SAINT LOUIS UNIVERSITY
FLEXIBLE SPENDING PLAN
SUMMARY PLAN DESCRIPTION
INTRODUCTION

The Saint Louis University Flexible Spending Plan provides an opportunity to save taxes and increase spending power while paying for medical and dental expenses that are not otherwise covered by insurance. The Plan permits you to pay for eligible expenses with contributions taken from your pay before taxes are withheld. Since these contributions are not subject to Federal Income Tax, Social Security Tax (FICA) or State Income Tax, you can, in most cases, receive more value for your money.

This document is to serve as a Summary Plan Description, as well as the official Plan Document for the Saint Louis University Flexible Spending Plan for non-insured, statutory non-taxable benefits for Medical/Dental expense reimbursement. The plan is intended to qualify as a "Cafeteria Plan" under Section 125 of the Internal Revenue Code, and shall be construed and interpreted consistent with the requirements of that Section and the regulations.

Following is a basic outline to serve as an introduction to the plan. Please read the rest of this Summary Plan Description for details.

How Does the Plan operate?

The first step is to predict the amount of out-of-pocket medical and dental expense you will have during the plan year. The annual expense that you designate is then divided into equal amounts to be taken from each paycheck on a pretax basis throughout the plan year. A claim may be filed for reimbursement of that expense, or may be purchased with the use of a Healthcare Payment Card.

Who may join?

All regular full-time faculty, staff and medical residents other than a member of a collective bargaining unit (unless the collective bargaining agreement provides for coverage under the Plan) may join the Flexible Spending Plan.

When may I join?

You may join the plan within the first 31 days of your date of regular full-time employment, during the annual open enrollment period, or within 31 days of dependent birth/adoption. Open enrollment is expected to take place during the month of November of each year. Enrollment at any other time is not permitted in keeping with Internal Revenue regulations except in special circumstances. (See “Enrolling, Changing or Discontinuing Contributions”)

How much will I save?

The amount of savings realized by using the plan to pay medical and dental expenses not covered by insurance will depend on the amount of expense and your personal tax circumstances. See "Appendix" for tax examples that may help you evaluate the effect of this program.

What is the maximum benefit?

You may contribute any amount between the minimum of $130 and the maximum of $2,500 per plan year.
What does the University contribute?

The University pays all of the expenses of plan administration, including the services of The ConnectYourCare (or a successor claims administrator), which is responsible for benefit payments.

When can I change my benefit?

The law requires that you make a benefit election in advance for each plan year. Changes can be permitted in only a few qualified situations listed in detail in this plan description (see “Enrolling, Changing or Discontinuing Contributions”).

What happens if the benefit I elect is NOT used?

It is very important to make sure your expenses for out-of-pocket medical and dental expenses for the plan year will equal or exceed the amount of benefit you elect. Tax regulations require that any unused benefit at the end of the processing time for the plan year be forfeited (see "Forfeitures").

How do I access account funds?

A Healthcare Payment Card will be mailed to your home address approximately two weeks after your enrollment is processed. The card is valid for three years and can be used to pay for eligible expenses at healthcare providers and at many major retailers.

You may be required to submit documentation for your Healthcare Payment Card purchases, so ALWAYS SAVE YOUR RECEIPTS! If your card is used for an ineligible expense, you will be required to refund your account. If you do not provide documentation or refund the account in a timely manner, your card may be suspended.

How do I submit claims?

If you pay for an expense out of pocket (without using your healthcare payment card) you must enter a claim for reimbursement and submit receipts. The claims submission process is strictly an online process that will generate a personalized reimbursement form to be faxed to ConnectYourCare. With the submission of reimbursement forms, evidence of the amount to be reimbursed is to be provided and can be in the form of bills or receipts, or in the case of medical expense reimbursement, a copy of the Medical plan explanation of benefits form explaining the medical benefits that have been paid and those that will not be paid (see "Claims"). Detailed reimbursement instructions can be obtained at www.connectyourcare.com.

Should I participate in this plan?

You may be interested in participating if:

- You will have predictable medical or dental expense that will not be covered by insurance during the plan year (see "Benefits Payable").
- You will have sufficient tax savings to warrant filing claim forms, or using other available methods, to obtain reimbursement.

You may not be interested in participating if:
- The amount of predictable expense will be relatively small (see "Benefits Payable").
- Your expense is not predictable and you do not want to risk forfeiting an unused amount contributed to the plan (see "Forfeitures").

The Saint Louis University Flexible Spending Plan is intended to be a continuing part of your employee benefit program, however, the University reserves the right to amend the plan from time to time or to terminate it entirely if, in the judgment of the University, conditions warrant, permitted in keeping with Internal Revenue regulations.

**ELIGIBILITY**

You are eligible to enroll in the plan if you are a regular full-time member of the faculty, staff or medical resident other than a member of a collective bargaining unit (unless the collective bargaining agreement provides for coverage under the plan).

**ENROLLMENT**

You may enroll within 31 days of the date you first become eligible or within 31 days of dependent birth/adoption. You may also enroll during an annual open enrollment period. The annual open enrollment will be conducted prior to the January 1 beginning of each Plan year. *Enrollment at any other time is not permitted except in special circumstances.* (See “Enrolling, Changing or Discontinuing Contributions”)

**BENEFIT AMOUNT**

In order to participate, you must complete an enrollment form (available at www.slu.edu) specifying the pre-tax amount you wish to contribute to the Flexible Spending Plan.

The annual target amount you specify will be divided by the number of pay periods in the year to determine an equal amount to be taken from each paycheck during the plan year.

The maximum amount of benefit for which you may enroll is $2,500 each Plan Year. The minimum amount of participation is $130 each Plan Year.

**FORFEITURES**

It is very important to carefully estimate medical/dental expenses that will not be covered by insurance in determining the amount to contribute to the plan. Tax regulations require that you forfeit any unused funds remaining in your account after reimbursement is made of all eligible expenses incurred during the plan year.

Beginning with the 2005 Plan Year, you have 14 months and 15 days to incur and submit claims for their Flexible Spending Account each plan year, beginning January 1. This means that you may incur eligible expenses and receive reimbursement until March 15 of the subsequent year. You will have up to ninety days after the end of the plan year (December 31) to claim reimbursement of eligible expenses incurred during the plan year before remaining balances are forfeited. All claims must be submitted no later than March 31.
BENEFITS PAYABLE

Eligible medical and dental expenses are those expenses you incur for yourself and/or your dependents, which are normally considered to be tax deductible under Section 213 of the Internal Revenue Code (IRC) and are not otherwise insured. Since current regulations permit medical/dental tax deductions only to the extent they exceed 3% of income, many taxpayers find no value in itemizing these deductions when filing tax returns. The Flexible Spending Plan is not subject to an income limitation in considering these same expenses for reimbursement in lieu of a personal tax deduction. The following are examples of expenses that may be submitted under the Flexible Spending Plan for reimbursement:

- Acupuncture
- Dental expenses (IRC permitted) not paid by dental insurance
- Dental plan deductibles or co-insurance
- Eye glasses and contact lenses
- Health plan deductibles and co-insurance
- Hearing Aids (and batteries)
- Medical expenses (IRC permitted) not paid by health insurance
- Non-covered prescriptions (i.e. isotretinoin or tretinoin over age 25)
- Orthodontic services
- Prescription co-payments
- Physician office visit co-payments
- Replacement medical equipment (i.e. prosthesis or wheelchair)
- Wellness benefits in excess of health plan allowances

The following are examples of expenses that you may NOT submit for reimbursement:

- Cosmetic surgery
- COBRA Premiums
- Diaper service
- Exercise Equipment
- Fitness Programs
- Funeral expenses
- Hair Transplants
- Illegal operations or drugs
- Insurance premiums
- Long Term Care premiums
- Maternity clothes
- Teeth Whitening

Due to healthcare legislation changes, many over-the-counter (OTC) drugs and medications will no longer be eligible for reimbursement after December 31, 2010, unless accompanied by a letter of medical necessity or doctor’s directive. OTC drugs needed solely or primarily for medical care will be reimbursed in reasonable quantities only with a directive from a physician.
Examples of OTC items that have solely or primarily a medical purpose include, but are not limited to:

- Acne Creams
- Anesthetic mouth gels and rinses
- Anti-itch creams
- Antiseptics
- Bandages and dressings
- Contact lens solutions
- Crutches
- Eye drops
- Eye patches
- Insulin
- Prenatal Vitamins
- Reading glasses
- Smoking Cessation products
- Sunburn creams/sun block
- Wart and corn removers

Examples of OTC drugs that require a physician’s diagnosis and recommendation include, but are not limited to:

- Fiber supplements
- Orthopedic shoe inserts
- Snoring cessation aids
- Weight loss and dietary supplements
- Vitamins and herbal supplements

OTC items that are not reimbursable under any circumstances and are excluded from reimbursement by the Plan include, but are not limited to:

* Cosmetics
* Denture Supplies
* Deodorant
* Moisteners and wrinkle creams
* Sun tan lotions
* Toothpaste, toothbrushes and mouthwash
* Tooth Whitening products
* Vitamins taken to improve overall health

NOTE: The University has a Dependent Care Plan and a Premium Conversion Plan, which are similar in operation to the Flexible Spending Plan. The Premium Conversion plan provides for pre-tax treatment of all payroll deduction costs for University health and dental benefit programs. Participation in Premium Conversion is automatic unless you sign a form electing NOT to participate. The Dependent Care plan provides for the pre-tax reimbursement of the cost of the care of eligible dependents necessary to enable a participant and his or her spouse to work. Please refer to the appropriate Summary Plan Description for complete information on either of these programs.
PERIOD OF COVERAGE

The period of coverage for benefits offered under the Flexible Spending plan will be for the Plan Year, beginning January 1 and ending December 31, with a 2 month and 15 day grace period (January 1 to March 15 of the subsequent year) to incur eligible expenses and receive reimbursement. In the event you become eligible after the January 1 beginning of a Plan Year, the period of coverage during such Plan Year shall be from the date of becoming a participant until the end of the first Plan Year of participation. Subsequent periods of coverage shall be for a Plan Year. A period of coverage will end with the date a participant dies, terminates employment, or retires.

ENROLLING, CHANGING OR DISCONTINUING CONTRIBUTIONS

Tax regulations do not permit you to enroll, change or discontinue your contribution to the Flexible Spending Plan during a Plan Year, unless there is a qualified change in your family status. In addition, any enrollment in, change in, or discontinuation of contributions must be consistent with the qualified status change.

Qualified changes in family status, which may permit enrolling, changing or discontinuing your contribution, include:

* marriage
* divorce
* birth or adoption of a child
* death of a spouse or child
* termination (or commencement) of employment of the participant's spouse
* changing from part-time status (or vice versa) of the participant or participant's spouse
* the taking of an unpaid leave of absence by the participant or participant's spouse

An enrollment in, change in, or discontinuation of, contributions can be honored only if it is submitted within 31 days of the qualified status change and is consistent with the change in family or employment status.

If you change the amount of your contribution because of a change in employment or family status, the new amount authorized should be the total amount you want to have deducted over the remainder of the year. Your new contribution for each pay period will be established by dividing the amount specified by the remaining pay periods. However, your total contributions cannot exceed the annual contribution limits established under the plan by the remaining pay periods.

If you do not have a qualified employment or family status change, you cannot change your contribution during the plan year. You will be required to maintain your contribution even if expenses are no longer being incurred.

An annual enrollment period will be provided during which you may change the amount of your contribution for the next plan year. You MUST reenroll during open enrollment to utilize the benefit in the following calendar year. Elections do not carry over from one calendar year to the next. If you are eligible, but not currently participating, you may enroll at that time.
CLAIMS

Participants may submit claims for reimbursement of eligible expenses for benefits as provided by the Plan at any time throughout the Plan Year and during the 2 month and 15 day grace period (January 1 to March 15 of the subsequent year).

Qualified expenses can be paid out of pocket or by using your healthcare payment card. If you pay for an expense out of pocket, enter a claim for reimbursement online at www.connectyourcare.com and also submit corresponding receipts.

If you pay for a qualified expense using your healthcare payment card, there is no need to add a new claim. You may, however, still need to submit itemized receipts for that purchase. When receipts are needed, your online account will display a notice and you will receive notification in the mail from ConnectYourCare.

For eligible expenses covered by medical insurance, attach your Explanation of Benefits (EOB). For an ineligible expense not covered by insurance or when and EOB is not available, attach an itemized bill/receipt that includes the date of service, name and address of the provider, a description of the service and the amount charged. Claims must be filed within 90 days after the Period of Coverage (end of Plan Year) which is March 31 of the following year.
ADDITIONAL INFORMATION

Plan Name: Saint Louis University Flexible Spending Plan.

Plan sponsor: Saint Louis University
3545 Lindell Blvd.
St. Louis, MO 63103

Type of Plan: Welfare benefit plan to permit pre-tax contributions to reimburse tax-deductible uninsured medical/dental expenses.

Employer Identification number: 43-0654872

Plan Number: 515

Date of End of Plan year: December 31

Agent for Service of legal process: The Plan Administrator is the agent for service of legal process with respect to all matters relating to the Saint Louis University Flexible Spending Plan. Process may be served at the address shown below.

Plan Administrator: Saint Louis University
Vice President of Human Resources
3545 Lindell Blvd.
St. Louis, MO 63103
Telephone: (314) 977-5847

The Plan Administrator has the authority to control and manage the operation and administration of the plan as outlined in the Plan Instrument.

Loss of Benefits: Benefits of this Plan will no longer be available if either of the following events should occur:

- If the participant no longer meets the previously stated eligibility requirements;
- If the entire Flexible Spending Plan terminates

Coverage will end as of the date when either of the above events takes place.

Impact on Your Social Security Benefits: One of the purposes of this plan is to have elected contributions taken out of your pay on a pre-tax basis. That is, you do not pay federal and state income tax or FICA (Social Security tax) on the contributions. Since the monthly retirement benefit you receive from Social Security at age 65 is based on taxable earnings throughout your career (up to the annual retirement benefit wage base; $62,700 in 1996) your social security benefit at retirement may be slightly affected. To determine the extent of any benefit decrease, you should contact your local Social Security office for an estimate.
CLAIMS AND APPEAL OF DENIED CLAIMS

A claim for benefits will be reviewed according to the procedure described below. In the event a claim for benefits is denied, the employee or person making the claim is subject to the appeal procedure described below.

ConnectYourCare will process requests for reimbursement of health care or dependent care expenses. If a request for reimbursement or other claim is denied, you will be told in writing, generally within 90 days after the claim is received.

That reply will include:

- the specific reasons for the denial;
- references to the pertinent provisions of the plan;
- a description of any additional information which is necessary and why; and
- information about the steps to take to appeal the claim.

If a reply cannot be made within 90 days, ConnectYourCare will provide you a written notice explaining the reasons. Any extension of time will be for not more than another 90 days.

After receiving a reply, you have a right to request a review of any denied claim by writing to the Plan Administrator within 60 days after you receive the denial notice. In your request you should list the issues and comments you would like to have considered. You may, at a reasonable time and place, inspect relevant documents, which may affect your claim.

Within 60 days after your request for review is received, you will receive a final written reply. In the case of a continued denial, you will be given the specific reasons and the provisions on which the denial is based. If the review cannot be made within 90 days, you will be notified in writing with the reasons for the delay.

PLAN PARTICIPANTS' RIGHTS UNDER ERISA

Under the Employee Retirement Income Security Act of 1974 (ERISA) you have certain rights and protections. Included is the right to receive certain plan information and to file suit if you feel your rights have been violated.

Specifically, ERISA provides that all plan participants are entitled to:

- Examine, without charge, at the Plan Administrator's office and at all other locations, all plan documents and copies of all documents filed by the plan with the U.S. Department of Labor such as detailed annual reports and plan descriptions.
- obtain copies of all plan documents and other plan information upon written request to the Plan Administrator.
- Receive a summary of the plans annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of this Summary Annual Report.

If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan review and reconsider your claim.
In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of your plan. The people who operate the plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of all plan participants and beneficiaries. The plan is intended to be a continuing part of your employee benefits program. The University, however, reserves the right to amend the plan, from time to time or to terminate it entirely if, in the judgment of the University, conditions warrant.

**APPENDIX**

Examples of Participation Impact on Taxes

**Example 1**  (assumes $1,000 of eligible medical/dental expense, $20,000 of net taxable income, and married filing a joint tax return)

<table>
<thead>
<tr>
<th></th>
<th>With Plan</th>
<th>Without Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Income (after deductions)</td>
<td>$20,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Less Spending Plan Contribution</td>
<td>1,000</td>
<td>0</td>
</tr>
<tr>
<td>Net Taxable Income</td>
<td>$19,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>2,850</td>
<td>3,000</td>
</tr>
<tr>
<td>FICA (assumes 7.65% tax all income)</td>
<td>1,454</td>
<td>1,530</td>
</tr>
<tr>
<td>State (assumes 6% tax all income)</td>
<td>1,140</td>
<td>1,200</td>
</tr>
<tr>
<td>After Tax Medical/Dental Expense</td>
<td>0</td>
<td>1,000</td>
</tr>
<tr>
<td>Remaining Disposable Income</td>
<td>$13,556</td>
<td>$13,270</td>
</tr>
</tbody>
</table>

Example 1 total change in disposable income $286

**Example 2**  (assumes $2,000 of eligible medical/dental expense, $50,000 net taxable income, and married filing joint tax return)

<table>
<thead>
<tr>
<th></th>
<th>With Plan</th>
<th>Without Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxable Income (after deductions)</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Less Spending Plan Contribution</td>
<td>2,000</td>
<td>0</td>
</tr>
<tr>
<td>Net Taxable Income</td>
<td>$48,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Federal Taxes</td>
<td>8,370</td>
<td>8,930</td>
</tr>
<tr>
<td>FICA (assumes 7.65% tax all income)</td>
<td>3,672</td>
<td>3,825</td>
</tr>
<tr>
<td>State (assumes 6% tax all income)</td>
<td>2,880</td>
<td>3,000</td>
</tr>
<tr>
<td>After Tax Medical/Dental Expense</td>
<td>0</td>
<td>2,000</td>
</tr>
<tr>
<td>Remaining Disposable Income</td>
<td>$33,078</td>
<td>$32,245</td>
</tr>
</tbody>
</table>

Example 2 total change in disposable income $833