

## **SUMMARY PLAN DESCRIPTION**

DIOCESAN COUNCIL INC Section 125 Plan

# DIOCESAN COUNCIL INC Section 125 Plan

<b>Introduction</b>	1
<b>Section 1 - Eligibility and Participation in the Plan</b>	2
Eligibility Requirements	2
Enrollment	2
Termination of Participation	2
Reinstatement During Plan Year	2
<b>Section 2 - Election Form/Compensation Reduction Agreement Under the Plan</b>	3
Plan Elections	3
Limits on Salary Reduction Amounts Elected	3
Change in Election Due to Change in Status	3
Change in Election Due to Change in Cost or Coverage	4
Change in Election Due to Certain Other Events	4
Change in Election Due to FMLA Leave	5
<b>Section 3 - Benefit Options Under the Plan</b>	6
Premium Only Plan	6
Medical FSA	6
Limited Purpose Medical Flexible Spending Arrangement	7
Dependent Care FSA	7
<b>Section 4 - Claims Procedures for Medical FSA and/or Dependent Care FSA</b>	9
How to File a Claim for Benefits	9
Reimbursement	9
Claims Procedure	9
<b>Section 5 - Miscellaneous Information</b>	12
Non-Transferability of Plan Benefits	12
Plan Amendment	12
Plan Termination	12
Interpretation of the Plan	12
No Guaranty of Employment	12
Continuation of Coverage	12
Military Service	13
HIPAA Privacy	13

## **DIOCESAN COUNCIL INC Section 125 Plan**

<b>Section 6 - Statement of ERISA Rights</b>	14
<b>Section 7 - Plan Information</b>	16
Plan Name	16
Plan Sponsor	16
Plan Administrator	16
Plan Number	16
Plan Year	16
Type of Plan	16
Funding	17
Service of Process	17
<b>Section 8 - Definitions</b>	18

## Introduction

DIOCESAN COUNCIL INC has established the DIOCESAN COUNCIL INC Section 125 Plan (the "Plan") to provide their Employees with choices among certain employee benefits and cash compensation.

The purpose of the Plan is to provide the following Benefit Options to Eligible Employees:

- **Premium Only Plan.** This Arrangement permits you to pay for the cost of your coverage for you, your Spouse, or your Dependents on a pre-tax salary reduction basis under:
  - the Medical Plan
- **Medical Flexible Spending Arrangement ("Medical FSA").** The Medical FSA permits you to elect to reduce a portion of your salary on a pre-tax basis to pay for Qualifying Medical Expenses for you, your Spouse, or your Dependents.
- **Dependent Care Flexible Spending Arrangement ("Dependent Care FSA").** The Dependent Care FSA permits you to elect to reduce a portion of your salary on a pre-tax basis to pay for Qualifying Dependent Care Expenses.

This booklet is called a Summary Plan Description ("SPD") and it contains a summary in understandable language of your rights and benefits under the Plan. You may request a copy of the SPD by contacting the Plan Administrator. If you have difficulty understanding any part of this SPD, you should contact the Plan Administrator for assistance. The Plan Administrator may refer you to the Recordkeeper.

This SPD is a brief description of the terms of the Plan. It is not meant to interpret, extend, or change the Plan in any way. A copy of the Plan is on file with the Plan Administrator and you may review the Basic Plan Document at any reasonable time. The Plan governs in the event of any discrepancy between the Plan's provisions and this SPD.

## **Section 1 Eligibility and Participation in the Plan**

### **Eligibility Requirements**

You are eligible to participate in the Plan

#### **PREMIUM ONLY PLAN**

- on your date of hire if you are classified as an Eligible Employee

#### **FLEXIBLE SPENDING ACCOUNT**

- on the first day of July beginning after the date you are classified as an Eligible Employee

You are considered an Eligible Employee

#### **PREMIUM ONLY PLAN**

- incorporated by reference

#### **FLEXIBLE SPENDING ACCOUNT**

- immediately upon the date you are hired

### **Enrollment**

You may enroll in the Plan after meeting the Eligibility Requirements. In order to enroll, you must complete an Election Form/Compensation Reduction Agreement provided by the Plan Administrator, through the Flexible Spending Account Information Line, or participant website as described in Section 2, and file it with the Plan Administrator. Your Election Form and Compensation Reduction Agreement will remain in effect unless the Form/Agreement are changed by you or they are revoked.

### **Termination of Participation**

Your coverage under the Plan will end if:

- you revoke your Election Form/Compensation Reduction Agreement;
- you no longer meet the Plan's eligibility criteria;
- your employment with the Employer terminates; or
- the Plan is terminated.

### **Reinstatement During Plan Year**

If you terminate employment and resume employment within thirty (30) days, your elections under the Plan may be automatically reinstated. However, if you resume employment thirty (30) days after the date you were terminated, you may not reinstate your previous elections on a prospective basis, in accordance with the Enrollment procedures discussed above. You may generally not make new elections for the remainder of the Plan Year.

## Section 2 Election Form/Compensation Reduction Agreement Under the Plan

### Plan Elections

In order to enroll in the Plan, you must complete an Election Form/Compensation Reduction Agreement ("Agreement"), which you will receive from the Plan Administrator, and file the Agreement with the Plan Administrator. Alternatively, for the Flexible Spending Account, you may complete the Agreement through the Flexible Spending Account Information Line or through the participant website at <https://benefits.paychex.com>. The Agreement will be effective for the entire Plan Year, and will remain in effect from one Plan Year to the next unless changed or revoked. The Agreement can only be changed annually during open enrollment or as described in Section 2.

### Limits on Salary Reduction Amounts Elected

The limits on salary reduction amounts are as follows:

- **Premium Only Plan.** The maximum amount that you may elect to salary reduce under the Premium Only Plan for the Plan Year, is equal to the amount of the premium that is solely your responsibility under:
  - the Medical Plan
- **Medical FSA.** The maximum amount that you may elect to salary reduce under the Medical FSA for the Plan Year is \$5,000.00.

The minimum amount that you may elect to salary reduce under the Medical FSA for the Plan Year is \$0.00.

- **Dependent Care FSA.** The maximum amount that you may elect to salary reduce under the Dependent Care FSA is equal to the lesser of:
  - your earned income for the Plan Year (after all reductions in compensation including the reduction related to Dependent Care Assistance) up to \$5,000;
  - the actual or deemed earned income of your Spouse for the Plan Year; or
  - \$2,500 if you are married and filing a separate federal income tax return.

If your Spouse is a full-time student at an educational institution or is physically or mentally incapable of caring for himself or herself, your Spouse shall be deemed to have earned income of not less than \$250 per month if you have one Dependent and \$500 per month if you have two or more Dependents.

### Change in Election Due to Change in Status

You may change your election during the Plan Year if conditions (a), (b), and (c) are satisfied:

(a) One or more of the following "change in status" events occurs:

- marriage,
- divorce,
- legal separation,
- annulment,

- death of Spouse or Dependent,
  - birth or adoption of child,
  - change in your employment status or that of your Spouse or Dependent,
  - a Dependent satisfying or ceasing to satisfy eligibility requirements, or
  - change in your place of residence or that of your Spouse or Dependent; and
- (b) The proposed change in election is on account of and corresponds with that change in status (for example, the proposed change bears a logical relationship to the event that has occurred); and
- (c) The change in status affects eligibility under the Plan (for example, you, your Spouse or your Dependent either gains or loses coverage in response to an event).

### **Change in Election Due to Change in Cost or Coverage**

If your cost or coverage under the Medical Plan or Dental Plan, or coverage under your Dependent Care FSA changes, the Plan Administrator is authorized to allow you to change your election during the Plan Year with respect to the Premium Only Plan and Dependent Care FSA (but not the Medical FSA) under the following circumstances.

- **Cost Changes.** If the cost of your coverage increases or decreases during the Plan Year, the Employer may prospectively increase or decrease your salary reduction contributions for the Plan Year. If such change is significant, the Employer may allow you to make a corresponding change in election. This only applies in the case of a Dependent Care FSA if the cost change is imposed by a dependent care provider who is not your relative.
- **Coverage Changes.** If your coverage is significantly reduced during the Plan Year (for example, there is a significant increase in the deductible, the co-pay, or the out-of-pocket cost sharing limit under the Health Program), the Employer may allow you to change your election with respect to that coverage and elect similar coverage available under the Plan. If you experience a complete loss of coverage as defined in IRS regulations, the Employer may allow you to drop coverage if no similar coverage is available.
- **Addition or Improvement.** If the Employer adds a coverage option, or if coverage under an existing option is significantly improved during the Plan Year, you may make an election on a prospective basis for the improved option.
- **Change in Coverage Under Another Employer Plan.** You may make a prospective election change that is on account of and corresponds with a change made under another employer's plan, including a plan of your Spouse or Dependent.

### **Change in Election Due to Certain Other Events**

You may change your election during the Plan Year under the Premium Only Plan or Medical FSA if any of the following events occur:

- a special enrollment right under HIPAA;
- a judgment, decree or order requiring that your child receive accident or medical coverage (including a Qualified Medical Child Support Order); or

- your eligibility for Medicare or Medicaid.

### **Change in Election Due to FMLA Leave**

If you take leave under the Family and Medical Leave Act of 1993 ("FMLA"), you may change or revoke your election under the Premium Only Plan (for group health coverage only) or the Medical FSA, subject to the following limitations:

- **Revoking Coverage.** If you are absent on FMLA Leave, you may elect to cease participation in the Premium Only Plan or the Medical FSA at the time your leave begins.
- **Resuming Coverage.** When you return to employment from FMLA Leave, if you have revoked coverage under the Premium Only Plan, you may elect to reinstate your coverage on a prospective basis, but only at the level of coverage elected before your FMLA Leave began. With respect to the Medical FSA, the preceding sentence applies, except that you may either:
  - catch-up the contributions that were due during the period of FMLA Leave, in which you will resume coverage at the same amount elected before FMLA Leave began, or
  - not catch-up such contributions, with the annual amount of your coverage reduced accordingly
- **Continuing Coverage.** If you wish to continue participation in the Plan during FMLA Leave, you may either pay the premiums on a pre-tax basis before taking FMLA Leave (for example, pre-pay), on an after-tax basis during FMLA Leave (for example, pay as you go), or on a catch-up basis when you return from FMLA Leave (for example, catch-up). You must elect one of these payment methods prior to taking FMLA Leave and make all required payments on a timely basis in order to continue coverage during the leave period. If you continue coverage, expenses that you incur during the leave period will be reimbursed. Failure to make payments under the method that you elect will result in the discontinuance of coverage under the Plan during the leave period. If coverage is discontinued, no expenses that you incur during the leave period will be reimbursed.

## Section 3 Benefit Options Under the Plan

### Premium Only Plan

**Cost of Coverage.** The Premium Only Plan permits you to pay for the cost of your coverage under

- the Medical Plan

on a pre-tax salary reduction basis. If you cover any individuals who do not satisfy the definition of an Employee, Spouse or Dependents, including your domestic partner, you will be required to pay for such coverage on an after-tax basis. In addition, unless specified otherwise above, Short-Term Disability and Long-Term Disability coverage will be paid on an after-tax basis, so that the benefit will be tax-free.

### Medical FSA

If you elect to participate in the Medical FSA, the Employer will establish and maintain on its books a Medical FSA Account that will allow you to pay the Qualifying Medical Expenses incurred by you, your Spouse or you Dependents on a pre-tax salary reduction basis. Each Plan Year will be accounted for separately.

**Crediting of Account.** Your Medical FSA Account will be credited, as of each date compensation is paid to you, with an amount equal to the salary reduction you elected in your Election Form/Compensation Reduction Agreement. All amounts credited to the Medical FSA Account are the property of the Employer until paid out to you as a Qualifying Medical Expense.

**Debiting of Account.** Your Medical FSA Account will be debited from time to time in the amount of any payment for Qualifying Medical Expenses as long as you apply for reimbursement on or before March 31 following the close of the Plan Year. You will be eligible to receive reimbursement at any time during the Plan Year up to the amount that you elected in your Election Form/Compensation Reduction Agreement.

**Reimbursements Following Termination.** If you terminate employment during the Plan Year, you will only have 90 days following the date of your termination to submit a claim for reimbursement from your Medical FSA of Qualifying Medical Expenses that were incurred prior to the date of your termination. If you do not submit a timely claim for reimbursement, your account balance will be forfeited and you will not be reimbursed for the incurred medical expense.

**Forfeiture of Account.** If any balance remains in your Medical FSA Account for the Plan Year after all reimbursements are made to you, up until March 31st of the following year, such balance is not carried over to reimburse you for Qualifying Medical Expenses incurred during a subsequent Plan Year, and is not available to you in any other form or manner. Rather, the balance remains the property of the Plan, and you forfeit all rights with respect to the balance.

**Grace Period.** You may continue to incur Qualifying Medical Expenses up to March 15th following the close of the Plan Year.

**Reimbursement of Qualifying Medical Expenses.** You will receive, for each Plan Year, reimbursement of Qualifying Medical Expenses up to the dollar amount of coverage that you elect for the Plan Year, provided:

- such expenses are incurred on or before March 15th following the close of the Plan Year;

expenses are treated as incurred when the health care services are provided and not when you are billed, charged for, or pay for the services; and

- such expenses are not reimbursable by the Medical Plan or any other medical plan.

If a Participant terminates employment during the Plan Year, Qualifying Medical Expenses will include only those expenses that are incurred prior to the date of termination of employment, unless such individual elects to continue coverage under COBRA.

**Qualifying Medical Expenses.** Qualifying Medical Expenses are expenses for medical care, within the meaning of section 213(d) of the Internal Revenue Code, incurred by you, your Spouse or your Dependents, but do not include premium payments for other medical plan coverage, including premiums paid for medical coverage under a plan maintained by your Spouse's or Dependent's employer. Examples of Qualifying Medical Expenses include:

- deductibles and co-payments under any Medical Plan or Dental Plan sponsored by the Employer and under other accident and health insurance that you, your Spouse or your Dependents maintain;
- dental care, including routine dental checkups, orthodontic work, and dentures;
- prescription and nonprescription medicine and drugs purchased to remedy current medical conditions for you, your Spouse or your Dependents;
- eye care, including vision checkups, eyeglasses, and contact lenses;
- hearing care, including hearing examinations and hearing aids; and
- routine physical examinations.

### **Limited Purpose Medical Flexible Spending Arrangement**

If you contribute to a Health Savings Account, you are not eligible to participate in the Medical FSA. However, you may participate in a Limited Purpose Medical Flexible Spending Arrangement ("Limited Purpose Medical FSA"). Under a Limited Purpose Medical FSA, you may receive reimbursements for dental or vision care expenses or certain preventative care expenses the same way you would receive reimbursements if you participated in the Medical FSA. If you contribute to a Health Savings Account by means other than through the Plan, you will not be eligible to participate in the Limited Purpose Medical FSA. Contact the Plan Administrator for more information about the Limited Purpose Medical FSA.

### **Dependent Care FSA**

If you elect to participate in the Dependent Care FSA, the Employer will establish and maintain on its books a Dependent Care FSA Account that will allow you to pay Qualifying Dependent Care Expenses (explained below) on a pre-tax salary reduction basis. Each Plan Year will be accounted for separately.

**Crediting of Account.** Your Dependent Care Account will be credited, as of each date compensation is paid to you, with an amount equal to the salary reduction you elected in your Election Form/Compensation Reduction Agreement. All amounts credited to your Dependent Care Account are the property of the Employer until paid out as Qualifying Dependent Care Expense.

**Debiting of Account.** Your Dependent Care Account will be debited from time to time in the amount of any payment for Qualifying Dependent Care Expenses as long as you apply for reimbursement

on or before March 31 following the close of the Plan Year. You will only be eligible to receive reimbursement up to the amount that is credited to your account at the time you request such reimbursement.

**Reimbursements Following Termination.** If you terminate employment during the Plan Year, you will only have 90 days following the date of your termination to submit a claim for reimbursement from your Dependent Care FSA of Qualifying Dependent Care Expenses that were incurred prior to the date of your termination. If you do not submit a timely claim for reimbursement, your account balance will be forfeited and you will not be reimbursed for the incurred dependent care expense.

**Forfeiture of Account.** If any balance remains in your Dependent Care Account for the Plan Year after all reimbursements are made to you, up until March 31st of the following year, such balance is not carried over to reimburse you for dependent care during a subsequent Plan Year, and is not available to you in any other form or manner. Rather, the balance remains the property of the Plan, and you forfeit all rights with respect to such balance.

**Grace Period.** You may continue to incur Qualifying Dependent Care Expenses up to March 15th following the close of the Plan Year.

**Qualifying Dependent Care Expenses.** Qualifying Dependent Care Expenses are expenses incurred by you which satisfy the following conditions:

- are incurred for the care of your Dependents or for related household services on or before March 15th following the close of the Plan Year; expenses are treated as incurred when the services are provided and not when you are billed, charged for, or pay for the services;
- are paid or payable to a dependent care service provider (i.e., a dependent care center that satisfies the requirements of Code section 21(b)(2)(C) or an individual who is: (i) not your dependent, and (ii) if your child, at least age 19); and
- are incurred to enable you and your Spouse if applicable to be gainfully employed.

Qualifying Dependent Care Expenses do not include expenses incurred for services outside your household for the care of a Dependent unless such Dependent is: (i) your Dependent who is under the age of 13 and who lives with you for over half the calendar year, (ii) your Dependent who is mentally or physically unable to care for himself, lives with you for over half the calendar year, regularly spends at least eight hours each day in your household, or (iii) your Spouse who is mentally or physically unable to care for himself, lives with you for over half the calendar year, and regularly spends at least eight hours each day in your household.

## Section 4 Claims Procedures for Medical FSA and/or Dependent Care FSA

### How to File a Claim for Benefits

If you have entered into an Election Form/Compensation Reduction Agreement for the Plan Year with respect to the Medical FSA and/or the Dependent Care FSA, you may pay for Qualifying Dependent Care Expenses and/or Qualifying Medical Expenses with your own funds and request reimbursement from the Plan in accordance with the procedures described in this section.

### Reimbursement

If you pay for a Qualifying Dependent Care Expenses and/or Qualifying Medical Expenses with your own funds, you may receive reimbursement from your Medical FSA and/or Dependent Care FSA by submitting the request in writing to the Plan Administrator in such form as the Plan Administrator may prescribe, setting forth:

- the amount, date and nature of the expense for which reimbursement is requested;
- the name of the Service Provider to which the expense was paid; and
- such other information as the Plan Administrator may from time to time require.

The request must be accompanied by bills, invoices, receipts, or other statements showing the amounts of such expenses, together with any additional documentation that the Plan Administrator may request.

For the Dependent Care FSA, reimbursement will not be made until your Dependent Care Account balance is sufficient to pay your reimbursement. For the Medical FSA, the total amount that you elect for the Plan Year is, at all times, available for reimbursement. Therefore, it does not matter whether your claims exceed the balance in your Medical FSA Account at the time of the reimbursement, as long as your claims do not exceed the amount you elected to contribute for the Plan Year.

### Claims Procedure

**Initial Claim.** If your claim under the Medical FSA and/or Dependent Care FSA is denied, a notice will be sent within a reasonable time period, but not longer than 30 days from the date the Plan Administrator receives your claim. If the Plan Administrator determines that an extension is necessary due to matters beyond control of the Plan, this time may be extended 15 days. You will receive notice prior to the extension that indicates the circumstances requiring the extension and the date by which the Plan expects to render a determination. If the extension is necessary to request additional information, the extension notice will describe the required information, and you will be given at least 45 days to submit the information. The Plan Administrator will make its determination within 15 days from the date it receives your information, or, if earlier, the deadline to submit your information.

If your claim is partially or wholly denied, you will receive notice of an adverse benefit determination that will:

- state the specific reason(s) for the adverse benefit determination;
- reference the specific Plan provisions on which the determination is based;
- describe additional material or information, if any, needed to perfect the claim and the reasons such material or information is necessary;

- describe the Plan's claims review procedures and the time limits applicable to such procedures, including a statement of your right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review;
- disclose any internal rule, guideline, or protocol relied on in making the adverse determination (or state that such information is available free of charge upon request); and
- if the denial is based on a medical necessity or experimental treatment or similar limit, explain the scientific or clinical judgment for the determination (or state that such information will be provided free of charge upon request).

**Appealing a Denied Claim.** You will have 180 days from the receipt of an adverse benefit determination to file an appeal with the Plan Administrator. Requests for appeals should be sent to the address specified in the adverse benefit determination. Your request must include a description of the issues and evidence you think are relevant. If you do not raise these issues during your appeal, you may not be able to raise them at a later time, such as in a judicial proceeding.

You will have the opportunity to submit written comments, documents, or other information in support of your appeal and you will have access to all documents that are relevant to your claim. Your appeal will be conducted by a person different from the person who made the initial decision. No deference will be afforded to the initial determination.

If your claim involves a medical judgment question, the Plan Administrator will consult with an appropriately qualified health care practitioner with training and experience in the field of medicine involved. If a health care professional was consulted for the initial determination, a different health care professional will be consulted on appeal. Upon request, the Plan Administrator will provide you with the identification of any medical expert whose advice was obtained on behalf of the Plan in connection with your appeal.

You will be notified of the Plan Administrator's benefit determination on appeal within a reasonable time, but not later than 60 days from receipt of the appeal. If the Plan Administrator issues a negative decision, it will provide a written decision setting forth:

- the specific reason(s) for the adverse determination;
- a reference to specific Plan provision(s) on which the benefit determination is based;
- a statement that you are 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 for benefits;
- a statement describing any voluntary appeal procedures offered by the Plan and your right to obtain such procedures and a statement regarding your right to bring an action under section 502(a) of ERISA;
- a disclosure of any internal rule, guidelines, or protocol relied on in making the adverse determination (or state that such information will be provided free of charge upon request);
- if the denial is based on a medical necessity or experimental treatment or similar limit, explain the scientific or clinical judgment for the determination (or state that such information will be provided free of charge upon request).

You also will receive a notice if your claim on appeal is approved.

You, or any other person claiming a benefit under the Plan, must follow the applicable claims procedures before taking action in any other forum regarding a claim for benefits under the Plan. Any suit or legal action initiated under the Plan must be brought no later than one year following a final decision on the claim for benefits under these claims procedures. If a civil action is not filed within this period, the asserted benefit claim is deemed permanently waived and abandoned.

## **Section 5 Miscellaneous Information**

### **Non-Transferability of Plan Benefits**

Benefits under the Plan may not be transferred, assigned, or used as collateral for a loan outside of the Plan, except to the extent required by law.

### **Plan Amendment**

The Employer, at its sole discretion, may amend the Plan at any time. The Employer's right to amend or modify the Plan may be exercised by the Plan Administrator, provided the Employer does not object within 30 days following the Plan Administrator's issuance of written notice to the Employer of the amendment or modification. In no event will any amendment decrease a benefit you have a right to receive under the Plan.

### **Plan Termination**

The Employer has no legal or contractual obligation to continue the Plan. While the Employer currently intends to continue the Plan indefinitely, it reserves the right to change or terminate the Plan at any time as circumstances may dictate. Any amendment or termination of the Plan will be in accordance with applicable law.

### **Interpretation of the Plan**

The Plan Administrator has the power and discretionary authority to construe the terms of the Plan and to determine all questions that arise under the Plan. This power and authority include, for example, the administrative discretion necessary to resolve issues with respect to your eligibility for benefits, years of service, disability, and retirement, or to interpret any other term contained in the Plan documents. The Plan Administrator's interpretations and determinations are binding on all Participants, Employees, former Employees, and their beneficiaries and are intended to be afforded the maximum deference under the law. Benefits under the Plan will be paid only if the Plan Administrator, or its designee, decides at its discretion that the claimant is entitled to them.

### **No Guaranty of Employment**

Participation in the Plan does not guarantee your right to employment with the Employer.

### **Continuation of Coverage**

If you cease to be an Eligible Employee under the Plan and you have elected to participate in the Medical FSA or the Limited Purpose FSA, you may choose statutory continuation coverage under the Plan if you are eligible to do so under COBRA. If you elect COBRA continuation coverage, you may turn in claims for Qualifying Medical Expenses incurred during the Plan Year provided that COBRA participation is in effect. Information about COBRA will be provided to you when you or your Dependent becomes eligible for such coverage.

For more information regarding COBRA, contact the Plan Administrator.

## **Military Service**

If you are on a military leave of absence, you may be eligible to continue coverage under the Plan for both yourself and your eligible Dependents. You also have certain rights to re-enroll in the Plan upon reemployment. Please contact the Plan Administrator for more information.

## **HIPAA Privacy**

The Plan or Insurance Company may disclose certain health information to the Employer for plan administration functions. The Employer will keep this information confidential and will not use this information for any employment-related purpose.

## **Section 6 Statement of ERISA Rights**

If you are a Participant in the Medical FSA or Limited Purpose Medical FSA, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA provides that all Plan Participants shall be entitled to:

### **Receive Information About the Medical FSA or Limited Purpose Medical FSA**

- Examine, without charge, at the Plan Administrator's office and at other specified locations all documents governing the Medical FSA or Limited Purpose Medical FSA, including, if applicable, insurance contracts, collective bargaining agreements, and a copy of the latest annual report filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.
- Obtain copies of documents governing the operation of the Medical FSA or Limited Purpose Medical FSA, including, if applicable, insurance contracts and copies of the latest annual report (Form 5500 Series) and an updated SPD. The Plan Administrator may make a reasonable charge for the copies.

### **Continue Group Health Plan Coverage**

- Continue health care coverage for yourself, Spouse, or Dependents if there is a loss of coverage under the Medical FSA or Limited Purpose Medical FSA as a result of a qualifying event. You or your Dependents may have to pay for such coverage. Review this SPD and the documents governing the Medical FSA or Limited Purpose Medical FSA on the rules governing your COBRA continuation coverage rights.

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

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Employee Benefit Plan. The people who operate the Medical FSA or Limited Purpose Medical FSA, called "fiduciaries," have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your Employer or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

## **Enforce Your Rights**

If your claim for a welfare 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 a copy of the Medical FSA or Limited Purpose Medical FSA or the latest annual report from the Medical FSA or Limited Purpose Medical FSA and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court. In addition, if you disagree with the Employer's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that the fiduciaries misuse the Medical FSA or Limited Purpose Medical FSA'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, for example, if it finds your claim is frivolous.

## **Assistance with Your Questions**

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

**Section 7  
Plan Information**

**Plan Name**

Paychex Section 125 Plan

**Plan Sponsor**

DIOCESAN COUNCIL INC  
2020 NORTH TATNALL ST  
WILMINGTON, DE 19802  
(302) 656-5441

The Employer's Identification Number is:

51-0065734

**Plan Administrator**

The Plan Administrator is responsible for the administration of the Plan. The Plan Administrator's duties are specifically identified in the Plan document. The name, address, and business telephone number of the Plan Administrator is:

DIOCESAN COUNCIL INC  
2020 NORTH TATNALL ST  
WILMINGTON, DE 19802  
(302) 656-5441

The Employer has delegated some of its duties as Plan Administrator to Paychex, Inc. The address and business telephone number of Paychex, Inc. is:

PAYCHEX, Inc.  
1175 John Street  
West Henrietta, NY 14586 - 9199  
1-800-472-0072

**Plan Number**

The Plan number is 501

**Plan Year**

01/01/2009 - 12/31/2009\*

\* Plan will renew each January 1 following the initial Plan Year or until that time when the Plan has been terminated by the Employer Organization.

**Type of Plan**

The Premium Only Plan is intended to qualify as a cafeteria plan under Code section 125, the Medical FSA as an ERISA welfare plan under ERISA section 3(1) and a medical reimbursement plan under Code section 105, and the Dependent Care FSA as a dependent care assistance program under Code section 129.

**Funding**

The Plan is funded through the Employer's general assets.

**Service of Process**

The Plan's agent for service of legal process is:

DIOCESAN COUNCIL INC  
2020 NORTH TATNALL ST  
WILMINGTON, DE 19802  
(302) 656-5441

Service of process may also be made on the Plan Administrator.

## **Section 8** **Definitions**

The following are some key definitions that are used in the Summary Plan Description to describe benefits under the Plan.

### **Code**

The Internal Revenue Code

### **Dependent**

For purposes of the Premium Only Plan and Medical FSA, Dependent means:

- any individual who is a tax dependent of the Participant as defined in Code section 152, without regard to that person's gross income;
- a child of divorced parents is treated as a dependent of both parents if Code section 152(e) applies (regarding a child of divorced or separated parents who receives over half of his or her support from the parents and lives in the custody of one or both parents for more than half of the calendar year).

For purposes of the Dependent Care FSA, Dependent means:

- a Dependent of the Participant who is under the age of 13 and who lives with the Participant for more than half the calendar year; or
- a Dependent of the Participant who is physically or mentally incapable of caring for herself or himself, lives with the Participant for more than half the calendar year, regularly spends at least 8 hours a day in the Participant's household, and has gross income of less than the exemption amount under Code section 151(d), if required by law; or
- a Spouse of the Participant who is physically or mentally incapable of caring for herself or himself, lives with the Participant more than half the calendar year, and regularly spends at least 8 hours per day in the Participant's household.

### **Employee**

Any person who is a common law Employee of the Employer. You are not considered an Eligible Employee under the Plan if the Employer classifies you as a leased employee, independent contractor, or temporary employee.

### **Employer**

DIOCESAN COUNCIL INC

### **ERISA**

The Employee Retirement Income Security Act of 1974, as amended.

### **FMLA Leave**

Leave under the Family and Medical Leave Act of 1993.

**Participant**

An individual who has satisfied the Plan's eligibility requirements and has elected to participate in the Plan.

**Plan**

DIOCESAN COUNCIL INC Section 125 Plan

**Plan Administrator**

The Employer or person or entity that the Employer designates to perform specific administrative duties under the Plan.

**Plan Document**

The written document detailing the provisions of the Plan.

**Plan Year**

The twelve-month period selected by the Employer to be the Plan Year.

**Recordkeeper**

The person or entity to which the Employer delegates purely administrative functions otherwise exercisable by the Employer as Plan Sponsor.

**Spouse**

An individual who is legally married to a Participant as determined under applicable state law, and who is treated as a Spouse under the Code. However, for purposes of the Dependent Care FSA, the term "Spouse" does not include:

- an individual legally separated from the Participant under a divorce or separate maintenance decree; or
- an individual who, although married to the Participant, files a separate federal income tax return, maintains a principal residence separate from the Participant during the last six months of the taxable year, and does not furnish more than half the cost of maintaining the principal place of abode of the Participant.

**Summary Plan Description**

This is the summary of the Basic Plan Document.