CONCORDIA UNIVERSITY FLEXIBLE SPENDING ACCOUNT PLAN
“CAFETERIA PLAN”

INTRODUCTION

Effective January 1, 2004, Concordia University is pleased to announce that we have established the Concordia University Flexible Spending Account Plan. Benefits that you may choose are outlined in this summary plan description. Important information concerning the Plan, such as the rules you must satisfy before you can join and the laws that protect your right are also included.

One of the most important features of our Plan is that the benefits being offered are generally ones that you are already paying for, but normally with money that has first been subject to income and Social Security taxes. Under the Plan, these same expenses will be paid for with a portion of your pay before Federal Income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

Read this summary plan description carefully so that you understand the provisions of our Plan and the benefits you will receive. You should direct any questions you have to the Administrator. There is a plan document on file, which you may review if you desire. In the event there is a conflict between this summary plan description and the plan document, the Plan will control. Also, if there is a conflict between an insurance contract and either the plan document or this summary plan description, the insurance contract will control.
I
ELIGIBILITY

1. When can I become a Participant in the Plan?

Before you become a member or a “participant” in the Plan, there are certain rules, which you must satisfy. First, you must meet the “eligibility requirements”. After that, the next step is to actually join the Plan on the “entry date” that we have established for all employees. You will also be required to complete certain application forms before you can enroll in the Plan.

2. What are the Eligibility Requirements for our Plan?

You will be eligible to join the Plan if you are regularly employed for 20 hours or more.

3. When is my Entry Date?

Once you have met the eligibility requirements, your entry date will be the first day of the month, following your hire date.

4. What must I do to enroll in the Plan?

Before you can join the Plan, you must complete an application to participate in the Plan. The application includes your personal choices for each of the benefits, which are being offered under the Plan. You must also authorize your employer to set some of your earnings aside in order to pay for the benefits you have elected.

5. Who is considered an eligible dependent?

Employee’s spouse, employee’s dependents for tax purposes, or an employee’s child who has not attained age 27 as of the end of the plan year.
II
OPERATION

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect to have a portion of your upcoming pay contributed to the Plan. These amounts will be placed in special funds or accounts, which must be set up for you in order to pay for the benefits you have chosen. The portion of your pay that is paid to the Plan is not subject to Federal Income or Social Security Taxes. In other words, this allows you to use tax-free dollars to pay for certain kinds of benefits and expenses, which you normally pay for with out-of-pocket, taxable dollars. However, if you receive a reimbursement for an expense under the Plan, you cannot claim a Federal Income Tax Credit or Deduction on your return.
III
CONTRIBUTIONS

1. How much of my pay may the Employer redirect?

Each year, you may elect to have us contribute on your behalf enough of your compensation to pay for the benefits that you elect under the Plan. These amounts will be deducted from your pay each pay period on a pro rata basis over the course of the year.

2. How is my compensation measured under our Plan?

Compensation under the Plan means the total cash amount that is paid to you each year.

3. What happens to Contributions made to the Plan?

Before each Plan Year begins, you will select the benefits you want and how much of the contributions should go toward each benefit. It is very important that you make these choices carefully based on what you expect to spend on each covered benefit or expense during the Plan Year. Later, they will be used to pay for the expenses as they arise during the Plan Year.

4. When must I decide which accounts I want to use?

You are required by Federal law to decide before the Plan Year begins, during the “election period”. You must decide two things. First, which benefits you want and, second, how much should go toward each benefit.

5. When is the “Election Period” for our Plan?

Your election period will start on the date you first meet the “eligibility requirements” and end 30 days after your “entry date”. (You should review Section I on Eligibility to better understand the terms “eligibility requirements” and “entry date”.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled “General Information About Our Plan” for the definition of Plan Year).
6. May I change my elections during the Plan Year?

Generally, no. You cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change if there is a change in your family status. Currently, Federal Law considers the following events to be examples of a change in family status:

- You get married or divorced.
- You have a child or adopt one.
- Your spouse and/or child(ren) die(s).
- Your spouse commences or terminates employment.
- You or your spouse’s employment status changes from full-time to part-time or from part-time to full-time.
- You or your spouse take an unpaid leave of absence.
- Your spouse has a significant change in health coverage directly attributable to your spouse’s employment.

There may be other events, which are considered to be a change in family status. Also, any election change must be consistent with the reason that such change was permitted.

If you have a change in family status, you should contact the Administrator, who will provide you with the required forms for changing your benefit elections. *Elections made due to family status changes must be made within 30 days from the date of the event.*

7. May I make new elections in future Plan years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. New elections must be made during the “election period” prior to the beginning of each Plan Year.
BENEFITS

1. What benefits are available?

Under our Plan, you can choose to receive your entire compensation in cash or use a portion to pay for the following benefits or expenses during the year:

Flexible Spending Account - Medical:

The Flexible Spending Account – Medical (Flex Medical) enables you to pay for expenses not covered by our insured medical plan and save taxes at the same time. The account allows you to be reimbursed by the Employer for out-of-pocket medical, dental and vision expenses incurred by you and your dependents. The expenses which qualify are those permitted by Section 213 of the Internal Revenue Code. A list of covered expenses is available from the Administrator. You may not, however, be reimbursed for the cost of other health care coverage maintained outside of the Plan.

The most that you can contribute to your Flex Medical each Plan Year is $2,500.00. In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid on a bi-weekly basis.

Flexible Spending Account – Dependent Care:

The Flexible Spending Account – Dependent Care (Flex Dependent Care) enables you to pay for out-of-pocket, work-related dependent day-care cost with pre-tax dollars. If you are married, you can use the account if you and your spouse both work or, in some situations, if your spouse goes to school full-time. Single employees can also use the account.

An eligible dependent is any member of your household for who you can claim expenses on Federal Income Tax Form 2441 “Credit for Child and Dependent Care Expenses.” Children must be under age 13. Other dependents must be physically or mentally unable to care for themselves. Dependent care arrangements, which qualify include:

- A Dependent (Day) Care Center provided that if care is provided by the facility for more than six individuals, the facility complies with applicable state and local laws.
- An Educational Institution for pre-school children. For older children, only expenses for non-school care are eligible.
• An “Individual” who provides care inside or outside your home. The “Individual” may not be a child of yours under age 19 or anyone you claim as a dependent for Federal tax purposes.

You should make sure that the dependent care expenses you are currently paying for qualify under our Plan. The law places limits on the amount of money that can be paid to you in a calendar year from your Dependant Care Assistance Account. Generally, your reimbursements may not exceed the lesser of: (a) $5,000 (if you are married filing a joint return or you are head of a household) or $2,500 (if you are married filing separate returns); (b) your taxable compensation; (c) your spouse’s actual or deemed earned income (a spouse which is a full time student or incapable of caring for themselves has monthly earned income of $200 for one dependent or $400 for two or more dependents). Also, in order to have the reimbursements made to you from this account be excludable from your income, you must provide a statement from the service provider including the name, address, and in most cases, the taxpayer identification number of the service provider on your tax form for the year, as well as the amount of such expense as proof that the expense has been incurred. In addition, Federal Tax Laws permit a tax credit for certain dependent care expenses you may be paying for even if you are not a participant in this Plan. You may save more money if you take advantage of this tax credit rather than using the Dependent Care Assistance Account under our Plan. Ask your tax adviser which is better for you.

Under our Plan, we will establish sub-accounts for you for each different type of account you choose.
V
BENEFIT PAYMENTS

1. When will I receive payments from my accounts?

During the course of the Plan Year, you may submit requests for reimbursement of expenses you have incurred to the Administrator. Expenses are considered “incurred” when the service is performed, not necessarily when it is paid for. The Administrator will provide you with acceptable forms for submitting these requests for reimbursement. If the request qualifies as a benefit or expense that the Plan has agreed to pay, you will receive a reimbursement payment soon thereafter. Remember, these reimbursements, which are made from the Plan, are generally not subject to federal income tax or withholding. Nor are they subject to Social Security taxes. Requests for payment of insured benefits should be made directly to the insurer. You will only be reimbursed from the Dependent Care Assistance Account to the extent that there are sufficient funds in the Account to cover your request.

2. What happens if I don’t spend all Plan Contributions?

Any monies left at the end of the Plan Year will be forfeited. Obviously, qualifying expenses that you incur late in the Plan Year for which you seek reimbursement after the end of such Plan Year will be paid first before any amount is forfeited. However, you must make your requests for reimbursement no later than 60 days after the end of the Plan Year. Because it is possible that you might forfeit amounts in the Plan if you do not fully use the contributions that have been made, it is important that you decide how much to place in each account carefully and conservatively. Remember, you must decide which benefits you want to contribute to and how much to place in each account before the Plan year begins. You want to be as certain as you can that the amount you decide to place in each account will be used up entirely.
3. What happens if I terminate employment?

If you leave our employ during the Plan Year, your right to benefits will be determined in the following manner:

- You will still be able to request reimbursement for qualifying dependent care expenses for the remainder of the Plan Year from the balance remaining in your dependent account at the time of termination of employment. However, no further salary redirection contributions will be made on your behalf after you terminate.
- Your participation in Flex Medical will cease, and no further salary redirection contributions will be contributed on your behalf. However, you will be able to submit claims for health care expenses incurred prior to your date of termination.

4. Will my Social Security Benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

VI
PLAN ACCOUNTING

1. Periodic Statements

The Administrator will provide you with a statement of your account periodically during the Plan year that shows your account balance. It is important to read these statements carefully so you understand the balance remaining to pay for a benefit. Remember, you want to spend all the money you have designated for a particular benefit by the end of the Plan Year.
VII
GENERAL INFORMATION ABOUT OUR PLAN

This Section contains certain general information, which you may need to know about the Plan.

1. General Plan Information:
   Name of Plan - Concordia University Flexible Spending Account Plan
   The provisions of the Plan become effective on January 1, 2004, which is called the Effective Date of the Plan.
   Your Plan’s records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1st and ends of December 31st.

2. Employer Information
   Your Employer’s name, address, and identification number are:
   Concordia University
   800 North Columbia Avenue
   Seward, NE 68434
   47-0378777

3. Plan Administrator Information
   The name, address and business telephone number of your Plan’s Administrator are:
   The Cattle National Bank
   104 South 5th Street
   Seward, NE 68434
   (402) 643-3636
   The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process
   The name and address of the Plan’s agent for service of legal process is:
   Mark Fahleson
   Remboldt Ludtke, LLP
   1201 Lincoln Mall, Ste.102
   Lincoln, NE 68508
   402-475-5100

5. Type of Administration
   The type of Administration is Third Party Administration.
IX
ADDITIONAL PLAN INFORMATION

1. Your rights under ERISA

Plan participants, eligible employees and all other employees of the Employer may be entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA) and the Internal Revenue Code. These laws provide that participants, eligible employees and all other employees are entitled to:

(a) examine, without charge, at the Administrator’s office, all Plan documents, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and Plan descriptions; and
(b) obtain copies of all Plan documents and other Plan information upon request to the Administrator. The Administrator may charge a reasonable fee for the copies.

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

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 benefit or exercising your rights under ERISA.

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 your claim reviewed and reconsidered.

Under ERISA there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within thirty (30) days, you may file suit in a Federal court. In such a case, the court may request the Administrator to provide the materials and pay you up to $100 a day until you receive the 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 Plan fiduciaries misuse the 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 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; for example, if it finds your claim is frivolous.

2. Claims Process

You should submit reimbursement claims during the Plan Year, but in no event later than 60 days after the end of a Plan year. Any claims submitted after that time will not be considered. Claims for benefits that are insured will be reviewed in accordance with procedures contained in the policies. All other general claims or requests should be directed to the Administrator of our Plan. If a non-insured claim under the Plan is denied in whole or in part, you or your beneficiary will receive written notification. The notification will include the reasons for the denial, with reference to the specific provisions of the Plan on which the denial was based, a description of any additional information needed to process the claim and an explanation of the claims review procedure. If we fail to respond within 90 days, your claim is treated as denied. Within 60 days after denial, you or your beneficiary may submit a written request for reconsideration of the application to the Administrator.

Any such request should be accompanied by documents or records in support of your appeal. You or your beneficiary may review pertinent documents and submit issues and comments in writing. The Administrator will review the claim and provide, within 60 days, a written response to the appeal. (This period may be extended an additional 60 days under certain circumstances.) In this response, the Administrator will explain the reason for the decision, with specific reference to the provisions of the Plan on which the decision is based. The Administrator has the exclusive right to interpret the appropriate plan provisions. Decisions of the Administrator are conclusive and binding.
X

SUMMARY

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our flexible benefits plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most of your earnings.