

UNIVERSITY OF DETROIT MERCY EMPLOYEE BENEFITS PLAN AND SUMMARY PLAN DESCRIPTION
SECTION 125 PLAN

AND ALL SUPPORTING FORMS HAVE BEEN PRODUCED FOR

PAYLOCITY

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INTRODUCTION

The Employer has amended this Plan effective July 01, 2021 to recognize the contribution made to the Employer by its

Any Eligible Employee shall be eligible to participate hereunder as of the date he satisfies the eligibility conditions for the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference. However, any Eligible Employee who was a Participant in the Plan on the effective date of this amendment shall continue to be eligible to participate in the Plan.

2.2 EFFECTIVE DATE OF PARTICIPATION

An Eligible Employee shall become a Participant effective as of the entry date under the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference.

2.3 APPLICATION TO PARTICIPATE

An Employee who is eligible to participate in this Plan shall, during the applicable Election Period, complete an application to participate in a manner set forth by the Administrator. The election shall be irrevocable until the end of the applicable Election Period. A Participant is entitled to change his Benefit election pursuant to Section 5.4 hereof.

An Eligible Employee shall also be required to complete a Salary Redirection Agreement during the Election Period for the Plan Year during which he wishes to participate in this Plan. Any such Salary

3.1 SALARY REDIRECTION

Benefits under the Plan shall be 31

under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to paragraph) are includible in gross income.

(c) Adjustment to avoid the preceding sentence

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is \$2750.00.

(b) The minimum amount that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is \$60.00.

(c) Participation in Other Plans. All employers that are treated as a single employer under Code Sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the statutory limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts, only the total Health Flexible Spending Account contributions under all of the cafeteria plans are limited to the statutory limit (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect the statutory limit (as adjusted) under each Employer's Health Flexible Spending Account.

6.9 QUALIFIED RESERVIST DISTRIBUTIONS

(a) Qualified Reservist Distribution. A Participant may request a Qualified Reservist Distribution, provided the following provisions are satisfied. "Qualified Reservist Distribution" means any distribution to a Participant of all or a portion of the balance in the Participant's Health Flexible Spending Account if:

- (1) Such Participant was an individual who was (by reason of being a member of a reserve component (as defined in Section 101 of Title 37, United States Code)) ordered or called to active duty for a period of 180 days or more or for an indefinite period.
- (2) A Participant may have been called prior to June 18, 2008, provided the individual's active duty continues after June 18, 2008 and the period of duty complies with subsection (a).
- (3) The distribution is made during the period beginning on the date of the order or call that applies to the Participant and ending on the last day of the Plan Year (or Grace Period) which includes the date of such order or call.
- (4) The Qualified Reservist Distribution option is offered to all Participants who qualify under this Article.
- (5) Qualified Reservist Distributions may only be made if the Participant is ordered or called to active duty, not the Participant's spouse or dependents.
- (6) Under Section 101 of the Title 37 of the United States Code, "reserve component" means: (1) the Army National Guard, (2) the Army Reserve, (3) the Navy Reserve, (4) the Marine Corps Reserve, (5) the Air National Guard, (6) the Air Force Reserve, (7) the Coast Guard Reserve, or (8) the Reserve Corps of the Public Health Service.

(b) Conditions: The following conditions apply:

- (1) The Employer must receive a copy of the order or call to active duty and may rely on the order or call to determine the period that the Participant has been ordered or called to duty.
- (2) Eligibility for a Qualified Reservist Distribution is not affected if the order or call is for 180 days or more or is indefinite, but the actual period of active duty is less than 180 days or is changed otherwise from the order or call.
- (3) If the original order is less than 180 days, then no Qualified Reservist Distribution is allowed. However, if subsequent orders increase the total days of active duty to 180 or more, then a Qualified Reservist Distribution will be allowed.

(c) Amount: The amount a Participant may be reimbursed from the Health Flexible Spending Account is amount contributed by the Participant to the Health Flexible Spending Account as of the date of the distribution request, less any reimbursements received as of the date of the distribution request

(d) Procedure. The Employer must specify a process for requesting the distribution. The Employer may limit the number of distributions processed for a Participant per Plan Year. The distribution request must be made on or after the call or order and before the last day of the Grace Period. The QRD shall be paid within a reasonable time but in no event more than 60 days after the date of the request.

(e) Claims. Claims incurred prior to the date of the request of the distribution shall be paid as any other claim. Claims incurred after the date of the distribution shall be paid and the Participant's right to submit a claim shall be terminated as of the date of the distribution request

ARTICLE VII
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

7.1 ESTABLISHMENT OF ACCOUNT

This Dependent Care Flexible Spending Account is intended to qualify as a program under Code Section 129 and shall be

7.7 ANNUAL STATEMENT OF BENEFITS

On or before January 31st of each calendar year, the Employer shall furnish to each Employee who was a Participant and received benefits under Section 125 during the prior calendar year, a statement of all such benefits paid to or on behalf of Participant during the prior calendar year. This statement is set forth on the Participant's Form W

7.8 FORFEITURES

The amount in a Participant's Dependent Care Flexible Spending Account as of the end of any Plan Year (and after their Form W

(4)

9.5 INDEMNIFICATION OF ADMINISTRATOR

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including designated as Administrator) Employee

11.7 EMPLOYER'S PROTECTIVE CLAUSES

(a) Insurance purchase. Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium(s), if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

(b) Validity of insurance contract. The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is paid for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

11.8 NO GUARANTEE OF TAX CONSEQUENCES

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that any such payment is not so excludable. Notwithstanding, the rights of Participants under this Plan shall be legally enforceable.

11.9 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or

IN WITNESS WHEREOF, the Plan document is hereby executed this _____ day of _____.

University of Detroit Mercy

By _____
EMPLOYER