

VALDOSTA STATE COLLEGE

HEALTH CARE FLEXIBLE SPENDING ACCOUNT PLAN

Effective January 1, 1988

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ARTICLE 1

Name, Purpose and Effective Date

1.01 Name and Purpose of Plan. This Plan shall be known as the Valdosta State College Health Care Flexible Spending Account Plan. This Plan is intended to be a self-insured medical reimbursement plan within the meaning of section 105(h) of the Internal Revenue Code.

1.02 Effective Date. The Effective Date of the Plan is January 1, 1989.

ARTICLE 2

Definitions

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

- 2.01 “Code” means the Internal Revenue Code of 1986, as amended.
- 2.02 “Effective Date” means January 1, 1989, the date when this Plan became effective.
- 2.03 “Elective Employer Contributions” means the contributions made by the Employer to the Plan pursuant to salary reduction agreements between Employees and the Employer.
- 2.04 “Employee” means any person who is employed by the Employer.
- 2.05 “Employer” means Valdosta State College.
- 2.06 “Participant” means an Employee who is eligible for and has elected to participate in the Plan and whose membership in the Plan has not ceased as provided in Section 3.03.
- 2.07 “Plan” means the Valdosta State College Health Care Flexible Spending Account Plan and all authorized amendments.
- 2.08 “Plan Administrator” or “Administrator” means Valdosta State College.
- 2.09 “Plan Year” means the twelve (12) month period beginning on January 1 and ending on December 31.

Wherever used in this instrument, a masculine pronoun shall be deemed to include the masculine and feminine gender, a singular word shall be deemed to include the singular and plural and plural word shall be deemed to include the singular and plural in all cases the context requires.

ARTICLE 3

Eligibility

3.01 Current Employees. Each Employee who is an Employee on the Effective Date and who is eligible to participate in the Valdosta State College group benefit plans will be eligible to participate in the Plan on the Effective Date.

3.02 Future Employees. Each future Employee will be eligible to participate in the Plan on the date he becomes eligible for the Valdosta State College group benefit plans.

3.03 Termination of Participation. Each Employee shall be eligible to continue to participate in the Plan until he ceases to be an Employee, or until he otherwise ceases to be eligible to participate in the Valdosta State College group benefit plans.

ARTICLE 4

Election Process and Benefits

4.01 Election Process. Each Employee eligible for the Plan will have the opportunity to make an initial benefit election effective on his date of edibility for the Plan, and thereafter, each Employee will have the opportunity to change his benefit election on the first day of each Plan Year. Such an election shall be made on an election form provided by the Administrator, shall be made on a timely basis according to rules promulgated by the Administrator and shall remain in effect until changed by the Employee.

Each Employee may elect to have the salary otherwise payable to him for each applicable payroll period during the Play Year reduced so that the Participant's Employer shall make Elective Employer Contributions in the form of credits to the Participant's Health Care Flexible Spending Account equal to the amount by which the Employee elected to have his salary reduced. Each Employee may elect to reduce his salary by any amount per year; provided, however, that the Administrator is empowered to change the maximum applicable for any Plan Year.

An Employee will not be permitted to change any benefit election for a Play Year after the deadline date established by the Administrator for the timely filing of such elections, except as provided in the next sentence. An employee whose family status changes (e.g. by reason of marriage, divorce, or legal separation, death of spouse or child, birth or adoption of child, or change in employment status of spouse) during a Plan Year my change his benefit election, in accordance with rules promulgated by the Administrator for the remainder of such Plan sole to accommodate the change in his family status.

4.02 Maintenance of Health Care Flexible Spending Account. The Administrator shall maintain for each Participant a Health Care Flexible Spending Account. The Administrator shall record the amounts credited to the Participants' Health Care Flexible Spending Account in accordance with Section 4.01 and the amounts charged against the Health Care Flexible Spending Account in accordance with the provisions of Section 4.04. The Participant's Health Care Flexible Spending Account maintained for any Plan Year can only be used to reimburse health care expenses incurred in that Plan Year.

Amounts credited to a Participant's Health Care Flexible Spending Account do not represent actual deposits made on his behalf to a separate fund of trust but are bookkeeping accounts representing assets of the Employer from which payments will be made to Participants in accordance with the terms of the Plan. No interest shall be credited to Participants with respect to the Health Care Flexible Spending Account.

4.03 Reimbursement Expenses. Participants shall be entitled to reimbursement for expenses they incur during the Plan Year for the health care of themselves, their spouses or dependents but only to the extent of the credit balance in their Health Care Flexible Spending Account as determined in accordance with Section 4.02. Amounts reimbursable under the Valdosta State College group health insurance plan or under any other group health insurance plan which covers the Participant or his dependents are not reimbursable under this Plan. For purposes of the Plan, the term "health care" shall have the same meaning as "medical care" in section 213(d)(1)(A) and (B) of the Code and the term "dependent" shall include any individual who is considered a dependent of the Participant within the meaning of Section 152 of the Code.

Reimbursable expenses under this Plan include, but are not limited to, such expenses as the following:

(a) Medical expenses for hospital, physician, dental and vision care to the extent that they are not reimbursable under the Valdosta State College group health insurance plan or another group health insurance plan which covers the Participant or his dependents;

(b) Uncovered health services such as prescription glasses, hearing aid and orthodontia;

(c) Routine checkups and physicals; and

(d) Other amounts paid for the diagnosis, cure, prevention and/or treatment of disease as prescribed by a health care practitioner.

4.04 Claim and Payment procedures. Claims for reimbursement shall be made on the appropriate form or forms furnished by the Administrator for purposes of the Plan and submitted to the Administrator or the person designated by the Administrator. The Participant may be required to furnish additional information, such as receipts, insurance company explanation of benefits, and/or appropriate documentation from the attending health care practitioner.

All claims submitted by a Participant during a calendar month shall be processed as of the end of each calendar month (or less frequently at the discretion of the Administrator) on the basis of the balance in the Participants Health Care Flexible Spending Account as the end of such calendar month. To the extent that any claims cannot be paid in full because of an insufficiency in the Participant's Health Care Flexible Spending Account, they shall be returned and resubmitted when sufficient funds are available for such Plan Year, but shall not be carried over or charged against the balance of any subsequent Plan Year. In the interest of minimizing administrative expense, the Administrator may establish rules governing the minimum number of benefit requests that will be honored for payments under the Plan.

Payments pursuant to this Section 4.04 shall be made only to Participants (except as otherwise provided in section 7.04), and no payment shall be made directly to the provider of the health care services, treatment or supplies.

4.05 Credit Balance at End of Plan Year. The Administrator will establish rules governing the expiration of the period for submitting claims for the Plan Year under the Plan. A Participant or former Participant shall not be entitled to receive cash or any other form of compensation or benefits with respect to any credit balance in his Health Care Flexible Spending Account at the end of a Plan Year. Similarly, no credit balance remaining after the expiration of the period for submitting claims for one Plan Year will be carried forward into any succeeding Plan Year.

ARTICLE 5

Plan Administration

5.01 Administrative Powers and Duties of the Plan Administrator. The Administrator shall have the following administrative responsibilities and authority with respect to the Plan:

(a) Make such uniform and nondiscriminatory rules and regulations for the administration and interpretation of the Plan as are not inconsistent with the terms hereof or of applicable law.

(b) Establish and maintain records appropriate to permit the Plan to be administered according to its terms and requirements of applicable law.

(c) Prepare and file or otherwise disseminate all reports, filings and documents required by applicable law or regulation.

(d) Establish in writing a claim procedure in accordance with regulations of the Secretary of Labor.

(e) Retain the services of one or more persons, including an enrolled actuary, an independent qualified public accountant and counsel, to perform such duties as may from time to time be required and to render advice upon request with regard to any matters arising under the Plan.

(f) Interpret the Plan and decide any matters arising hereunder in the administration and operation of the Plan, and any interpretations or decisions so made will be conclusive and binding on all persons having an interest in the Plan; however, that all such interpretations and decisions will be applied in a uniform manner to all Employees similarly situated.

(g) Take all other steps deemed necessary to properly administer the Plan in accordance with its terms and the requirements of applicable law.

ARTICLE 6

Amendments to or Termination of the Plan

6.01 Right of Employee to Amend or Terminate the Plan. The Plan may be amended or terminated, in whole or in part, at any time by the Employer; provided, however, that neither amendment nor termination shall prevent the Participant from receiving benefits to which he was entitled under the terms of the Plan immediately prior to amendment or termination.

ARTICLE 7

Miscellaneous

7.01 Rights of Employees. Nothing herein contained shall be deemed to give any Employee the right to be retained in the employ of the Employer or to interfere with the right of the Employer to discharge such Employee at any time, nor shall it be deemed to give the Employer the right to require the Employee to remain in its employ, nor shall it interfere with the Employer's right to terminate his employment at any time.

7.02 Notice of Address. Each person entitled to benefits under the Plan must file with the Administrator, in writing, this post office address and each change of post office address. Any communication, statement or notice addressed to such person at such address shall be deemed sufficient for all purposes of the Plan, and there shall be no obligation on the part of the Employer or the Administrator to search for or to ascertain the location of such person.

7.03 Data. Each person entitled to benefits under the Plan must furnish to the Administrator such documents, evidence, or other information as the Administrator considers necessary or desirable for the purposes of administering the Plan or to protect the Plan. The Administrator shall be entitled to rely on representations made by Employees, with respect to age, marital status and other personal facts, unless it knows said representations are false.

7.04 Payments Due Incompetent or Deceased Participants. If the Administrator determines that any Participant to whom payment is due hereunder is incompetent by reason of physical or mental disability, the Administrator shall have power to cause the payments becoming due to such Participant to be made to another for the benefit of the incompetent, without responsibility of the Administrator to see to the application of such payment.

If the Participant to whom a payment is due is deceased, the Administrator shall make the payment to the person the Participant shall have designated as his beneficiary under the Employer's group life insurance program, or if no such beneficiary shall survive the Participant, to the Participant's estate. Payments made pursuant to this Section 7.04 shall operate as a complete discharge of the Administrator.

7.05 Heading. The headings of the Plan are inserted for convenience and reference only and shall have no effect upon the meaning of the provisions hereof.

7.06 Construction. The Plan shall be construed, regulated and administered under the laws of the State of Georgia, except that if any such laws are superseded by any applicable Federal law or statute, such Federal law or statute shall apply.

IN WITNESS WHEREOF, Valdosta State College has caused this instrument to be duly executed in its name and on its behalf this _____ day of _____, 19____.

Valdosta State College

By: _____

Witness:

By: _____