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## **FLEXIBLE BENEFITS**

HSWC, Inc. offers a flexible benefits program to Full Time/ Full Year and Full Time/ Part Year employees. The annual enrollment occurs in November and new selections are effective January 1. The benefit year runs January 1 through December 31.

The cafeteria-style benefits program offers employees an option for health, dental, life and flexible spending accounts. Employees are able to use benefit dollars provided by HSWC, Inc. to assist in paying for the benefits selected. If the total cost of the options selected exceeds the benefit dollars paid by HSWC, Inc., employees pay the difference in pre-tax dollars through payroll deductions. If the total cost of the options selected is less than the benefit dollars provided, employees receive the difference as taxable cash.

## **FLEXIBLE SPENDING ACCOUNTS**

Medical Reimbursement Accounts can be used for tax-free reimbursement of allowable medical expenses for employees and dependents as defined by the IRS. There is a maximum contribution limit (pre-tax dollars directed to the plan) of \$3,000 per year.

Dependent Care Reimbursement Account can be used for tax-free reimbursement of day care expenses for any eligible dependent. There is a maximum contribution limit of \$5,000 per year per family.

Unused dollars contributed to Flexible Spending Accounts revert to the employer at the end of the Plan year and are not returnable to the employee (i.e. use or lose).

*Approved by BOD 01/10/2001*

*Approved by Policy Council 01/31/2001*