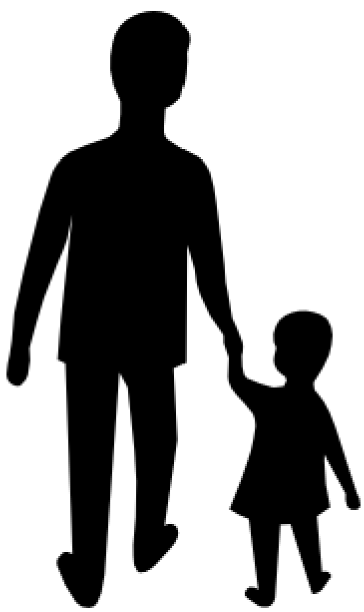
DEPENDENT CARE SPENDING ACCOUNT



Summary Plan Description

Rev. 1/2023

DEPENDENT CARE SPENDING ACCOUNT

A Dependent Care Spending Account provides a way for you to put some of your pat aside before taxes to cover dependent care expenses that are not covered or reimburses by your benefit plan.

The Adelphi University benefits program will give you the option to enroll in a Dependent Care Spending Account.

A Dependent Care Spending Account Lets You Save Tax Dollars

The Dependent Care Spending Account lets you save on taxes for dependent care expenses. The way it works is simple. The amount you elect to contribute to the Dependent Care Spending Account is deducted from your paycheck on a pre-tax basis – in other words – before federal, state, and city income tax and social security taxes are withheld. This amount is then reimbursed back to you after you incur dependent care expenses. In the mean time, you don't pay taxes based on the amount you elect to contribute.

How the Tax Savings Work

Dependent Care Spending Account

	Without	With
Annual Gross Wages	$35,000	$35,000
Dependent Care Spending Amount	$ 0	$3000
Taxable Pay	$35,000	$32,000
Taxes at 30%	($10,500)	($9,600)
Dependent Care expenses	($3,000)	$ 0
Take-home pay	$21,500	**$22,400**

In this example, your take-home pay is $900 more if you use a Dependent Care Spending Account to pay for the $3,000 of Dependent Care expenses you incur during the year.

How the Tax Savings Work Continued

The previous example assumes you will spend $3,000 on dependent care expenses. The first column shows you take-home pay if you don't use a Dependent Care Spending Account while the second column reflects how much you will save by having a Dependent Care Spending Account that allows you to save tax dollars, and therefore increase your take-home pay (spendable income).

To simplify this example we assumed you will pay 30% in federal, state, and city income, and Social Security taxes. Your actual tax percentage could be higher or lower than this assumption.

How Much You Contribute

Each plan year, January 1st to December 31st, all full time employees may elect to contribute up to $5,000 of pay to a Dependent Care Spending Account if married and filing a joint and student return, or if single. If you're married and file separate income tax returns, the maximum you can contribute to your Dependent Care Spending Account is $2,500. In that situation, your spouse may contribute up to $2,500 to another Dependent Care Spending Account, if one is available through his/her employer.

Please Note: Your contribution amount cannot be greater than your earned income or your spouse's earned income – whichever is less. Earned income is the salary remaining after all deductions are made for taxes (including Social Security). If your spouse is a full-time student or mentally or physically incapable of self-care, the Internal Revenue Service (IRS) considers your spouse's income to be $250 a month. If you have two or more dependents, your spouse is assumed to earn $500 a month.

Eligible Expenses

You can use the Dependent Care Spending Account to reimburse yourself for expenses which you incur to care for you eligible dependents, while you work. Eligible dependents are those whom you are entitled to claim as dependents on your federal tax return. If you are married, your spouse must also work, be a full-time student, or be disabled.

To be eligible for reimbursement through the Dependent Care Spending Account, dependent care expenses must be incurred to care for:

Dependent child(ren) under age 13; and/or disabled spouse or other disabled tax-qualified dependent who spends at least 8 hours a day at your home.

Eligible Expenses Continued

Eligible dependent care expenses include charges for the following services:

- Care at licensed nursery schools, day camps (not overnight camp), and child care centers which provide day care. To qualify, the school or center must comply with state and local laws, serve at least seven individuals, and receive a fee for its services.

- Services from individuals, other than a dependent of you or your spouse's children under age 19, who provide care in or outside your home while you work (not routine baby-sitting, such as for going to a movie or out to dinner).

- Household services (related to the care of the elderly or disabled adults or children who live with you) provided by a housekeeper, maid, cook, etc., as long as the individual is partly responsible for the well-being and care of your qualified dependents.

Please Note: If you use the Dependent Care Spending Account, or take federal income tax credit, the IRS requires that you provide the name, address, and Social Security or other tax identification number of your care provider.

Important: Non-discrimination testing of this plan may require certain employees who enrolled to be reimbursed any pre-tax dollars elected for the calendar year and to stop contributions.

Ineligible Expenses

Expenses not eligible for reimbursement through Dependent Care Spending Account include:

- Services provided by your spouse, by a child of yours younger than age 19, or by a dependent whom you claim as an exemption for federal tax income purposes;

- Nursing home or custodial care;

- Overnight camp expense;

- Baby-sitting expenses when you are not working;

- Tuition expenses for schooling in the first grade or higher; and

- Expenses claimed under the Dependent Care Tax Credit (See Next Page)

Dependent Care Tax Credit

You may already be familiar with one way to save on childcare expenses- the federal income tax credit for childcare expenses. **You may use the tax credit or the Dependent Care Spending Account for eligible dependent care expenses. You may not, however, use the tax credit and the Dependent Care Spending Account for the same expenses.** Furthermore, any contributions to the Dependent Care Spending Account will reduce dollar-for-dollar or eliminate your tax credit.

In general, you will find that the Dependent Care Spending Account offers more tax savings to you than the tax credit, but your tax situation may be different, so you may want to consult a tax advisor to determine the best strategy for you.

How to Enroll

To enroll in the Dependent Care Spending Account plan, simply indicate how much of your gross wages you'd like to contribute for the plan year, **January 1st to December 31st**. Next year you will be given an opportunity to change your elections for the next year. For those hired after January 1st, you have 30 days from your hire date to make your enrollment election. Your enrollment will be effective as of the next available 1st of the month following your enrollment election. Your election is only effective for one year. Each year you will be required to make an election for the following year.

The worksheet at the end of this brochure will help you estimate your expenses.

How to File a Claim

When you incur a dependent care expense, you first pay for the service or product. Then you file a claim for reimbursement. Claim forms are available by accessing your account online.

When filing a claim, be sure to include the proper documentation.

Include the Proper Documentation

For Dependent Care spending you will need a receipt from the child care program to submit for reimbursement. You will only be reimbursed for the services that have been provided and the amount that has been deducted from your pay and put into your Dependent Care Spending account.

Dependent Care Expenses

You must submit original bills or receipts showing the name and taxpayer ID or Social Security number of the care provider (bills should state date and type of service, and for whom the service was provided).

About Reimbursements

Reimbursement checks will be made out in your name mailed directly to your home address; reimbursements may not be payable directly to a provider.

For Dependent Care Spending Account claims, you will be reimbursed up to the amount actually in your Dependent Care Spending Account at the time your request is received. If your claim exceeds your current Dependent Care Spending Account balance, you will initially be reimbursed for the amount of your balance. Then, as additional money is contributed to your account, you will continue to be reimbursed automatically for the amount in your account until your entire claim is paid (up to the limit of the total amount you elected to contribute to the account).

Reimbursement Deadline

You will have until **March 31st** of the following year to submit claims for expenses incurred in the prior plan year. Claims must be postmarked by **March 31st**. After **March 31st**, any money remaining in your Dependent Care Spending Account will be forfeited

Terminated Employees or Ineligibility

If you terminate from the plan or otherwise lose eligibility to participate in the plan at any time during the year, you will have 60 days from your termination date to submit claims for expenses incurred prior to the termination date.

You may elect to fund the balance of your annual contribution with your last paycheck as a participant. This option allows you to fund your entire Dependent Care Spending Account contribution on a pre-tax basis. You may then submit eligible expenses incurred up to December 31st of the year of termination.

Elections Once a Year

Each year, you will be given an opportunity to make new contribution elections for the next plan year. The IRS requires that the amount you choose to contribute to your Dependent Care Spending Account, if any, cannot be changed during the plan year unless you have a family status change. In addition, any change in election must be consistent with your family status change.

Elections Once a Year Continued

Changes in family status include the following:

- Marriage or divorce;
- Birth or adoption of a child;
- Death of a dependent or a spouse;
- A child ceases to be an eligible dependent under the Plan;
- The beginning or ending of your spouse's employment;
- A change from full-time to part-time employment, or vice versa, for you or your spouse which results in a significant change in insurance coverage;
- An unpaid leave of absence taken by you or your spouse.

Special Limitations

The IRS imposes certain restrictions upon the Dependent Care Spending Account which are outlined in this section.

"Use it or Lose it"

The IRS requires that any money remaining in your Dependent Care Spending Account at the end of the plan year (December 31st) will be **forfeited** unless applied to eligible expenses for that given plan year. In other words, if you do not use this money you will lose it. Therefore, it is important to estimate your Dependent Care Spending Account expenses carefully. The worksheet at the end of this brochure will help you do this.

Eligible Expenses

Only expenses for services that you incur during the plan year while you are an active participant are eligible for reimbursement from your Dependent Care Spending Account. This means that for each year you participate in the Dependent Care Spending Account, you can use the Dependent Care Spending Account to pay for services incurred **during** that plan year. As explained in "Reimbursement Deadline," you have until March 31st of the following plan year to send in claims for your Dependent Care Spending Account expenses (see "Terminated Employees or Ineligibility").

Separate Accounts

The Health Care Spending Account and the Dependent Care Spending Account are separate accounts; money cannot be transferred between accounts, and you cannot use the Health Care Spending Account to pay for dependent care expenses, or vice versa.

Social Security Might be Affected

Since you do not pay Social Security taxes on your Dependent Care Spending Account contributions, your future Social Security benefit could be slightly reduced. Although this reduction will usually be quite small, it could occur if your taxable salary falls below the Social Security wage base ($160,200 subject to annual increase). However, the immediate tax benefit of the Dependent Care Spending Account usually exceeds the small loss of future Social Security benefits.

This brochure highlights your benefits. Although every effort has been made to ensure the accuracy of the information described here, if there is any conflict between this brochure and the Plan documents, the Plan documents will govern.

YOUR DEPENDENT CARE
SPENDING ACCOUNT WORKSHEET

This worksheet will help you estimate your qualified dependent care expenses for the plan year. Because of the "use it or lose it" rule, you may want to be conservative in your estimates. Below are some of the areas of expenses you should consider when making your estimates.

Possible Dependent Care Expenses	Your Estimate
Amount of salary paid to in-home care provider (including Social Security and other taxes)	$__________
Day care center for dependent adult or child	$__________
Nursery school, kindergarten, day camps	$__________
Dependent adult care expenses (usually a parent being cared for in your home)	$__________
TOTAL	$__________ *This is the amount you should redirect to your Dependent Care Spending Account.*

REMEMBER, IF YOU DO NOT SPEND (I.E. INCUR CLAIMS) EQUIVALENT TO THE ENTIRE AMOUNT OF YOUR DEPENDENT CARE SPENDING ACCOUNT CONTRIBUTION BY YEAR-END, YOU WILL FORFEIT ANY REMAINING BALANCE IN YOUR HEALTH CARE SPENDING ACCOUNT.

Please Note: If you plan to claim the credit for dependent care expenses on your federal income taxes, you may not be reimbursed for those expenses through the Dependent Care Spending Account. Furthermore, any contributions to the Dependent Care Spending Account will reduce dollar-for-dollar or eliminate your tax credit.

Name of Plan:	Adelphi University Dependent Care Spending Account Plan
Participants:	All full-time employees are eligible to participate in the Dependent Care Spending Account. Employees who transfer from full-time to part-time and already participate in the plan are eligible to participate in the Dependent Care Spending Account until the end of the plan year in which the change occurs.
Name and Address of Employer:	Adelphi University 1 South Avenue Levermore Hall Rm 203 Garden City, NY 11530
Employer Tax Identification Number:	11-1630741
Plan Number:	508 Dependent Care Spending Account
Plan Year:	January 1 to December 31
Funding of Plans:	Adelphi University's Dependent Care Spending Account is funded by employee pre-tax contributions
Plan Administrator:	Adelphi University
Claims Administrator:	OPTUM Financial Services PO Box 631570 Cincinnati, OH 45263-1570 FSA Reimbursement Account Information Line: 1-888-339-3685

ERISA RIGHTS

As a participant in this Plan, you are entitled to certain rights and protection under ERISA. ERISA provides that all plan participants shall be entitled to:

- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as work sites, all Plan documents, including insurance contracts and copies of documents filed by the Plan with the U.S Department of Labor, such as detailed annual reports and Plan descriptions.

- Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your Plan, called fiduciaries, of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including your employer, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. You should note, however, that your employment may be terminated for other reasons prior to your being entitled to Plan benefits.

If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan review and reconsider your claim.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from a Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $100 a day until you receive those materials unless the materials were not sent because of reasons beyond the control of the Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that the Plan fiduciaries misuse a Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay the court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if it finds that your claim is frivolous. If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor.