SUMMARY OF MATERIAL MODIFICATIONS
To the Flexible Spending Account Summary Plan Description for Lake Forest College
Effective January 1, 2017

A Flexible Spending Account Summary Plan Description (SPD) was published effective January 1, 2014. The following are modifications and clarifications that are effective January 1, 2017, unless otherwise stated. These modifications and clarifications are intended as a summary to supplement the Flexible Spending Account SPD. It is important that you keep this summary with your Flexible Spending Account SPD since this material plus the Flexible Spending Account SPD comprise your complete Flexible Spending Account SPD.

In the event of any discrepancy between this Summary of Material Modifications (SMM) and the Flexible Spending Account SPD, the provisions of this SMM shall govern.

Effective 1-1-2017 Section entitled: CONTRIBUTIONS
The Following Should be Noted:
The Health Care Spending Account FSA Plan will now allow a portion of your remaining health care FSA funds to automatically roll over into your account for the next plan year.
The Contributions Section of the FSA SPD has been replaced in its entirety with the following: **CONTRIBUTIONS**
Each year, you must decide on the amount of before-tax dollars you want to contribute to the accounts. Please note that these accounts are not "funded." Rather, the amount you elect to "contribute" remains in the employer's general assets until claims are reimbursed. You may contribute to the HCSA or DCSA, or both, however, amounts contributed to one account cannot be used to reimburse expenses under the other account. You should carefully estimate your Eligible Health Care and Dependent Care Expenses, collectively referred to throughout this booklet as “Eligible Expenses”, for the upcoming Plan year. *Health Care Spending Account Contributions* For the Health Care Spending Account, you may elect to contribute between $0 and $2,600 a year. If you and your Spouse are both covered under the Plan as an employee of the Plan Sponsor, you may each elect to contribute between $0 and $2,600 a year. *Dependent Care Spending Account Contributions* For the Dependent Care Spending Account, you may elect to contribute between $0 and $5,000, or if you are married and filing separately for federal income tax purposes, you

may each elect to contribute up to $2,600 a year. If you or your spouse's earned income is less than $5,000 per year, the amount that you can contribute is reduced to the amount of your or your spouse's earned income.

BENEFIT PAYMENTS

Health Care Spending Account

IRS regulations permit the forfeiture of any unused funds remaining in the account at the end of the Plan year except that a portion of your remaining health care FSA funds may automatically roll over into your account for the next plan year.

You have until March 31 of the next year to request reimbursement for Eligible Expenses incurred during the Plan year.

A portion of your remaining health care FSA funds will automatically roll over into your account for the next plan year

If you don't spend all the funds in your FSA during the initial year, your employer allows a portion of your remaining FSA balance to automatically roll over into your account for another plan year. The maximum amount that can be rolled over at the end of the plan year is limited to $500.

The Plan allows you to spend down the remaining balance in the Health Care FSA even if you do not re-enroll in the Health Care FSA. The rollover is available for one year. You forfeit any unused rollover funds remaining in the account after one year.

Your rollover amount may be used to pay or reimburse medical expenses incurred during the entire Plan year to which it is carried over. New plan year expenses are reimbursed from the new plan year's salary reduction election first. This allows the carryover amount to remain available for the prior plan year's expenses during the run-out period.
Since a rollover is offered under this Plan, this FSA plan does not allow for a grace period.

Dependent Care Spending Account

IRS regulations require that you forfeit any unused funds remaining in the account at the end of the Plan year.

You have until March 31 of the next year to request reimbursement for Eligible Expenses incurred during the Plan year.

For the DCSA, if your employment terminates you can continue to request reimbursement for Eligible Dependent Care Expenses incurred until the earlier of the date your DCSA balance is exhausted or the end of the Plan year following your employment termination date against what is in your DCSA balance at the time of termination. The dates of service must fall within the Plan year in which the DCSA account termed. Any such Eligible Dependent Care Expenses must be submitted on or before March 31of the Plan year following your termination.

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