

# **FLEXIBLE BENEFIT CAFETERIA PLAN**

*Summary Plan Description (SPD)*  
*As of January 1, 2008*

**Millsaps College**

P.O. Box 150433  
Jackson, MS 39210

Modified: January 1, 2008

## Introduction.

This Summary Plan Description describes the basic features of the Cafeteria Plan (Plan), how it operates, and how you can get the maximum advantage from it. This is only a summary of the key parts of the Plan, and a brief description of your rights as a participant. This is not a part of the official plan document. If there is a conflict between the plan document and this booklet, the plan document will prevail. Each Participant, and each beneficiary receiving benefit under the Cafeteria Plan, shall be furnished a Summary Plan Description (SPD), including material modifications to the terms and change in information required to be included in the SPD.

## Purpose of the Plan.

The purpose of the Plan is to allow eligible employees to use funds provided through employee salary reductions to pay for certain benefits under the Plan with pre-tax dollars.

## Who Can Participate in the Plan?

Employees who are regularly scheduled to work full-time, 20 hours or more per week, are eligible to participate in the Plan. Full-time eligible Employee may elect to participate effective the first day of the month following -0- days of employment with Millsaps College.

## Example of Savings.

You save federal income tax, state income tax and Social Security taxes by participating in the Plan. The following is an example of tax savings you might experience as a result of participating in the Premium Payment Plan.

## Cafeteria Illustration.

<b>WITHOUT PARTICIPATION IN CAFETERIA</b>	<b>WITH PARTICIPATION IN CAFETERIA</b>
<b>\$1,000 GROSS SALARY/W-2 INCOME</b>	<b>\$1,000 GROSS SALARY</b>
<b><u>-300 TAXES (STATE, FED, SOC. SEC.)</u></b>	<b><u>-100 INSURANCE &amp;/OR OTHER EXPENSES</u></b>
<b><u>700 NET CHECKS</u></b>	<b><u>900 NET CHECKS/W-2 INCOME</u></b>
<b><u>-100 INSURANCE &amp;/OR OTHER EXPENSES</u></b>	<b><u>-270 TAXES (STATE, FED, SOC. SEC.)</u></b>
<b>\$ 600 NET SPENDABLE INCOME</b>	<b>\$ 630 NET SPENDABLE INCOME</b>

## Becoming a Participant.

You become a participant by signing an Election and Salary Reduction Agreement (SRA) on which you elect one or more of the benefit(s) available under the Plan, as well as agree to a salary reduction to pay for those benefits so elected. You must complete and turn in your form within the time period specified by the Plan Administrator. If you do not elect coverage when you are first eligible, you will have to wait until the next open enrollment period to enroll for the following Plan Year.

A new Election and Salary Reduction Agreement will be made available to you during the open enrollment period, and you will be given the opportunity during this period to elect your coverage for the following Plan Year. Prior to each subsequent Plan Year, you will be given the opportunity to change your benefit election. If you fail to complete and return a new election form within the regular enrollment period, preceding each Plan Year, your election will remain the same. You may agree to a salary reduction for eligible

benefits under the Plan up to the lesser of 50% of your compensation or \$10,000 per Plan Year, or pro rata portion for a shorter Plan Year.

## **Notice of Enrollment Rights.**

If you have declined enrollment for yourself and/or dependents when you were hired, you may enroll in the Cafeteria Plan, during the open enrollment period (within sixty 60 days prior to your plan year renewal effective date) or you may enroll yourself and/or your dependents in this Flexible Benefit Cafeteria Plan, provided that you request enrollment within ninety (90) days from an event of a Change in Status.

## **Election Changes During the Plan Year.**

Generally, you cannot change your election to participate in the Plan or vary the salary reduction amounts you have selected during the Plan Year. The only exception to this general rule would be in a case of a “Change in Status” as described below. Except for Participants in Unreimbursed Medical Spending Accounts, your election will terminate if you are no longer working for the Employer.

## **Change in Status.**

You may revoke, change or make a new election, provided that the revocation or election changes are caused by and consistent with the Change in Status. Your Plan Administrator (in its sole discretion) determines if the Change in Status is within prevailing IRS guidelines and is consistent with a Change in Status. Examples of permissible changes that qualify as a Change in Status are listed below:

- a change in your legal marital status (such as marriage, divorce, annulment or death of your spouse);
- a change in the number of dependents (such as birth, adoption or placement for adoption of a child or the death of a dependent);
- a change of employment status by you, your spouse, or your dependent (such as a strike or lockout, a commencement or return from an unpaid leave of absence, a change in worksite or a change in employment status, the effect of which is a loss of eligibility to participate in the Plan or any Benefit Plan available hereunder and changes due to the Family Medical Leave Act (FMLA));
- a reduction or increase in your hours of employment, spouse or dependent;
- your dependent’s satisfying or ceasing to satisfy an eligibility requirement for a particular benefit, such as attaining a specified age or ceasing to be a student;
- certain Judgments and Orders or Entitlements to Medicaid or Medicare; and/or
- gain of coverage eligibility under another Employer’s Plan by your spouse’s or dependent’s employment; and/or
- a qualifying unpaid Uniformed Services Leave, to the extent required by USERRA.

*Change of Spouse’s Employment.* You may make certain changes for your Premium Payment Plan due to cost or coverage changes in your Spouse’s or Dependent’s employment.

*Special Enrollment Rights.* You may make a change if your spouse or dependent is entitled to special enrollment rights under a group health plan, as required by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) under Code § 9801(f). A Participant may revoke a prior election for group health plan coverage and make a new election, provided that the election change corresponds with such HIPAA special enrollment rights. (Applies only to Premium Payment Plans, does not apply to Health Flexible Spending Account “Health FSA” or Dependent Care Account Plans (DCAP) Benefits).

To make a change in election, you must complete a Status Change Form and submit it to the Plan Administrator for approval, within ninety (90) days of the occurrence.

Additionally, the Plan Administrator may modify your election(s) downward during the Plan Year if you are a Key Employee or Highly Compensated Individual (as defined by the Internal Revenue Code), if necessary to prevent the Plan from becoming discriminatory within the meaning of the federal income tax law, and adjustments may also be made to reflect insignificant mid-year premium increases imposed by third party insurers.

### **Premium Payment Plan.**

When you become a Participant, your eligible premiums will be paid with that portion of gross income that you have elected to forgo through pre-tax salary reductions

### **Unreimbursed Medical Spending Accounts (URM) Benefit.**

If you elect benefits under this portion of the Plan, an Unreimbursed Medical Spending (URM) Account will be set up in your name to keep a record of the reimbursements to which you are entitled, as well as the premiums you have paid for such benefits during the Plan Year. Your URM Account is merely a record keeping account; it is not funded (all reimbursements are paid from the general assets of the Employer).

You may elect any amount you desire, subject to the maximum election. The maximum amount of reimbursement for Unreimbursed Medical Spending Account expenses incurred by the Participant shall be no more than \$10,000 per Plan Year, the lesser of 50% Compensation. You will be required to pay the annual premium equal to the coverage level you have chosen.

When you complete the Election and Salary Reduction Agreement, you specify the amount of URM you wish to pay for with your salary reduction. Thereafter, you must pay a premium for such coverage by having an equal portion of the annual premium deducted from each paycheck, except in the case of Termination, (see Termination of Employee below). The full amount of the coverage you have elected will be available to reimburse you for eligible Medical Expenses at any time during the Plan Year.

For example, suppose that you have made a Plan Year election of \$1,200 URM Expenses, and that you have chosen no other benefits under the Cafeteria Plan. Your Account would be credited with a total of \$1,200 during the Plan Year. If you are paid monthly, your Account would reflect that you have paid \$100.00 (\$1,200/12) per pay period in premiums for the benefit you elected.

A "Medical Expense" generally means an item for which you could have claimed a Medical Expense deduction on an itemized federal income tax return (without regard to any threshold limitation or time of payment) for which you have not otherwise been reimbursed from insurance or from some other source.

Section 213(d)(1) defines "medical care" to include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body.

Over-The-Counter (OTC) drugs and/or items can also be paid for with pre-tax dollars through a Unreimbursed Medical Spending Account. The items purchased must be used to alleviate or treat a medical condition and NOT for general well being. Therefore, expenditures for OTC drugs and/or items such as: *pain relievers, cold medicine, allergy medicine, cough suppressants, toothache/teething medication, liniments and antacids would be allowable.* OTC drugs and items must be purchased for use by you, your spouse and/or dependents and intended

for use in the same Plan Year in which you request for reimbursement. Bulk purchases are not allowed. You must have the name of the drug and/or item, the date purchased and the amount listed on a receipt for reimbursement. If the receipt does not contain the name of the drug and/or item, a box top may be included with a price tag attached matching the price on the receipt.

Below are a few examples of Medical Expenses that ARE NOT allowed:

- Over-The-Counter dietary supplements (vitamins), food supplements, toiletries, cosmetics and sundry items;
- health insurance premiums that you or your spouse pay for coverage under another Health Plan;
- cosmetic surgery or other similar procedures, unless the surgery or procedure is necessary to correct a deformity arising from, or directly related to, a congenital abnormality, a personal injury resulting from an accident or trauma, or disfiguring disease. "Cosmetic" means any procedure or drug which is directed at improving the patient's appearance and does not meaningfully promote the proper function of the body to prevent or treat illness or disease;
- expenses for weight loss diet foods, including over-the-counter weight loss drugs;
- massage therapy, health club dues, or fitness programs;
- any medical related expense that you are not required to pay.

## **URM Benefit Period.**

Medical expenses must have been incurred, meaning the services must be rendered, during Unreimbursed Medical Benefit Period. "Unreimbursed Medical Benefit Period" means an additional two and ½ months following the end of your Plan Year to incur medical expenses. You may not be reimbursed for any expenses arising before the Plan becomes effective, before your Salary Reduction Agreement or amendment became effective, or for any expenses incurred after the close of the Unreimbursed Medical Benefit Period. You are entitled to receive your total election for any eligible unreimbursed medical expense incurred during your Unreimbursed Medical Benefit Period. If you submit claim(s) incurred during the Unreimbursed Medical Benefit Period, and you have a balance in the previous Plan Year, claims will first be applied to the remaining balance in the previous Plan Year, until the balance is exhausted. Only then will claims be applied to the new Unreimbursed Medical Benefit Period.

*Unreimbursed Medical Modified: October 21, 2005*

## **Dependent Care Spending Account Benefits.**

Under the Dependent Care Spending Account, you provided with a source of pre-tax funds to reimburse yourself for Eligible "Dependent" Care Expenses. By entering into a Salary Reduction Agreement with your Employer, you agree to a salary reduction to fund Dependent Care Expenses in lieu of your regular pay.

If you elect benefits under this portion of the Plan, a Dependent Care Spending Account will be set up in your name to keep a record of the reimbursements to which you are entitled. Your Dependent Care Spending Account is merely a record keeping account; it is not funded (all reimbursements are paid out of the general assets of the Employer).

Your election cannot exceed the maximum amount specified in § 129 of the Internal Revenue Code. The maximum amount is currently \$5,000 per Plan Year if you:

- are married and file a joint return; or

- are married, and furnish more than one-half of the cost of maintaining your dependents; your spouse maintains a separate residence for the last (6) six months of the calendar year, and you file a separate return; or
- are single and head of the household for tax purposes.

If you are married and reside with your spouse, but you file a separate federal income tax return, then the maximum Dependent Care you may elect is \$2,500 per Calendar Year.

When you complete the Salary Reduction Agreement, you specify the amount of Dependent Care benefits you wish to pay with your salary reduction. Thereafter, your Dependent Care Spending Account will be credited with the portion of your gross income that you have elected to forgo through salary reduction. These portions will be credited each pay period. The amount that is available for reimbursements at any particular time will be the amount that has been credited to your Dependent Care Spending Account, less any reimbursements already paid.

For example, suppose you have elected \$2,400 for Dependent Care Expenses and you have chosen no other benefit under the Employer's Cafeteria Plan, your Dependent Care Spending Account, would be credited (and funded) with a total of \$2,400 during the Plan Year. Thus, if you are paid monthly, you would have a total of \$200 credited to your Dependent Care Spending Account each payday to pay reimbursements under this Plan.

Dependent Care expenses must meet *all* of the following conditions for them to be eligible Dependent Care Expenses:

1. The expenses are incurred for services rendered after the date of your election, and during the Plan Year to which it applies;
2. Each individual for whom you incur the expenses is;
  - (a) a dependent under age 13 and is entitled to a personal tax exemption; or
  - (b) a spouse or other tax dependent who is physically or mentally incapable of caring for himself or herself;
3. The expenses are incurred for the care of a dependent (as described above), to enable you and/or your spouse to be gainfully employed;
4. The expenses cannot be paid to another dependent of yours, who is under age 19 or an individual for whom you or your spouse is entitled to a personal tax exemption as a dependent;

“Dependent(s)” means any individual who is a tax dependent of the Participant as defined in Code §152(a) and as amended by Working Families Tax Relief Act (WFTRA) of 2004 (FS-2005-7, January, 2005). You are encouraged to consult your personal tax advisor and/or IRS Publication 502, “Your Federal Income Tax” for further guidance as to what is or is not an Eligible Expense.

You will be required to file IRS Form 2441, or a similar form, with your annual federal income tax return, listing the names and taxpayer identification numbers of any persons who provided you with dependent care services during the calendar year for which you have claimed a tax-free reimbursement.

You may not claim any other tax benefit for the tax-free amounts received by you under this Plan, although the balance of your Dependent Care Expenses may be eligible for the dependent care credit.

Dependent Care expenses may be eligible as a tax credit if not elected under your Employer's Cafeteria Plan. The tax credit may benefit you more than your Cafeteria Plan depending on your household income. Consult your tax advisor to determine which will offer you a greater benefit.

*Dependent Care Spending Accounts Modified, definition of a Dependent: January 1, 2005*

## **Claims Procedures under Unreimbursed Medical (URM) and Dependent Care Spending Accounts.**

When you incur an expense that is eligible for reimbursement, you must submit a claim to the Plan's Service Provider, on a Claim Form (Request for Reimbursement) provided. Attached or along with your Claim Form, you must provide substantiation of the expense supplied by a third party provider. For Unreimbursed Medical Spending Account Expenses, you must include written statement(s)/bills(s) with the Medical Provider's name and address, date of service (not date paid), and type and cost of the Eligible Expense. Medical bill(s) or receipts must also include the Patient's Name. Prescription Drugs must include the Name of the Drug and the RX number on the receipt along with the information above. Only eligible expenses, not reimbursed by insurance or any other third party provider, are reimbursable through your URM Plan. URM is for expenses incurred for out-of-pocket cost that will not be reimbursed by any other means, (i.e., Health Insurance, supplemental insurance, Health Reimbursement Arrangements, and/ or Health Savings Accounts). Benefits could be limited based on other benefit coverage(s) and their plan design. An Explanation of Benefits or "EOB(s)" may be required when a portion of the expense has been paid by a third party.

When claiming Dependent Care Expenses, you must include the care provider's tax identification number or social security number, the dependent's name, date of birth, amount of the expense, and the period of coverage. Once again, the expense must be incurred during the Plan Year.

If you have enough funds in your Dependent Care Spending Account, you will be reimbursed for your eligible expenses. Funds are available after payroll deductions have been made and the Plan's Service Provider has received a credit of those funds from your Employer.

If the claim you submit is more than your current Dependent Care Spending Account balance, then the excess part of the claim will be carried over into following months, to be paid out as your balance becomes adequate.

There is a \$15.00 minimum on all checks issued. Reimbursements for less than \$15.00 are issued once the claim(s) submitted exceeds \$15.00 or at Plan Year end when the minimum is lowered to \$1.00.

## **Forfeiture of Unclaimed Reimbursement Account Benefits.**

Any unused Unreimbursed Medical Spending Account reimbursement benefits, at the close of the sixty (60) days grace period, following the Unreimbursed Medical Benefit Period, for the Plan Year for which the election had been in effect, will be forfeited, as well as any unclaimed funds, (e.g., un-cashed benefit checks) remaining in your Unreimbursed Medical Spending Account. Amounts forfeited may be used by the Employer to offset reasonable administrative expenses and future costs. You are not entitled to receive reimbursement for Medical Expenses incurred after the (60) days grace period, following the Unreimbursed Medical Benefit Period.

*Forfeiture of Unclaimed Reimbursement Account Benefits: October 21, 2005*

## **Claim Denials.**

You will be notified in writing by the Plan's Service Provider within thirty (30) days of the date the Plan's Service Provider received your claim for Unreimbursed Medical and/or Dependent Care Spending if your claim is denied in whole or in part. Such notification will set out the specific reasons your claim was denied 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 what steps, if any, you might take in order to validate the claim. (This time period may be extended for an additional fifteen (15)

days for matters beyond the control of the Plan's Service Provider, including cases where a claim is incomplete). The Plan's Service Provider will provide written notice of any extension, including the reasons for the extension.

Where a claim is denied or incomplete the extension notice will also specifically describe the required information needed and will allow you forty-five (45) days from receipt of the notice in which to provide the specified information, which will have the effect of suspending the time for a decision on your claim until the specified information is provided. If the Plan's Service Provider fails to respond within fifteen (15) days of receipt of your claim, your claim is treated as denied. You, your beneficiary or your authorized representative have a right to request, in writing, an administrative review of the denial anytime within a sixty (60) day period after you receive notification of the denial. Any such request should be accompanied by documents or records as instructed by your first denial to support your appeal.

You, your beneficiary or your authorized representative will have the opportunity to review any important documents held by the Plan's Service Provider, and to submit comments and other supporting information. In most cases, a decision will be reached not later than sixty (60) days of the date of your request for a review and a written response to the appeal will be provided.

Within sixty (60) days after you receive written notification of the denial (in whole or in part) of your claim, you or your beneficiary or your authorized representative may make a written application to the Plan Administrator, in person or by certified mail, postage pre-paid, to be afforded a review of such denial; may review pertinent documents; and may submit issues and comments in writing.

Upon receipt of a request for review, the Plan Administrator shall make a prompt decision in writing on the matter, and shall specify reasons for the decision and specific references to the pertinent plan, rules, or insurance policy provisions on which the decision was based. This decision on review shall be made within (60) days of your request for a review. If the Plan Administrator requires an extension, the Plan Administrator will provide you with a written notice of the extension prior to the expiration of the reviews initial (60) days. You will have (180) days to file an appeal to the decision after receipt of denial notification.

*Claims Denial Modified: January 1, 2003*

## **Termination of Employment during the Plan Year.**

As a Participant, in the Unreimbursed Medical Spending Accounts, if you terminates during the Plan Year, in lieu of COBRA, final reduction of your Plan Year election will be deducted from the your final paycheck, or monies due the you upon employment termination. You will ceases to be a Participant at the close of the Unreimbursed Medical Benefit Period. After you terminate, you may continue to submit claims for reimbursement for Eligible Medical Expenses arising during the Unreimbursed Medical Benefit Period, and receive reimbursement. You are not entitled to receive reimbursement for Medical Expenses incurred after the end of Unreimbursed Medical Benefit Period, and any unused reimbursement benefits at the close of the sixty (60) day, following the Unreimbursed Medical Benefit Period, for the Plan Year for which the election had been in effect, will be forfeited.

If you terminate employment and are rehired within the same Plan Year and are eligible for the Plan, you may make new elections, provided that you are rehired more than thirty (30) days after you terminate employment. If you are rehired within thirty (30) days or less, your prior election shall remain in effect for the remainder of the Plan Year.

## **Continuation of Coverage.**

You may have the right to continue your coverage for yourself, your spouse and your dependents for certain medical benefit plans you participate in under the Plan if there is a "qualifying event". A "qualifying event" is:

1. termination of your employment (other than by reason of gross misconduct), or reduction of your work hours;
2. your death;
3. divorce or legal separation from your spouse;
4. your becoming entitled to receive Medicare benefits; or
5. your Dependent(s) ceasing to be a dependent.

For a Qualifying Event other than a change in your employment status, it will be your obligation to inform the Plan Administrator of each medical benefit plan you have elected of the qualifying event's occurrence within sixty (60) days of its occurrence. The Plan Administrator, in turn, has a legal obligation to furnish you (or your spouse, as the case may be) with separate, written options to continue the coverage provided at stated premium costs with respect to each health plan in which you are participating. The Employer provided COBRA Notification you receive will provide the complete notification for the terms and conditions of the continued coverage.

### **Effects Participation has on Social Security and other Benefits.**

Your participation may reduce the amount of your taxable compensation. Accordingly, there could be a decrease in your Social Security Benefits and/or other benefits (e.g., pension, disability and life insurance), which are based on taxable compensation.

### **Family Medical Leave Act.**

If your Employer is subject to the Family and Medical Leave Act (FMLA), generally Employers with at least fifty (50) employees, and if you are on eligible leave under FMLA, then you may continue to pay for your Health Insurance coverage on an after-tax basis, or other arrangements may be available (such as prepaying on a pre-tax basis via extra salary reductions before you go on leave). If your Employer pays a portion of your health insurance premiums, then they must continue those payments. However, if you do not return from FMLA, you may be required to repay the Employer-paid portion of the health insurance premiums. If your Employer is subject to FMLA, then you should be provided with complete explanation of your FMLA rights and responsibilities.

### **Administrative Cost.**

The administrative cost incurred by you for participating in the Cafeteria Plan is:

- Participation is Cafeteria Premium Only \$2.00
- Participation is Flexible Spending Dependent Care and/or Unreimbursed Medical \$2.00
- Participation in Premium Only and/or Flexible Spending Dependent Care and/or Unreimbursed Medical \$4.00

Your fee for Participation may be pre-taxed under the Cafeteria Plan.

# HIPAA Privacy Notice for Your Cafeteria Plan

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

This policy refers to Millsaps College by using the term "plan", "plan sponsor", "us", "we", or "our." This notice describes our Privacy Policy regarding nonpublic personal and protected health information (PHI) that we may collect and disclose. This information about you is protected by the Health Insurance Portability and Accountability Act of 1996, or HIPAA and is consistent with what is known as the "HIPAA Privacy Rule." Any of the terms not defined in this Notice should have the same meaning as they have in the HIPAA Privacy Rule. This Privacy Policy will apply from the time our relationship begins, during the course of our customer relationship, as well as after the relationship ends.

PHI, as we use in this notice, means information that identifies an individual personally and is not otherwise available to the public. It includes personal financial information such as premium amounts, flexible spending elections, employment, dependent and claim information. It also includes personal health information such as individual medical records and information about illness or injury.

## **OUR PRIVACY PLEDGE**

We understand that information we may obtain about you and your health is personal and private. We are committed to protecting your PHI. We create a record of your health benefits and medical claims reimbursements under the Plan or for Plan administration purposes. This notice applies to all of the records we maintain. You may have different policies or notices regarding the doctor's use and disclosure of your PHI created in the doctor's office or clinic.

This notice will tell you about the ways in which we may use and disclose PHI about you. We also describe your rights and certain obligations we have regarding the use and disclosure of PHI.

We are required by law to:

- (a) make sure that PHI is kept private;
- (b) give you this notice of our legal duties and privacy practices with respect to PHI about you; and
- (c) follow the terms of the notice that is currently in effect.

Plan will maintain physical, technical, electronic, and procedural safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the physical and electronic PHI that it creates, receives, maintains or transmits on behalf of the you to comply with federal and state regulations 45 C.F.R. Parts § 160, 162 and 164 (HIPAA Security Standards) April 21, 2005, as amended.

## **HOW WE MAY USE AND DISCLOSE PHI ABOUT YOU.**

The following categories describe different ways that we use and disclose PHI for purposes of plan administration. For each category of uses or disclosures permitted by law, we will explain what we mean and try to give some examples. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted to use and disclose information will fall within one of the categories.

### **Treatment (as described in applicable regulations)**

We may disclose PHI to a health care provider for the health care providers' treatment purposes; although it is more likely a health care provider would receive your PHI from another health care provider than from us.

### **Payment Purposes (as described by applicable regulations)**

We may use and disclose PHI to determine eligibility for Plan benefits, to facilitate payment for the treatment and services you receive from health care providers, to determine benefit responsibility under the Plan, or to coordinate Plan coverage. Payment includes activities undertaken to obtain premiums to determine or fulfill its responsibility for coverage and provision of plan benefits that relate to an individual to whom health care is provided. Likewise, we may share PHI with another entity to assist with the adjudication or subrogation of health claims or to another health plan to coordinate benefit payments. These activities include, but are not limited to, the following:

- determination of eligibility, coverage and cost sharing amounts (for example, cost of a benefit, plan maximums and co-payments as determined for an individual's claim);
- coordination of benefits, adjudication of health benefit claims (including appeals and other payment disputes);
- adjudication of health benefit claims (including appeals and other payment disputes);
- subrogation of health benefit claims;
- establishing employee contributions;
- billing, collection activities and related health care data processing;
- claims management and related health care data processing, including auditing payments, investigating and resolving payment disputes and responding to participant inquiries about payments;
- medical necessity reviews or reviews of appropriateness of care or justification of charges;
- medical reimbursements.

**Health Care Operations (as described in applicable regulations)**

We may use and disclose PHI for other Plan operations. These uses and disclosures are necessary to run the Plan. For example, we may use PHI in connection with: conducting quality assessment and improvement activities; conducting or arranging for medical review, legal services, audit services, and fraud and abuse detection programs; business planning and development such as cost management; and business management and general Plan administrative activities. Health Care Operations include, but are not limited to, the following activities:

- quality assessment;
- conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse detection and compliance programs;
- business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the Plan, including formulary development and administration, development or improvement of payment methods or coverage policies;
- business management and general administrative activities, including, but not limited to:
  - (a) management activities relating to the implementation of and compliance with HIPAA's administrative simplification requirements, or
  - (b) customer service, including the provision of data analyses for participants, plan sponsors or other customers;
- resolution of internal grievances; and
- due diligence in connection with the sale or transfer of assets to a potential successor in interest, if the potential successor in interest is a "covered entity" under HIPAA or, following completion of the sale or transfer, will become a covered entity.

**As Required By Law**

We will disclose PHI when required to do so by federal, state or local law.

**To Avert a Serious Threat to Health or Safety**

Plan may use and disclose PHI when necessary to prevent a serious threat to an employees health and safety or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat.

**To a Business Associate**

Plan may disclose PHI to a Business Associate (BA), only if a valid BA Agreement is in place. A BA is an entity that performs a function for or on behalf of the Plan and uses PHI in doing so, or provides services to you or for the Plan such as accounting, consulting or administrative services. Plan requires BA to protect the confidentiality of PHI and to use it solely for the purposes for which Plan disclosed the information, except as permitted by law. Otherwise, Plan will not disclose your protected health information.

Plan requires BA to implement administrative, physical and technical safeguards consistent with (and required by) the HIPAA Security Standards that reasonably to protect the confidentiality, integrity, and availability of written or Electronic Protected Health Information (PHI) that it creates, receives, maintains or transmits of behalf of the Plan, that it is used solely for the purposes for which Plan disclosed the information, except as permitted by law, otherwise Plan does not disclose PHI. BA agrees that by April 21, 2005 (April 21, 2006 for BA of small health plans), it shall fully implement the requirements of the HIPAA Security Standards (45 C.F.R. Parts §§160, 162, and 164, issued by February 20, 2003).

BA shall report to Plan any Security Incident that results in (i) unauthorized access, use, disclosure, modification, or destruction of Plan's Electronic PHI, or (ii) interference with BA's system operations in BA's information systems, of which BA becomes aware, and (iii) BA shall report to Plan, upon occurrence of such non-permitted or violating use or disclosure, and the report must meet the format and content requirements imposed by the Plan. BA agrees it will insure that any agent, including subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect such information. Examples of BA include data programmer, storage companies, Cafeteria Plan Service Provider, enrollment agent(s) and insurance agent(s) approved and employed by the Plan.

**Your Employer, Millsaps College.**

Plan may disclose PHI to Millsaps College as the Plan Sponsor, but only if Plan Sponsor has amended its plan document as required by the Privacy Rule and certified to such, established safeguards and fire walls to limit the classes of employees who will have access to PHI and limited the use of PHI to Plan purposes and not non-permissible purposes. Except as explained below, Plan restricts access to PHI to our employees who need to know that information to provide products or services.

Therefore, Your PHI will be disclosed to certain employees of Millsaps College. *These classes of employees/or Positions /or Names are:*

- Patricia Bruce– Payroll*
- Julie Daniels - Payroll*
- Dana Lang–Personnel*
- Plan Administrator – Louise Burney, Vice*
- President of Finance*
- HIPAA Privacy Officer- Louise Burney*

Any disclosures to Millsaps College or its employees must be for purposes of administering the Plan.

These individuals may only use your PHI for Plan administration functions including those described below, provided they do not violate the provisions set forth herein. Any employee of Millsaps College who violates the rules for

handling PHI established herein will be subject to adverse disciplinary action.

The Plan may also disclose enrollment and/or disenrollment information to Millsaps College for enrollment or disenrollment purposes only, and may disclose "summary health information" (as defined under the HIPAA medical privacy regulations) to Millsaps College for the purpose of obtaining premium bids or modifying or terminating the Plan.

Millsaps College has certified that it will comply with the privacy procedures set forth herein. Millsaps College may not use or disclose your PHI other than as provided herein or as required by law. Any agents or subcontractors who are provided your PHI must agree to be bound by the restrictions and conditions concerning your PHI found herein. Your PHI may not be used by Millsaps College for any employment-related actions or decisions or in connection with any other benefit or employee benefit plan of Millsaps College. Millsaps College must report to the Plan any uses or disclosures of your PHI of which Millsaps College becomes aware that are inconsistent with the provisions set forth herein.

## **SPECIAL SITUATIONS**

### **Disclosure to Health Plan Sponsor**

Information may be disclosed to another health plan maintained by Millsaps College for purposes of facilitating claims payments under that plan. In addition, PHI may be disclosed to Millsaps College personnel solely for purposes of administering benefits under the Plan.

### **Organ and Tissue Donation**

If you are an organ donor, we may release PHI to organizations that handle organ procurement or organ, eye or tissue transplantation or to an organ donation bank, as necessary to facilitate organ or tissue donation and transplantation.

### **Military and Veterans**

If you are a member of the armed forces, we may release PHI about you as required by military command authorities. We may also release PHI about foreign military personnel to the appropriate foreign military authority.

### **Workers' Compensation**

We may release PHI about you for workers' compensation or similar programs. These programs provide benefits for work-related injuries or illness.

### **Public Health Risk**

We may disclose PHI about you for public health activities (e.g., to prevent or control disease, injury or disability).

### **Health Oversight Activities**

We may disclose PHI to a health oversight agency for activities authorized by law. These oversight activities include, for example, audits, investigations, inspections, and licensure. These activities are necessary for the government

to monitor the health care system, government programs, and compliance with civil rights laws.

### **Lawsuits and Disputes**

If you are involved in a lawsuit or a dispute, we may disclose PHI about you in response to a court or administrative order. We may also disclose PHI about you in response to a subpoena, discovery request, or other lawful process by someone else involved in the dispute, but only if efforts have been made to tell you about the request or to obtain an order protecting the information requested.

### **Law Enforcement**

We may release PHI if asked to do so by a law enforcement official in response to a court order, subpoena, warrant, summons or similar process.

### **Coroners, Medical Examiners and Funeral Directors**

We may release PHI to a coroner or medical examiner. This may be necessary, for example, to identify a deceased person or determine the cause of death. We may also release PHI about patients of the hospital to funeral directors as necessary to carry out their duties.

### **National Security and Intelligence Activities**

We may release PHI about you to authorized federal officials for intelligence, counterintelligence, and other national security activities authorized by law.

### **Inmates**

If you are an inmate of a correctional institution or under the custody of a law enforcement official, we may release PHI about you to the correctional institution or law enforcement official. This release would be necessary (1) for the institution to provide you with health care; (2) to protect your health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.

If any use or disclosure of the required or permissible purposes described above are prohibited or materially limited by other applicable laws, the use or disclosure reflects the more stringent law.

Other uses and disclosures will be made only with your written authorization or that of your legal representative, and you may revoke such authorization as provided by 45 C.F.R. ' 164.508(b)(5) of the Privacy Rule. Any disclosures that were made when your Authorization was in effect will not be taken back.

### **EMPLOYEES' RIGHTS REGARDING PHI**

Employees have the following rights with respect to their PHI. To submit one of the requests listed below, you must submit a written request to:

Millsaps College  
Attn: Privacy Officer  
P.O. Box 150433  
Jackson, MS 39210  
(601) 974-1127

**RIGHT TO INSPECT AND COPY PHI.**

As provided by 45 C.F.R. §164.524 of the Privacy Rule, you have the right to inspect and copy PHI that may be used to make decisions about your Plan benefits. To inspect and copy PHI that may be used to make decisions about you, you must submit your request in writing to **the Privacy Officer**. If you request a copy of the information, we may charge a fee for the costs of copying, mailing or other supplies associated with your request.

We may deny your request to inspect and copy in certain very limited circumstances. HIPAA provides several important exceptions to your right to access your PHI. For example, you will not be permitted to access psychotherapy notes or information compiled in anticipation of, or for use in, a civil, criminal or administrative action or proceeding. Employer will not allow you to access your PHI if these or any of the exceptions permitted under HIPAA apply. If you are denied access to PHI, you may request that the denial be reviewed.

**RIGHT TO REQUEST RESTRICTIONS**

Employees have a right to request restrictions on certain uses and disclosures of PHI, as provided by 45 C.F.R. § 164.522(a) of the Privacy Rule (although we are not required to agree to a requested restriction).

**RIGHT TO RECEIVE CONFIDENTIAL COMMUNICATIONS OF PHI**

If the employee believes our usual method of communicating PHI may endanger the employee, as provided by 45 C.F.R. § 164.522(b) of the Privacy Rule.

**RIGHT TO AMEND PHI**

Employees have a right to amend PHI, that an employee feels is incorrect,, as provided by 45 C.F.R. § 164.526 of the Privacy Rule. We may deny an employee’s request, but must respond to the employee in either case.

To request an amendment, you must submit a written request to:

Millsaps College  
Attn: Privacy Officer  
P.O. Box 150433  
Jackson, MS 39210  
(601) 974-1127

In addition, you must provide a reason that supports your request. We may deny your request for an amendment if it is not in writing or does not include a reason to support the request, or we may deny your request if you ask us to amend information that:

- Is not part of the PHI kept by or for the Plan;
- Was not created by us, unless the person or entity that created the information is no longer available to make the amendment;
- Is not part of the information which you would be permitted to inspect and copy; or
- Is accurate and complete.

The Plan must act on your request for an amendment of your PHI no later than sixty (60) days after receipt of your request. The Plan may extend the time for making a decision for no more than thirty (30) days, but must provide you with a written explanation for the delay. If the Plan denies your request, it must provide a written explanation of the denial and an explanation of your right to submit a written statement disagreeing with the denial.

**RIGHT TO RECEIVE AN ACCOUNTING OF DISCLOSURES**

Employees have a right to receive an accounting of disclosures we have made of employee’s PHI, as provided by 45 C.F.R. §164.528 of the Privacy Rule. We are not required to, and will not, account for disclosures made for treatment, payment or health care operations, national security, law enforcement or to corrections personnel, pursuant to the employee’s Authorization, or to the employee. In the written request, employees must note the time period for which they want an accounting, and the format in which they wish to receive it (e.g., paper or electronically). We will not account for disclosures made more than six years prior to the request, nor for disclosures made before HIPAA became effective [April 14, 2003]. We will provide one accounting of disclosures free of charge once every twelve months, if requested. For additional list, we may charge you for the costs of providing the list. We will notify you of the cost involved and you may choose to withdraw or modify your request at that time before any costs are incurred.

Note that HIPAA provides several important exceptions to your right to an accounting of the disclosures of your PHI. The Plan will not include in your accounting any of the disclosures for which there is an exception under HIPAA. The Plan must act on your request for an accounting of the disclosures of your PHI no later than sixty (60) days after receipt of the request. The Plan may extend the time for providing you an accounting by no more than thirty (30) days, but it must provide you a written explanation for the delay. You may request one accounting in any twelve (12) month period free of charge. The Plan will impose a fee for each subsequent request within the twelve (12) month period.

**RIGHT TO FILE A COMPLAINT**

If you feel your privacy rights have been violated. For details, see subsequent section of this Privacy Notice entitled “Privacy Complaint Procedures.”

**RIGHT TO A PAPER COPY OF THIS NOTICE**

Employees have the right to a paper copy of this notice. You may ask us to give you a copy of this notice at any time. Even if you have agreed to receive this notice electronically, you are still entitled to a paper copy of this notice.

To obtain a paper copy of this notice, you may contact:

Millsaps College  
Attn: Privacy Officer  
P.O. Box 150433  
Jackson, MS 39210  
(601) 974-1127

The Plan must make its internal practices, books and records related to the use and disclosure of PHI received from the Plan available to the Secretary of Health and Human Services for purposes of determining compliance by the Plan with these privacy protections.

When Millsaps College no longer needs PHI disclosed to it by the Plan, for the purposes for which the PHI was disclosed, Millsaps College must, if feasible, return or destroy the PHI that is no longer needed. If it is not feasible to return or destroy the PHI, Millsaps College must limit further uses and disclosures of the PHI to those purposes that make the return or destruction of the PHI infeasible.

**PRIVACY COMPLAINT PROCEDURES**

If you believe your privacy rights have been violated; you may file a complaint with the Plan or with the Secretary of the Department of Health and Human Services.

All complaints must be submitted in writing to *the Privacy Officer*.

To file a complaint with the Plan you may contact:

Millsaps College  
Attn: Privacy Officer  
P.O. Box 150433  
Jackson, MS 39210  
(601) 974-1127

You will not be penalized for filing a complaint.

**PLAN SPONSORS “MILLSAPS COLLEGE” OBLIGATION AND RESPONSIBILITY**

Where Electronic Protected Health Information (“PHI”) will be created, received, maintained, or transmitted to or by the Plan sponsor on behalf of the Plan, the Plan sponsor shall reasonably safeguard the Electronic PHI as follows:

- A. Plan sponsor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic PHI that the Plan sponsor creates, receives, maintains, or transmits on behalf of the Plan.

**EFFECTIVE DATE**

This Notice is initially effective as of April 14, 2004, and as amended for HIPAA Security Standards, April 21, 2005 (April 21, 2006 for small health plans with reminders by April 14, 2007).

**ERISA Rights.**

- B. Plan sponsor shall ensure that the adequate separation that is required by 45 C.F.R. § 164.504(f)(2)(iii) of the HIPAA Privacy Rule is supported by reasonable and appropriate security measures;
- C. Plan sponsor shall ensure that any agent, including a subcontractor, to whom it provides Electronic PHI agrees to implement reasonable and appropriate security measures to protect such information; and
- D. Plan sponsor shall report to the Plan any Security Incidents of which it becomes aware as described below:

- 1. Plan sponsor shall report to the Plan within a reasonable time after Plan sponsor becomes aware, any Security Incident that results in unauthorized access, use, disclosure, modification, or destruction of the Plan’s Electronic PHI; and
- 2. Plan sponsor shall report to the Plan any other Security Incident as it occurs or upon the Plan’s request.

We are required by law to maintain the privacy of employee PHI. We are obligated to provide the employee with a copy of this Notice of our legal duties and of our privacy practices with respect to PHI and we must abide by the terms of this notice. We reserve the right to change the provisions of this Notice and make the new provisions effective for all PHI that we maintain. If we revise this notice, we will notify employees of these changes by mailing the revised notice to affected employees at the last known address.

**OTHER USES OF PHI**

Other uses and disclosures of PHI not covered by this notice or the laws that apply to us will be made only with your written permission. If you provide us permission to use or disclose PHI about you, you may revoke that permission, in writing, at any time. If you revoke your permission, we will no longer use or disclose PHI about you for the reasons covered by your written authorization. You understand that we are unable to take back any disclosures we have already made with your permission, and that we are required to retain our records of the care that we provided to you.

**CHANGES TO THIS NOTICE**

We reserve the right to change this notice. We reserve the right to make the revised or changed notice effective for medical information we already have about you as well as any information we receive in the future. We will post a copy of the current notice on the Plan website. The notice will contain on the first page, in the top right-hand corner, the effective date.

The Cafeteria Plan is not an ERISA welfare benefit plan under the Employee Retirement Income Security Act (ERISA). However, certain benefits may be governed by ERISA. As a Participant in an ERISA-covered benefit, you are entitled to certain rights and protections 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 and union halls, all Plan Documents, including insurance contracts, collective bargaining agreements and copies of all 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 Plan Administrator may make a reasonable charge for the copies).

ERISA § 104(b)(1) Requires publication of the summary plan descriptions and annual reports shall be made (a) within ninety (90) days after the employee becomes a participant in the Plan, or within ninety (90) days after the employee first received benefits, or (b) if later, within one hundred-twenty (120) days after the plan become subject to this part.

The Plan Administrator shall furnish to each participant, and each beneficiary receiving benefits under the Plan, every fifth year after the Plan becomes subject to this part, an update summary plan description...which integrates all plan amendments made within such five-year period and a summary description of modifications or change shall be furnished not later than two hundred-ten (210) days after the end of the plan year in which the change is adopted to each participant, and to each beneficiary who is receiving benefits under the Plan.

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 the Plan Participants and beneficiaries.

No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit from the Plan, or from exercising your rights under ERISA.

If your claim for a benefit under an ERISA-covered plan is denied in whole or in part, you must receive a written explanation of the reason for the denial. You must have the right to have the Plan reviewed and have the Plan Administrator reconsider your claim. 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 require the Plan Administrator to provide the materials and pay you up to \$110 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 that 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 have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this Part of the Summary Plan Description or about your rights under ERISA, you should contact the nearest office of the U.S. Department of Labor, Pension and Welfare Benefits Administration listed in your telephone directory, or write to the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Ave., N.W. Washington, D.C., 20210.

## **General Plan Information.**

- Millsaps College Flexible Benefit Cafeteria Plan, is the name of the Plan.
- Your Employer has assigned Plan Number (#505) to your Plan.
- The provisions of the Plan described herein became effective as modified on January 1, 2008.
- Your Plan's records are maintained on a 12-month period of time. This is known as the Plan Year. The Plan Year begins on January 1, and ends on December 31.
- Your Employer's tax identification number is 64-0303084.

### **Employer Information.**

Your Employer's name and address is:

Millsaps College  
P.O. Box 150433  
Jackson, MS 39210

### **Plan Administrator Information.**

The name, address, and business telephone number of your Plan Administrator is:

Louise Burney  
Vice President of Finance  
Millsaps College  
P.O. Box 150433  
Jackson, MS 39210  
Telephone: (601) 974-1127  
Attention: Cafeteria Plan Administrator

### **Plan Service Provider.**

Southern Administrators and Benefit Consultants, Inc., (SABC)  
P.O. Box 2449  
Madison, Mississippi 39130-2449  
(601) 856-9933

### **Eligible Benefits and Provider.**

Group Health Insurance – Educational Institutional Insurance Administration (EIIA)  
Dental Insurance – Jefferson Pilot  
Dependent Care Spending Account - SABC  
Unreimbursed Medical Spending Account - SABC

### **Service of Legal Process.**

The name and address of the Plan's agent for service of legal process is:

Louise Burney

Vice President Of Finance  
Millsaps College  
P.O. Box 150433  
Jackson, MS 39210  
Telephone: (601) 974-1127  
Attention: Cafeteria Plan Administrator

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Provided by:

**Southern Administrators and Benefit Consultants, Inc., (SABC)**  
P.O. Box 2449 \* Madison, MS 39130-2449 \* (601) 856-9933  
“Your Flexible Benefit Plan Specialists”  
[www.sabcflex.com](http://www.sabcflex.com)

Modified SPD: Oct 15, 2005 to include 2 ½ URM Incurred.