut state taxes payable at 4.5%, Social Security taxes, if applicable, payable at 6.20%, and Medicare taxes payable at 1.45%. (**Typical total tax savings is 40.15%. If no Social Security tax withholding applies, typical tax savings is 33.95%**).

Note: These examples are for illustration only. Individual results may vary depending on your personal circumstances. If you need an authoritative opinion on the tax advantages of Flexible Reimbursement Accounts in your situation, you should consult with your financial advisor.

Effects on Other Benefits

Other programs, such as Workers' Compensation, unemployment compensation, and retirement are not affected by your before-tax contributions. That is, these benefits are based on your full pay before your contributions are deducted.

SETTING UP YOUR REIMBURSEMENT ACCOUNTS

Use the attached enrollment form to enroll in the Medical and/or Dependent Care Account. When you enroll in the Plan, you elect the amount you want the City of Stamford to deduct from your pay for the year for your eligible health care and/or dependent care expenses. The amount you elect will be deducted from your pay on a before-tax basis in equal amounts each pay period over the course of the year.

A few things to keep in mind when deciding how much you wish to contribute to your reimbursement account:

- Once you elect a contribution amount, **your election stays in effect throughout the year**, unless you have a qualified change in your family status or, you terminate employment.
- The Medical Reimbursement Account and Dependent Care Reimbursement Account must be **maintained separately**. You may not transfer funds from one Account to another to cover unanticipated expenses.
- Medical or dependent care expenses reimbursed through the Medical Reimbursement Account or Dependent Care Reimbursement Account **cannot be claimed on your tax return**.
- **USE-IT-OR-LOSE-IT: IF THERE ARE FUNDS REMAINING IN YOUR REIMBURSEMENT ACCOUNTS AT YEAR END (PLUS THE 2½ MONTH EXTENSION FOR THE MEDICAL REIMBURSEMENT ACCOUNT), AND YOU DO NOT MAKE A CLAIM FOR A QUALIFYING REIMBURSEMENT ON OR BEFORE THE LAST DAY OF APRIL OF THE NEXT YEAR, THE MONEY IN YOUR ACCOUNT IS FORFEITED IN ACCORDANCE WITH FEDERAL TAX LAWS.**

Contribution Limits

You may deposit into your Medical and/or Dependent Care Reimbursement Accounts any amount from the minimum to the maximum shown in the chart below:

Contribution Limits		
	Medical Reimbursement Account	Dependent Care Reimbursement Account
Annual Minimum	\$10 per pay period. A deduction will be made from each payroll period, except during the months of July and August.	\$10 per pay period. A deduction will be made from each payroll period, except during the months of July and August.
Annual Maximum	\$2,500	<ul style="list-style-type: none"> • \$5,000 if you are single, or married and file a joint return; or • \$2,500 if you are married and file separate returns; or • \$5,000 combined maximum if your spouse also contributes to a dependent care account; or • limited to the lesser of your or your spouse's earned income for the year.* •

*For purposes of this limitation, your spouse will be treated as having \$250 (\$500 if you have more than one eligible dependent) in earned income for each month if your spouse is a full-time student

for at least five months of the calendar year or is physically or mentally incapable of caring for him or herself.

Discrimination Testing. The City of Stamford is required by federal law to perform nondiscrimination tests on the Reimbursement Accounts to ensure that the benefits of the Plan are applied fairly among all employees. The results of this test may further limit the maximum contribution permitted by certain higher-paid employees. You will be notified if you are affected by this limit.

MEDICAL REIMBURSEMENT ACCOUNT

You may use the Medical Reimbursement Account to reimburse yourself for certain expenses you or your eligible dependents incur that are not fully covered by your health care plan or otherwise reimbursed. This may include any deductible, copayment or coinsurance amount. Eligible expenses reimbursed through the Medical Reimbursement Account may not be claimed as a deduction on your federal income tax return.

Eligible Dependents

For purposes of the Medical Reimbursement Account, your eligible dependents include your spouse and any other person who is a dependent for federal income tax purposes (as determined without regard to such person's income).

Eligible Medical Expenses

Eligible medical expenses that qualify for reimbursement from the Medical Reimbursement Account generally include any amount paid for diagnosis, treatment, or prevention of disease and for treatments affecting any part or function of the body and must be to alleviate or prevent physical defect or illness.

Medical Reimbursement Account: Examples of Eligible Expenses

- | | |
|---|--|
| <ul style="list-style-type: none">• acupuncture;• alcohol or drug addiction medical expenses paid at a treatment center;• ambulance services;• artificial limb;• artificial teeth;• birth control pills prescribed by a doctor;• Braille books and magazines (difference in price between Braille publication and regular printed material);• capital expenses for equipment or improvements to your home for medical care | <ul style="list-style-type: none">• life-time care fee paid to retirement home for medical care;• lodging and meals provided at a hospital or medical care facility during medical treatment;• medical fees for services from doctors, dentists, surgeons, specialists and other medical practitioners;• medicines, drugs, birth control pills, vaccines, insulin, and vitamins prescribed by your doctor;• nursing home or home for the aged for purpose of medical care; |
|---|--|

<p>to accommodate a disabled person's condition (cost of permanent improvement is reduced by the increase to the value of your property);</p> <ul style="list-style-type: none"> • car controls for a disabled person; • chiropractor's services for medical care; • contact lenses for medical reasons; • crutches (purchase or rent); • dental treatment; • eyeglasses for medical reasons; • guide dog or other animal aiding the blind, deaf or disabled; • hearing aids; • hospital services (includes lab work, therapy, nursing services, surgery); • lead-based paint removal in your home to prevent a child who has or has had lead poisoning from eating the paint; • learning disability tuition paid to a special school or qualified tutor for a child with a severe learning disability caused by mental or physical impairment (must be recommended by a doctor); 	<ul style="list-style-type: none"> • nursing services connected with the caring of a patient's medical condition; • organ donor expenses; • oxygen equipment and oxygen to relieve breathing problems caused by a medical condition; • psychiatric care; • school for a mentally impaired or physically disabled child, where main purpose is to use school's resources to relieve the disability (for instance, teaching Braille to a visually impaired child; signing/lip-reading to a hearing impaired child; or remedial language training to correct a condition caused by a birth defect); • sterilization, performed legally; • telephone equipment that lets a deaf person communicate over a regular telephone (cost and repair); • television audio display equipment for the deaf; • wheelchair, if medically necessary.
<p>This is not the complete list of eligible expenses. For further assistance in determining whether an expense qualifies as an eligible expense, contact your personal tax advisor.</p>	

Ineligible Medical Expenses

The following are some examples of expenses that generally do not qualify for reimbursement from your Medical Reimbursement Account.

- cosmetic surgery;
- cosmetics, toiletries;
- dental expenses related to teeth whitening;
- diaper service (unless needed to relieve the effects of a particular disease);
- dietary supplements (e.g., vitamins) to maintain general health;
- expenses already reimbursed by any insurance plan or policy;
- funeral, burial or cremation expenses;
- general health expenses (even if following your doctor's advice) such as: trip for general health improvement, weight loss program, household help (even if you are physically unable to do housework), health club dues, social activities (includes dancing or swimming lessons);

- illegal operation or treatment;
- maternity clothes;
- medical insurance included in a car insurance policy covering all persons injured in or by your car;
- non-prescription medicines (over-the-counter) purchased to alleviate or treat personal injuries or sickness, such as cough medicine, pain relievers, allergy medicines, bandages, etc.;
- nursing care for a healthy baby; and
- premiums for any health care plan, automobile insurance, life insurance, disability insurance or accidental death and dismemberment insurance.

DEPENDENT CARE REIMBURSEMENT ACCOUNT

You may use the Dependent Care Reimbursement Account to reimburse yourself for the cost of caring for your eligible dependents so that you (and your spouse, if married) can work. If you are married, you can contribute to this account only if your spouse also works or is a full-time student or is disabled (see “Setting Up Your Reimbursement Accounts” on page 5).

The City of Stamford is required to report your before-tax contributions to the Dependent Care Reimbursement Account on your W-2 form.

Eligible Dependents

Your eligible dependents, for purposes of the Dependent Care Reimbursement Account, include any individual who lives with you and who is:

- a child under age 13 who can be claimed as a dependent on your federal income tax return; or
- a spouse who is physically or mentally disabled and cannot care for him or herself; or
- a person (including an elderly parent) who is a dependent for federal income tax purposes and is physically or mentally disabled and cannot care for him or herself may be an eligible dependent. **Please consult with your tax advisor to confirm eligibility.**

Eligible Dependent Care Expenses

Eligible expenses that generally qualify for reimbursement from the Dependent Care Reimbursement Account include expenses for the following:

- *Dependent Care provided in your home* by an individual(s) who provides for the care and well-being of your eligible dependent.
- *Dependent Care provided outside your home* by one or more individuals or a legally approved day care center(s). These facilities typically include licensed nursery schools, day camps (not overnight) and legally approved day care centers for children and disabled adults. These expenses qualify as eligible expenses only if they are for the care of your dependent child under age 13 or some other eligible dependent who spends at least eight hours each day in your household.

This is not the complete list of eligible expenses. For further assistance in determining whether an expense qualifies as an eligible expense, contact your personal tax advisor.

- *Household Services provided by a housekeeper* for the ordinary and usual services needed to maintain your home which is attributable, at least in part, to the care of an eligible dependent. You should consult your tax advisor prior to submitting expenses for these services.

The Dependent Care Reimbursement Account should only be used for the eligible expenses described above and cannot be used for any health care expenses incurred by your dependents. Use the Medical Reimbursement Account for any eligible medical expenses.

Ineligible Dependent Care Expenses

The following are some examples of expenses that generally do not qualify for reimbursement from your Dependent Care Reimbursement Account.

- Amounts paid to your child under age 19 or to any person who can be claimed as a dependent on your federal income tax return;
- Kindergarten expenses;
- Dependent care that allows you and your spouse to participate in leisure time activities or take vacations;
- Expenses claimed as a tax credit on your federal income tax return;
- Expenses incurred so that you or your spouse can perform volunteer work;
- Food, clothing, overnight camp and entertainment; and
- 24-hour nursing homes.

Federal Dependent Care Tax Credit Versus Dependent Care Reimbursement Account

Expenses that would qualify for the Federal Dependent Care Tax Credit can generally be paid under the Dependent Care Reimbursement Account. You cannot, however, take the tax credit and use the Dependent Care Reimbursement Account for the same expense.

In some cases, the federal tax credit for dependent care may provide greater tax savings than the Dependent Care Reimbursement Account. Without consulting a tax advisor, it is difficult to be certain which would be better for you. However, as a general rule, a Dependent Care Reimbursement Account is typically more financially advantageous for those with lower incomes.

If you are uncertain about the tax advantages of opening a Dependent Care Reimbursement Account, please consult with your personal tax advisor.

For more information on Child and Dependent Care Expenses, and whether taking the Dependent Care Tax Credit or enrolling in the Dependent Care Reimbursement Account may be more advantageous to you, we recommend you read the IRS Publication 503 – *Child and Dependent Care Expenses*. You can access this publication on the IRS website: www.irs.gov/pub/irs-pdf/p503.pdf.

FILING CLAIMS FOR REIMBURSEMENT

You will not be reimbursed for more than the balance in your applicable Reimbursement Account. The balance of your accounts at any time during the year will equal:

- Medical Reimbursement Account - your total medical contribution election for the year, reduced by any medical reimbursements previously made to you for that year.
- Dependent Care Reimbursement Account - only that portion of your total dependent care contribution amount for the year that was deducted from your payroll through that time, reduced by any dependent care reimbursements previously made to you for that year. You cannot reimburse yourself for more than you have contributed to your account at any time during the year.

When you accumulate eligible expenses of at least \$25, submit a Medical Reimbursement Account or Dependent Care Reimbursement Account Claim Form to the address indicated on the form. Reimbursement account claims are paid twice a month. All eligible claims, submitted by the last day of April following the close of the year will be paid, even if the eligible amount is less than \$25.

Any account balance from the previous year that remains after the last day of April of the next year will be forfeited.

Claims for reimbursement of eligible medical or dependent care expenses must be filed for the year in which the expenses were incurred, regardless of when you actually pay the expenses. **Claims for eligible expenses incurred in one year cannot be paid from the balance in your account for any other year. However, an exception applies to your Medical Reimbursement Account. It has a grace period of 2½ months (or until March 15th). So, if you incur medical expenses after the end of the 2015 Plan Year during the grace period (January 1, 2015 through March 15, 2015), and you have money left in your account, these expenses will be payable from your account balance from the previous year.**

Under Internal Revenue Service (IRS) guidelines, reimbursement for medical and dependent care expenses can be made only after the care has been provided and not when you are billed, charged or pay for the services.

Be sure to sign and date the claim form and keep a copy of the completed form and attachments for your records. Claim forms are available from the Human Resource Department.

Medical Reimbursement Account Claim Procedure

Your eligible medical claims will be reimbursed as they are received up to the maximum contribution amount you elected for the year. Eligible medical expenses should first be submitted to your primary health insurance carrier — and when applicable, the secondary carrier — before you submit the expense for reimbursement through your Medical Reimbursement Account. Then, complete the Medical Reimbursement Account claim form and attach all the appropriate Explanation of Benefits forms (EOB) you received from your carrier for health services on any expense that you had to pay part of the cost.

Indicate on the claim form any health expenses not covered by any insurance carrier. For all expenses submitted without an EOB, you should attach an itemized receipt that includes the eligible expense amounts, the date of service, and a description of each expense, as well as any additional information that the Plan Administrator may request.

Dependent Care Reimbursement Account Claim Procedure

Your eligible dependent care claims will be reimbursed if you have sufficient contributions in your account to cover the expense at the time your claim is processed. Otherwise, you will receive a partial payment when there is at least \$25 credited to your account. As your Dependent Care Reimbursement Account is credited with your additional contributions, you will receive the remainder of your reimbursement payment each time the balance reaches \$25.

When submitting a claim for an eligible dependent care expense, you must include a copy of both sides of your canceled check or a written statement from the person or organization that provided the care. You must also include:

- the care provider's name, address and taxpayer identification or Social Security number;
- the beginning and end dates the care was provided and for whom; and
- the amount of the expense, as well as any additional information that the Plan Administrator may request.

(Note: If the day care provider is a tax-exempt 501(c)(3) entity, then obtaining the provider's taxpayer identification number is not required).

OTHER IMPORTANT INFORMATION

Separate Accounts

The Medical Reimbursement Account and the Dependent Care Reimbursement Account are two separate accounts. You cannot apply amounts credited to your Medical Reimbursement Account to reimburse yourself for dependent care expenses, and vice versa, even if you have any excess in one account and a shortage in the other.

Unused Balances are Forfeited

The Internal Revenue Service (IRS) requires that any unused amounts (claims must be incurred during the calendar year the payroll withholding is made) remaining in your Medical Reimbursement Account and/or Dependent Care Reimbursement Account for any calendar year following the deadline date for submitting claims for that year (April 30, 2015) will be forfeited.

In other words, you will lose the dollars remaining in either account if you do not submit claims before the April deadline. Therefore, you should carefully estimate the amount you are going to contribute to the Plan before you enroll for the year. However, remember that under the Medical Reimbursement Account, there is a grace period of 2½ months to allow you to incur additional claims after the end of the calendar year, to be reimbursed from your prior 2015 account if you have unused amounts remaining. You will still need to submit claims by April 30th to be reimbursed, and if there are unused amounts remaining, they must be forfeited in accordance with IRS tax rules.

Election Changes During the Plan Year

Federal regulations prohibit you from changing the election that you have made after the beginning of the calendar year, except under special circumstances.

You can change your election during the calendar year only if you experience a qualified change in family status, including:

- your marriage or divorce;
- birth or adoption of your child;
- death of your spouse or your child; or
- termination or commencement of your spouse's employment or change of either yours or your spouse's employment status from full-time to part-time, or vice-versa, or if either of you takes an unpaid leave of absence from work provided the event causes a loss of eligibility for other coverage.

For Dependent Care Reimbursement Accounts only, upon your termination of employment, your participation in the Plan ceases and benefits terminate for the rest of the calendar year. However, you will be able to submit expenses against any monies remaining in your Dependent Care Reimbursement Account if the expenses were incurred prior to your termination of employment. Furthermore, if you return to work for the City of Stamford in the same calendar year, you may not make any benefit elections in this Account for the rest of the calendar year.

If you have one of the above referenced changes in family status and wish to change your election, you must file a Change of Election Form with the Human Resource Department within thirty (30) days of your status change event. Your benefit change will become effective on the first pay period following the date the Change in Election form is received by the Human Resource Department. The Change of Election Form is available at the Human Resource Department.

If You Terminate Employment

Medical Reimbursement Account. If you terminate employment with the City of Stamford before the end of the calendar year, your participation in the Plan will end as of your termination date and expenses can only be reimbursed if incurred prior to such date.

However, you may have the option of continuing coverage under the Plan for the remainder of the calendar year by electing COBRA continuation coverage. You will be eligible to elect COBRA -if, at the time of your termination of employment, the balance in your Medical Reimbursement Account is more than the maximum amount the Plan could require as contributions for the remainder of the year. Your COBRA contributions would be on an after-tax basis.

Special Rules for Re-Hires Following Termination of Participation

Dependent Care Reimbursement Account. If you stop participating in the Dependent Care Reimbursement Account as a result of your employment termination with the City of Stamford during a year and are subsequently re-hired during the same year, you will not be permitted to resume participation in the Plan until the next year. Claims may be submitted (up to the amount of your dependent care payroll deductions made to date) any time before April 30 of the next year following your termination. **Your claims can only be for eligible expenses incurred during the time you were a participant in the Plan.**

Claim Appeals

If your claim is denied (in whole or in part) or you disagree with the City's determination regarding your eligibility for benefits or the amount of the reimbursement, you may submit a written request to the Human Resource Department, asking for an explanation of the claim denial. Within 30 days of the receipt of your request, you are entitled to receive a written notice of the action, a statement of the specific reasons for the denial, along with pertinent Plan provisions, and a statement of the procedure to be followed in requesting a review of the claim. The decision of the employer or agent processing claims is final and binding.

Relationship to the Family and Medical Leave Act (FMLA)

Salary reduction contributions to Medical Reimbursement Accounts may not be made during an unpaid FMLA leave. To continue coverage during an unpaid period of FMLA leave, you may pre-pay your Medical Reimbursement Account contributions on a pre-tax basis by increasing your salary reduction before beginning leave. Otherwise, if you don't pre-pay, you must make monthly Medical Reimbursement Account contributions on an after-tax basis during your leave to continue coverage during an unpaid FMLA leave.

If you neither pre-pay before-tax contributions nor make after-tax monthly contributions during your leave, your participation in your Medical Reimbursement Account will end after a 30-day grace period. You can still submit claims for eligible expenses that you had before your Medical Reimbursement Account participation ended and will be reimbursed up to your Medical Reimbursement Account balance remaining at the time participation ended.

When you return to work, you will again be a Medical Reimbursement Account participant and your salary reduction contributions will be increased to make up to any contributions that were not paid. If your FMLA leave resulted from a qualified change in family status, you will also have an opportunity to adjust your Medical Reimbursement Account contribution election.

A FINAL WORD

Every effort has been made to provide you with a description of the Medical Reimbursement Account and Dependent Care Reimbursement Account and a clear understanding of how the Plan works. But remember, this material summarizes the important features of the Plan and does not cover every detail. Complete details are contained in the official Plan document.

If you have any questions about the information provided in this summary, please feel free to contact the Human Resource Department.

If there is ever any conflict between the wording in this summary and the wording in the official Plan document, the Plan document always governs. In addition, the City of Stamford intends to grant only those benefits allowed under the law. To the extent there is a conflict between the Plan document and the law, the law always governs.

Although the City of Stamford expects to continue this Plan indefinitely, it reserves the right to change, modify, or terminate it in the future, provided such change, modification, or termination does not violate the terms of any applicable collective bargaining agreement. This Plan does not create a contract of or any right to continued employment with the City of Stamford.