

Clark University  
Section 125 Cafeteria Plan  
Summary Plan Description

**Effective as Amended and Restated 1/1/2023**



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## **INTRODUCTION**

Your employer has implemented a Section 125 Cafeteria Plan to enable you to purchase certain benefits on a pre-tax basis.

The benefits may include insurance and other fringed tax basis.



Change in Residence (a change in the place of residence of the employee, spouse, or dependent).

Other *Change in Status Events* may be allowed if they are acceptable under interpretations of the representative.

If you experience a *Change in Status Event* and desire to make a change, you must make the change no later than 30 days following the *Event*. However, if the benefit you wish to change allows 31 days to make changes, this Plan will also allow 31 days.

### **Consistency Rule**

A change must be on account of and correspond with a Change in Status Event. To meet this requirement, the change that you wish to make must be on account of and correspond with a *Change in Status Event* that affects eligibility for coverage under an employer's plan. The *Change in Status Event* will be made by the Plan Administrator (in its sole discretion) in accordance with interpretations of the Internal Revenue Service. If you have questions, please ask your Employer's benefits representative.

### **Other Events That May Allow Election Changes**

É HIPAA Special Enrollment Rights. If you, your Spouse and/or a Dependent are entitled to special enrollment rights under the provisions of HIPAA (Health Insurance Portability and Accountability Act of 1996, as amended) for a group health plan, you may change your election to correspond with the special enrollment right. Your special enrollment right may also include the termination of Medicaid or CHIP coverage or eligibility for employment assistance under Medicaid or CHIP coverage. CHIP coverage refers to a state child health plan under Title XXI of the Social Security Act. Please refer to the group health plan description for an explanation of special enrollment rights.

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resulting from a divorce, legal separation, annulment, or change in legal custody (including a Qualified Medical Child Support Order under the Employee Retirement Income Security Act) requires an employee to cover a child or children under a group health plan, the employee may change his or her election to cover the child(ren). Likewise, if the order requires another individual to provide coverage for the child and coverage is, in fact, provided, then the employee may change his or her election to drop coverage for the child(ren).

Medicare and Medicaid. If an employee, spouse, or dependent becomes entitled to Medicare or Medicaid (other than coverage only for pediatric vaccines), the employee may make a change in election to cancel or reduce any group health coverage available through this Plan for the individual. Likewise, if the employee, spouse, or dependent loses eligibility for

coverage under Medicare or Medicaid (other than coverage only for pediatric vaccines), the employee may make a change in election to commence or increase any group health coverage available through this Plan for the individual.

**Cost Changes.** If the cost of qualified benefits increases or decreases during the plan year, your election may be automatically adjusted, if the Company in its discretion chooses to change your cost. If the cost significantly increases, you will be permitted to make an election change to increase your payment or to revoke your election and, in lieu thereof, to receive on a prospective basis coverage under another benefit option similar coverage. You may also be permitted to revoke your election and drop coverage if no other option providing similar coverage is available. See your benefits representative for additional information.

**Significant Coverage Change/Curtailment.** If the coverage under a benefit is significantly changed or curtailed, you may revoke your election and make a new election on a prospective basis for coverage under another option that provides similar coverage. If the coverage is lost altogether, you may drop your election if no similar coverage is available.

**Addition or Improvement of Benefit Option.** If during the plan year the Plan adds or significantly improves a benefit option, you may elect the newly added or improved option.

provided that the change is on account of and consistent with the change in coverage that is of the Internal Revenue Code.

**Reduction of Hours or Enrollment in Qualified Health Plan.** If elected in Section 17 of the Adoption Agreement, you may be able to revoke your election for coverage under a Qualified Health Plan in order to enroll in alternative coverage.

The Plan Administrator, in its discretion, has the authority to interpret all rules that are applicable to the Section 125 Cafeteria Plan. Further, the Plan Administrator may modify your election(s) downward during the plan year if you are a Key Employee or Highly Compensated Individual (as defined by the Internal Revenue Code), if necessary to prevent the Plan from becoming discriminatory within the meaning of the federal income tax law.

## TAX ADVANTAGES

The cash compensation (wages) you receive from your Employer is taxable. However, when you allocate a portion of your compensation on a pre-tax basis to be used for payment of your benefits, your taxable income is reduced by the amount you have allocated to benefits. This allocation results in a reduction of federal and, in most cases, state income taxes.

### **Social Security/Other Benefits May Be Affected**

Plan participation will reduce the amount of your taxable compensation. Accordingly, there could be a slight decrease in your Social Security benefits which may be based on taxable compensation. Although this reduction usually is quite small, it could occur if your compensation falls below the annual Social Security taxable wage base as revised each year. The resulting decrease in your taxable compensation could impact other benefits which may be available through your employer.

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If your employment status changes, participation in the Plan is affected as follows:

### **Leave of Absence Under the FMLA**

If your employer continues any benefit you have elected under the Plan during an FMLA leave, your participation may continue for as long as you are on paid leave or, if the leave is unpaid, you may pay premiums in a manner approved by the employer. In no event, however, will this provision override the terms of any insurance or other program under which the benefit is provided, nor will it override the substance of any employer policy regarding leaves of absence. You should discuss these issues with the benefits representative. You may be entitled to cease participation while you are on FMLA leave. If you cease participation as evidenced by non-payment of premiums, you will not be considered a participant in the Plan, and you will not receive benefits during the time you were not a participant. If you timely return from FMLA leave, you can elect to be reinstated in the Plan on the same terms as existed prior to your FMLA leave (unless those terms were changed in the meantime for other plan participants).

### **Non-FMLA Leave of Absence**

e that is not covered by the FMLA, your participation may continue as provided by those policies, as long as you continue to receive compensation. If your leave of absence is unpaid, you should review your options with the ve. In no event will this provision override the terms of any insurance or other program under which the benefit is provided.





Period, then Dependent Care Expenses incurred during the 2 month and 15-day period immediately following the Plan Year may be reimbursed from any balance remaining under your account at the end of such immediately preceding Plan Year, so long as you apply for reimbursement of such expenses in accordance with the applicable Claims Filing Deadline (identified in Section 11 of the Adoption Agreement).

### **Health Care Flexible Spending Account Plan**

If adopted by your Employer, you may be able to make an election to defer a portion of your compensation into an account that can be used to pay for Qualifying Health Care Expenses incurred during the Plan Year. A Participant who has elected to participate may apply for reimbursement by submitting an application in writing to the Administrator, in such form as the Administrator may prescribe, setting forth: (a) the amount, date and nature of the expense, including the name and relationship of the person incurring the expense; (b) the name of the person, organization or entity to which the expense was or is to be paid; (c) information regarding whether the expense is recoverable under any insurance or other arrangement; and (d) such other information as the Administrator shall from time to time require. You also may be required to substantiate your expense with bills, invoices, receipts, or other documents showing the amounts of such expenses.

The maximum amount you may contribute to your Health Care Flexible Spending Account is specified in Section 10 of the Adoption Agreement. That maximum may be adjusted automatically for inflation, to the extent allowable by the Internal Revenue Code.

Note that deferrals in a given Plan Year may only be used for expenses incurred during such Plan Year, unless your Employer elects to adopt a Grace Period. If your Employer elects a Grace Period, then Qualifying Health Care Expenses incurred during the 2 month and 15-day period immediately following the Plan Year may be reimbursed from any balance remaining under your account at the end of such immediately preceding Plan Year, so long as you apply for reimbursement of such expenses in accordance with the applicable Claims Filing Deadline (identified in Section 11 of the Adoption Agreement). Alternatively, your Employer may elect a Plan provision allowing you to carry over up to 20% of the statutory maximum contribution to be used for Qualifying Health Care Expenses incurred during the subsequent year. Note, however, that your Employer cannot elect both a Grace Period and a carryover provision.

## **MORE IMPORTANT FACTS**

### **Plan Documents**

The Plan is fully described in the Flexible Benefits Plan Master Plan Document. This booklet describes the major provisions of the Section 125 Cafeteria Plan in easy-to-understand terms. It is shorter and far less technical than the Plan's legal documents. If there is any conflict or inconsistency between this booklet and the Plan's legal documents, or if this booklet does not cover or only partially covers any





an appeal,

## **STATEMENT OF ERISA RIGHTS**

The information provided below applies to benefit programs that are covered by the Employee similar statement provided in the underlying benefit program that is offered by this Plan, but is provided for your information. This Section 125 Cafeteria Plan is not itself covered by ERISA. However, benefits may be offered under the Plan that are subject to ERISA. If a plan is subject to ERISA, you are entitled to certain rights and protections under that law. ERISA provides that all Plan Participants shall be entitled to:

### **Receive Information About Your Plan and Benefits**

Examine, without charge, at your Plan Administrator's office and at other specified locations such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, if any, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

Upon written request to the plan administrator, obtain copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The plan administrator may make a reasonable charge for the copies.

### **COBRA Continuation Coverage**

If your Employer and the applicable benefit plan are subject to COBRA, you may have the right to continue health care coverage for yourself, your spouse, or your dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review the applicable summary plan description and the documents governing any health plan for the rules governing these rights.

If your Employer and the applicable benefit plan are subject to HIPPA, you may have the right to a reduction or elimination of exclusionary periods of coverage for pre-existing conditions under a group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage, or when your COBRA continuation coverage ceases, if you request it before losing coverage, or you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to pre-existing conditions exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage. Review the applicable summary plan description and the documents governing any health plan for the rules governing these rights.









# **Clark University**

## **Section 125 Cafeteria Plan**

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Adoption Agreement  
to the  
Clark University  
**FLEXIBLE BENEFITS PLAN**

Version  
1/1/2023

**Clark University**  
**SECTION 125 CAFETERIA PLAN**

**ADOPTION AGREEMENT**

- |    |                              |   |
|----|------------------------------|---|
| 1. | Plan Sponsor/Company         | Clark University<br>950 Main Street<br>Worcester, MA 01610<br><br>5087937294<br>EIN: 04-2111203 |
| 2. | Plan Administrator:          | HUMAN RESOURCES<br>950 Main Street<br>Worcester, MA 01610<br><br>( ) _____                      |
| 3. | Registered Agent for Service | Corporate Secretary<br>950 Main Street<br>Worcester, MA 01610<br><br>( ) _____                  |
| 4. | Effective Date of Plan:      | 1/1/2023  |
| 5. | Restatement Effective Date:  | 1/1/2023  |
| 6. | Plan Year:                   | 1/1/2023 to 12/31/2023  |
| 7. | Plan Number:                 | 501   |
| 8. |                              |   |



10. Section 125 Cafeteria Plan Benefits. An employee can pay for the following benefits through the Section 125 Cafeteria Plan (check all that apply):

	<b>Benefit Type</b>	<b>Provider</b>	<b>Plan ID Number</b>
<input type="checkbox"/>	Group Health Benefit Plan		
<input type="checkbox"/>	Group Dental Benefit Plan		
<input type="checkbox"/>	Group Vision Benefit Plan		
<input type="checkbox"/>	Group Life Insurance Plan - Basic Coverage		
<input type="checkbox"/>	Group Life Insurance Plan - Supplemental Coverage		
<input type="checkbox"/>	Group Short Term Disability Insurance Plan		
<input type="checkbox"/>	Group Long Term Disability Insurance Plan		
<input type="checkbox"/>	Accidental Death & Dismemberment Coverage		
<input type="checkbox"/>	Dependent Care Flexible Spending Account Plan Minimum annual benefit \$0.00 Maximum annual benefit \$5,000.00	Flores & Associates, LLC	501
<input type="checkbox"/>	Health Care Flexible Spending Account Plan (General) Minimum annual benefit \$0.00 Maximum annual benefit \$3,050.00	Flores & Associates, LLC	501

( )	<p>Health Savings Account (HSA)</p> <p>If Company offers both HSA and Health Care Flexible Spending Account Plan, check as applicable:</p>	
( )	Limited Purpose Vision/Dental <sup>1</sup>	
( )	Limited Purpose Preventive Care <sup>2</sup>	
( )	Limited Purpose Post-Deductible <sup>3</sup>	
	Maximum annual benefit amount \$3,050.00	
	<p>Note: An HSA Eligible Individual may not be covered by a General Health Care FSA but may be covered under these options.</p>	

11. Health Care Claims Filing Deadline: 2/29/2024  
 Dependent Care Claims Filing Deadline: 2/29/2024

12. Failure to File an Enrollment Form:

- ( ) If at the end of a Plan Year an Employee fails to file an Enrollment Form with the Plan Administrator for the following Plan Year prior to the start of the Plan Year, the Employee waives his or her right to participate in the Plan for the following Plan Year.
- ( ) If at the end of a Plan Year an Employee fails to file an Enrollment Form with the Plan Administrator for the following Plan Year prior to the start

Year, the Employee will not receive the Tobacco Credit and will be charged the Spousal Fee (if applicable).

- ( ) If at the end of a Plan Year an Employee fails to file an Enrollment Form with the Plan Administrator for the following Plan Year prior to the start of the Plan Year, the Employee will be deemed to have elected not to participate **only** with respect to the following benefit(s) for the following Plan Year:

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13. Family Medical Leave Act (FMLA):

- a. If the plan includes a qualifying group health benefit or a health care flexible

- ( ) The Company will make the following contribution(s) to the Plan on behalf of Employees:
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15. Grace Period (choose one):

- ( ) Not applicable  
( ) The Company **will not** adopt the grace period permitted under IRS Notice 2005-42.  
( ) The Company **will** allow a grace period, which will end on 3/15/2024  
( ) The grace period **will** apply to the following benefits (check all that apply):
- ( ) Health Care Flexible Spending Account Plan (General)
  - ( ) Health Care Flexible Spending Account Plan (Limited Purpose/Post-Deductible)
  - ( ) Health Care Flexible Spending Account Plan (Limited Purpose)
  - ( ) Health Care Flexible Spending Account Plan (Post-Deductible)
  - ( ) Dependent Care Flexible Spending Account Plan

16. Health Care Flexible Spending Account Carry-Over:

- ( ) Not applicable  
( ) The Company **will not** allow participants to carry over any unused balance in a health care flexible spending account to a subsequent Plan Year.  
( ) The Company **will** allow participants to carry over to a subsequent Plan Year up to 20% of the of the maximum salary reduction contribution under Section 125(i) of the Internal Revenue Code of any unused balance in a health care flexible spending account pursuant to IRS Notice 2013-71 (as updated by IRS Notices 2020-29 and 2020-33).

**PLEASE NOTE: If the Company selects a Grace Period for its Health Care Flexible Spending Account, then it cannot also select a Carry-Over.**

17. Change in Election in Event of Reduction of Hours or Enrollment in Qualified Health Plan

- ( ) Employees may revoke their election for coverage under a Qualified Health Plan during the Coverage Period in order to enroll in alternative coverage, subject to the additional restrictions described in the Plan, in the following circumstances (select one or both):

- ( )  
status so that the Employee will reasonably be expected to average less than 30 hours of service per week.



( ) Enrollment in a Qualified Health Plan through the Health Insurance Marketplace. The Employee is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace.

**RELATED EMPLOYER PARTICIPATION AGREEMENT**

*[Note: Each participating Related Party must execute a separate Agreement, EOP / P / A / S / B / R]*

