

**Birmingham-Southern College**  
**CAFETERIA PLAN SUMMARY PLAN DESCRIPTION (SPD)**

**WHAT GENERAL FACTS SHOULD I KNOW ABOUT THE PLAN?**

NAME OF PLAN(s):	Birmingham-Southern College Cafeteria Plan
EMPLOYER:	Birmingham-Southern College
EMPLOYER ID NO.:	63 0288811
PLAN NUMBER:	505
NAME, BUS. ADDRESS & PHONE NUMBER OF THE PLAN ADMINISTRATOR:	Birmingham-Southern College, (205) 226 4646 900 Arkadelphia Road Birmingham, AL 35254
NAME, BUS. ADDRESS & PHONE NUMBER FOR THE ACCEPTANCE OF LEGAL PROCESS:	Birmingham-Southern College, (205) 226 4646 Box 549090, Birmingham, AL 35254
PLAN EFFECTIVE DATE:	June 1, 1991
PLAN ANNIVERSARY DATE:	January 1
PLAN YEAR:	January 1 through December 31

**ELIGIBILITY AND ENTRY DATES**

INSURANCE PREMIUMS

Waiting period:	The same waiting period as the health insurance plan.
Entry dates:	The first day of the month following the waiting period.

DEPENDENT CARE FLEXIBLE SPENDING ACCT

Waiting period:	For all plan years the waiting period will be 0 day(s)
Entry dates:	On the date that the waiting period is met.

MEDICAL FLEXIBLE SPENDING ACCT

Waiting period:	For all plan years the waiting period will be 0 day(s)
Entry dates:	Only on the anniversary date of the plan, following the waiting period.

**PLAN DEFINITION AND FUNDING** - This is a Section 125 plan classified as a "cafeteria" plan by the Internal Revenue Code, and a Section 105 Medical Flexible Spending Account, and a Section 129 Dependent Care Flexible Spending Account. The Plan is funded by employee contributions.

**NOT A CONTRACT OF EMPLOYMENT** - No provision of the Plan is considered a contract of employment between you and your employer. Your employer's rights with regard to disciplinary action and termination of any Employee are in no manner changed by any provision of the Plan.

**AVAILABLE BENEFITS THROUGH THE PLAN** - Briefly, the Optional Benefits from which you may choose are as follows:

**Insurance Benefits** - You may purchase the coverage for yourself and your family through the Cafeteria Plan with pretax dollars.

**Spending Accounts** - You can set aside pretax dollars to reimburse yourself on a pretax basis for payment of certain medical and/or dependent care expenses, not to include insurance premiums.

**PLAN Q&A'S**

**WHAT IS THE PURPOSE OF THIS SUMMARY?** - The purpose of this summary is to give you information about the Cafeteria Plan in which you participate. Of course, each possible situation cannot be explained in this brief description. However, if you have any questions contact your employer. In addition, there is a copy of the adoption agreement and plan document available at the office of the employer and you may examine them at any time during the normal working hours, or request a copy. Please read this summary carefully. Simple, non-technical language is intended to help you understand how this plan will benefit you. The adoption agreement and plan document may also be read.

**WHAT IS THE PURPOSE OF THIS CAFETERIA PLAN?** - To give you a choice between (1) direct taxable compensation and (2) tax-favored benefits under the employer sponsored group health insurance plans & the medical & dependent care flexible spending account plans.

**HOW DOES THE PLAN WORK?** - Through the Cafeteria Plan, you are given a choice between (1) direct taxable compensation and (2) tax-free health insurance premiums or contributions, by completing a salary reduction agreement which will be provided to you. In the salary reduction agreement, you direct your salary reduction to be used to pay your group health insurance premiums or contributions. If you fail to submit a completed agreement on or before the date specified, your prior year's election will automatically renew for another Plan year.

**WILL A CAFETERIA PLAN SAVE ME MONEY?** Yes, through a reduction in federal, F.I.C.A., and state taxes.

**WILL PARTICIPATION IN THE CAFETERIA PLAN AFFECT MY SOCIAL SECURITY BENEFITS AT RETIREMENT?** Yes. Because participation in the plan has the effect of lowering your average monthly income, there may be a small reduction in the amount of benefits you may receive at retirement or if disabled.

**WHY SHOULD I PARTICIPATE IN THE PLAN?** By electing to participate in the Cafeteria Plan, you elect to have a portion of your taxable compensation be used to pay for non-taxable group health related insurance premiums and the medical and dependent care flexible spending account contributions. If you participate, the plan will result in you saving Federal, FICA and possibly State taxes.

**CAN I CHANGE MY ELECTION?** A change in benefit election during the plan year is permitted only if necessitated by a change in family status (i.e. marriage, divorce, death of spouse or child, birth or adoption of child, termination of employment of spouse, significant change in the cost of company offered benefits or other such changes as the plan administrator determines allowable). The change in benefit must be on account of and consistent with the change in family status. Otherwise benefits purchased through salary reduction can only be increased or decreased at the start of a new year, assuming the underlying plan allows for this change.

**WHAT IF THE COST OF MY HEALTH CARE COVERAGE GOES UP OR MY COVERAGE CHANGES?** If the cost of a health plan provided by an independent third party changes during the plan year and you are required to make a corresponding change in your premium payment, the employer may automatically change, as the case may be, your premiums for such health plan. Alternatively, if the premium amount significantly increases, you may make a corresponding change in your premium payments or revoke your elections and, in lieu thereof, receive on a prospective basis, coverage under another health plan with similar coverage.

**WHAT HAPPENS IF MY EMPLOYMENT IS TERMINATED?** If your employment is terminated at any time for any reason, your participation in this Cafeteria Plan shall automatically terminate as of the day you cease to be employed.

**ARE THERE ANY OTHER CIRCUMSTANCES, WHICH MAY TERMINATE MY PARTICIPATION?** Participation will automatically terminate as of the earliest of (1) the date this plan is terminated, (2) the date a participant ceases to be employed by the employer, or (3) the date your salary or wage reduction election expires. Your rights will then be governed by the specific group health care plan under which you are covered.

**CAN I LOSE MY BENEFITS UNDER THE PLAN?** The only way you can lose benefits under the plan is to not utilize them before the end of the Run Out period (the period of time to file claims after Plan Year End) which is 75 days after the Plan year ends; or if termination of employment, the end of a Run Out period of 75 days. During the end of the year Run Out period you will have a 75 day 'Grace' period in which you can actually incur expenses in the current year to be filed on your prior year's account. (For all participants still employed at Plan Year End.)

**WHAT SHOULD I DO IF A CLAIM FOR REIMBURSEMENT IS DENIED?** As spelled out in the adoption agreement and plan document, you have a claims procedure, which requires that the plan administrator notify you within ninety (90) days if a claim has been denied. With the denial, the reasons and justification for denial and an explanation of the review procedure will be included. You then have sixty (60) days to request review to which the plan administrator must respond within sixty (60) days. The adoption agreement and plan document should be reviewed as this explanation only touches on the elements of the claim and review procedure.

**WHAT SHOULD I DO IF I HAVE READ THIS SUMMARY PLAN DESCRIPTION ADOPTION AGREEMENT AND THE PLAN DOCUMENTS, AND STILL HAVE QUESTIONS CONCERNING THE MEDICAL FLEXIBLE SPENDING ACCOUNT?** As plan administrator, your employer has associated BeneTech Administrators, Inc., as an administering agent. Any questions should be directed to them at P.O. Box 530967, Birmingham, Alabama 35253 (Phone (205) 879-2824). If the address or number has changed since the time of this summary plan description, Human Resources will have more current information.

#### **ERISA RIGHTS STATEMENT**

The Employee Retirement Income Security Act of 1974 (ERISA) was enacted to help assure that all employer-sponsored group benefit programs conform to standards set by Congress. An employee who is a Participant in the Plan is entitled to certain rights and protections under ERISA, which provides that all Participants will be entitled to: (1) examine, without charge, at the Plan Administrator's office (Birmingham-Southern College) and at other appropriate locations, all Plan documents and copies of documents filed with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions; (2) obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator, subject to a reasonable charge for the copies; and (3) receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report. Plan records are kept on a Plan Year basis. In addition to creating rights for plan Participants, ERISA imposes duties upon those responsible for the operation of the Plan who are called "fiduciaries" and who have a duty to operate the Plan prudently and in the interest of Participants and Beneficiaries. If a claim for a benefit under the Plan is denied in whole or in part, the claimant must receive a written explanation of the reason for the denial. The claimant has the right to have the claim reviewed and reconsidered. Under ERISA, there are steps the Employee covered under the Plan can take to enforce the above rights. For instance, if the person requests materials and does not receive them within 30 days, the person may file suit in a federal court. In such a case, the court may require the company to provide the materials and pay the person up to \$100 a day until the person receives the materials, unless the materials were not sent because of reasons beyond the Employer's control. If a person has a claim for benefits, which is denied or ignored, in whole or in part, the person may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the Plan's money, or if the Employee covered under the Plan is discriminated against for asserting his or her rights, the person may seek assistance from the U.S. Department of Labor, or may file suit in a federal court. The court will decide who should pay court costs and legal fees. If the claimant is successful, the court may order the person sued to pay these costs and fees. If the claimant loses, the court may order the claimant to pay these costs and fees, for example, if it finds the claim to be frivolous. If you have any questions about your Plan, you should contact the Plan Sponsor. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration (PWBA), U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. The right is reserved in the Plan for the Plan Sponsor to terminate, suspend, withdraw, amend or modify the Plan in whole or in part at any time, subject to the applicable provisions of the Plan. This is a Summary Plan Description only. Your specific rights to benefits under the plan are governed solely, and in every respect, by the Plan Document, a copy of which is available from the Human Resources Department upon your request (see Statement of ERISA Rights). If there is any discrepancy between the description of the Plan as contained in this material and the official Plan Document, the language of the Plan Document shall govern.