Flexible Spending Accounts

Highlights

Turner believes in helping you stretch your paycheck as far as possible. To help you save money, Turner offers two Flexible Spending Accounts — the Health Care Flexible Spending Account (FSA) and the Dependent Care Flexible Spending Account (FSA). These accounts allow you to set aside money from your paycheck — before taxes are withheld — to receive reimbursement for eligible health care expenses and/or dependent care expenses that are not reimbursable from any other source. This saves you money by reducing your taxable income.

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| **What options are available?** | • Health Care Flexible Spending Account
  You may deposit from $120 to $2,500 each year in the Health Care FSA.
  Dependent Care Flexible Spending Account
  You may deposit from $120 to $5,000 each year in the Dependent Care FSA, depending on your tax classification. |
| **Who pays the cost?** | You contribute to the accounts on a before-tax basis. |

Please refer to the Administrative Information section of this Summary Plan Description for additional information on claims procedures, plan administration, your rights under the plan, and Turner’s rights under the plan, including the ability to amend or terminate the plan or any component of it at any time in accordance with applicable law and the discretion to interpret all plan documents and make factual determinations. If there is a conflict between this Summary Plan Description and the official plan documents, the plan documents will govern.

Your Choices

If you are eligible, you can elect to participate in one or both of the Flexible Spending Accounts.

Your participation and contribution amounts will be effective for the entire calendar year. Unless you experience a qualified change in status, you can enroll, change, or end your participation during Open Enrollment.

The Benefits

When you contribute to a Flexible Spending Account, your contributions are deducted from your paycheck before federal income taxes, Social Security, and Medicare taxes are deducted. In some areas, you also pay no state or local taxes on your contributions.

You then use these before-tax dollars to reimburse yourself for eligible health or dependent care expenses during the year. You should carefully consider the amount you wish to contribute to the accounts. Under IRS regulations, if your eligible expenses for the year are less than the amount of your annual contributions, you will lose any unused balance in either account at the end of the year.
Health Care Flexible Spending Account

If you elect to participate in the Health Care Flexible Spending Account (FSA), you may contribute from $120 to $2,500 annually to receive reimbursement for eligible medical, dental or vision care expenses incurred by you or your eligible dependents that are not paid by any health care plan.

If you become eligible and begin your participation in the plan after January 1, the total contribution you elect will be divided by the number of pay periods remaining in the calendar year.

Automatic Reimbursement

If your expense is covered under the Turner medical (excluding HMOs), dental, vision or prescription plan, uncovered expenses (such as deductibles and copays) will automatically be submitted to your Health Care FSA for reimbursement. Once your expenses have totaled a minimum of $25, you will automatically receive a reimbursement check. If you have other medical, dental, vision or prescription coverage in addition to your Turner coverage, this option is not available to you.

Direct Deposit Option

When you sign up for direct deposit, your reimbursements for eligible FSA claims will be deposited directly into your bank account.

You can choose this option online when you log on to www.turnerbenefits.com via TKN and then My Turner Benefits. Simply choose the link to the Medical: UHC website and follow the steps on your screen.

Consumer Accounts Card

When you contribute to a Health Care FSA, you will receive a Consumer Accounts Card (MasterCard®) that you can use like a credit card for certain expenses that you would normally submit to your FSA for reimbursement. There is no cost to activate your card and no annual fee.

The card will be accepted only for doctor and prescription copays at eligible service locations, such as your doctor’s office, and each transaction must be authorized. Your transaction will be denied if it includes any ineligible expenses or if you have exceeded the available amount in your FSA.

The way you use your card is determined by whether you choose Plan 3 as your medical coverage (see page 25).

- **If you participate in Plan 3 and the Health Care FSA:**
  - You can use your Consumer Accounts Card as a debit card for your HRA under Plan 3, as well as for your FSA.
  - As long as funds are available in your HRA, your office visit copays will be paid from your HRA when you use your card. If no funds are available in your HRA, your office visit copay will be paid from your FSA.
  - When you use the card to pay prescription drug copays, those amounts will always be debited from your FSA — never from your HRA.
  - Once you have used all the funds in your HRA, any FSA-eligible expenses will automatically be forwarded to your FSA. If funds are available in your FSA, you will automatically receive a reimbursement check or direct deposit.
  - You cannot use the card for other FSA-eligible expenses, such as deductibles, coinsurance, or dental expenses. When you file a claim for medical, dental, or vision expenses, any FSA eligible expenses will automatically be forwarded to your FSA. If funds are available in your FSA, you will automatically receive a reimbursement check or direct deposit. If you have FSA-eligible vision expenses, however, you must file a claim for reimbursement from your FSA.

- **If you participate in the FSA but not in Plan 3:**
  - As long as you have available funds in your FSA, you can use the card to pay for office visit and prescription drug copay expenses.
  - When you use the card, you will not need to complete a claim form or provide receipts to verify your expense.
  - You cannot use the card for other FSA-eligible expenses, such as deductibles, coinsurance, or dental expenses. When you file a claim for medical, dental or vision expenses, any FSA eligible expenses will automatically be forwarded to your FSA. If funds are available in your FSA, you will automatically receive a
Whether or not you use the card, you can always file a claim manually. If you no longer want to use your card, you can call the number on the back of it and have it deactivated.

**Covered Expenses**

The Health Care Flexible Spending Account may be used to reimburse yourself for:

- Medical, dental, and vision care deductibles and/or copays
- Eligible health care expenses not covered by your insurance plans
- Charges over reasonable and customary
- Physical examinations and immunizations not covered by a medical plan
- Prescription drugs
- Well-Baby Care
- Eye exams, glasses, or contact lenses not covered by a vision plan
- Lasik, eye surgery/corrective surgery
- Contact lens supplies
- Hearing exams, hearing aids, and hearing aid repairs not covered by an insurance plan
- Special telephone equipment for the deaf

**Expenses Not Covered**

The Health Care Flexible Spending Account may *not* be used for:

- Expenses you plan to claim as a deduction or credit on your federal income tax return
- Expenses that are not considered medical care under section 213(d) of the Internal Revenue Code
- Health care expenses that have been reimbursed through any policy or program of the company or any other employer, Medicare, or any other federal or state program
- Cosmetic surgery and most elective Cosmetic Procedures
- Over-the-counter smoking cessation medications (including non-prescription nicotine gum and nicotine patches)
- Marriage or family counseling
- Expenses for which you do not have a valid receipt
- Expenses that were incurred before you became a participant in this account
- Custodial care in a nursing home
- Advance payments paid to a retirement home for lifetime care
- Over-the-counter medication or drugs obtained without a prescription (other than insulin, which can be reimbursed without a prescription)

**Who to Call for More Information on Eligible Expenses**

You may call the Flexible Spending Account Claims Administrator to determine if an expense is eligible for reimbursement under your Flexible Spending Account.

**Dependent Care Flexible Spending Account**

If you elect to participate in the Dependent Care Flexible Spending Account (FSA), you may contribute from $120 to $5,000 annually for eligible dependent care expenses that allow you to work outside your home. If you are married, your spouse must also work outside the home, be a full-time student at least 5 calendar months of the year, or be mentally or physically unable to care for your dependents.

If you become eligible and begin your participation in the plan after January 1, the total contribution you elect will be divided by the number of pay periods remaining in the calendar year.
**Special Contribution Limits**

The IRS puts special limits on how much you may contribute to the Dependent Care FSA.

- Your total contributions cannot be more than your or your spouse’s taxable income — whichever is less. For example, if you earn $30,000 and your spouse earns $4,500, you are only allowed to contribute up to $4,500 to the account.

- Special rules apply if your spouse is physically or mentally incapable of caring for himself or herself, or is a full-time student during at least part of 5 calendar months during the calendar year. In such a case, his or her earned income is deemed to be not less than $200 per month if one dependent is in day care and $400 per month if two or more dependents are in day care. If such a spouse has earned income in excess of these minimums in any month, then the spouse’s actual earned income is used for that month.

- If you and your spouse file separate federal income tax returns, the maximum amount you may contribute to the account is $2,500. Your spouse is also limited to $2,500 if he or she contributes to a dependent care Flexible Spending Account at his/her workplace.

- If you and your spouse file a joint federal income tax return, your combined total contributions for dependent care may not be more than $5,000.

**Choosing the Dependent Care FSA or a Federal Tax Credit**

Under current law, if you pay dependent care expenses with after-tax dollars you may be able to take part of these expenses as a credit on your federal income tax as shown below:

- For one dependent receiving care, you can take up to $2,400 in annual expenses as a tax credit
- For two or more dependents receiving care, you can take up to $4,800

Any expenses beyond those amounts don’t qualify for a federal income tax credit.

If you receive reimbursement for expenses from your Dependent Care FSA, you cannot claim those same expenses as a credit on your federal income tax. For some people, the tax savings will be greater using the federal income tax credit instead of the Dependent Care FSA. For others, the savings will be greater using the Dependent Care FSA. You should consult a tax advisor to help you determine which option is best for you. If you are married and filing separate income tax returns, you may not be eligible for the tax credit. In that case, the Dependent Care FSA may be your only option.

**Eligible Dependents**

The use of the Dependent Care FSA is limited to your eligible expenses for the care of your eligible dependents. Eligibility requirements are based on your dependent’s age.

- **Dependents under age 13** must satisfy each of the following requirements:
  - The person must be your child, grandchild, or great-grandchild. Your “child” means your son or daughter by birth or legal adoption, your stepson or stepdaughter, a child placed with you for legal adoption by you or a foster child placed with you by an authorized placement agency or by court order, or
  - The person could be your brother, sister, stepbrother or stepsister (or a descendant of any of these).
    - The person must live with you for more than half of the taxable year.
    - The person must not have provided over one-half of their own support for the taxable year.

- **Dependents age 13 or older** must satisfy each of the following requirements (except where noted for a spouse):
  - The person must be physically or mentally incapable of caring for himself or herself.
  - The person must live with you for more than half of the taxable year.
  - You must provide more than half of the person’s support.
  - The person must be your spouse or one of the following family members:
- Your child, grandchild, or great-grandchild. Your “child” means your son or daughter by birth or legal adoption, your stepson or stepdaughter, a child placed with you for legal adoption by you or a foster child placed with you by an authorized placement agency or by court order
- Your brother, sister, stepbrother or stepsister
- Your father or mother, your grandparent or your great-grandparent
- Your stepfather or stepmother
- The son or daughter of your brother or sister
- The brother or sister of your father or mother
- Your son-, daughter-, father-, mother-, brother- or sister-in-law
- An individual who, for the tax year, “has the same principal place of abode” as you and is a member of your household under applicable law.
  - The person’s gross income cannot exceed the limit set by the IRS. The limit was $3,800 for 2012, but may be adjusted from year to year. (This income rule does not apply if the person is your spouse.)

**Covered Expenses**

The Dependent Care FSA can be used to reimburse you for:

- Expenses for the care of a dependent under the age of 13 while you and your spouse are both working
- Expenses for the care of a mentally or physically handicapped dependent of any age who regularly spends at least 8 hours a day in your home (24-hour-a-day care in a nursing home for a dependent parent does not qualify)
- Costs for a caregiver who also does some cooking and cleaning if the major portion of services are provided for dependent care
- Fees for a day care center if it meets all state and local laws, provides care for more than six persons and requires payment for the services it provides
- Costs for a nursery school or summer program for a child (not including overnight camps)
- Any FICA, FUI, SUI taxes and Workers’ Compensation and state disability premiums you pay as an employer of an individual providing day care services
- Expenses that qualify as IRS deductible expenses

A guideline of current eligible expenses can be found in “IRS Publication 503, Child and Dependent Care Credit.”

**Expenses Not Covered**

The Dependent Care FSA may *not* be used for:

- Any amounts you pay to an immediate family member under the age of 19 or any person you claim as a dependent on your federal income tax return
- Cost for any person caring for a child (or children) when you or your spouse are not working, not considered full-time students or are not incapacitated
- Transportation expenses, including chauffeur services
- Charges for a convalescent nursing home for a parent
- Educational or camp expenses
- Costs for child care that enables you or your spouse to do volunteer work
- Amounts you pay for child care for any period you or your spouse are off work due to sickness, unless you or your spouse are physically or mentally incapable of caring for yourself
- Activity fees, field trips, clothing and meals that can be separated from the cost of the actual child care
  Educational or overnight camp expenses
How to Use the Benefits

Health Care Flexible Spending Account

To Use Your Consumer Accounts Card

If you participate in Medical Plan 3 and the Health Care FSA:

1. Use your Consumer Accounts Card (MasterCard®) at your doctor’s office or pharmacy to pay for office visit and prescription drug copay expenses you would normally submit to your FSA for reimbursement. As long as funds are available in your HRA, your office visit copays will be paid from your HRA. If no funds are available in your HRA, your office visit copay will be paid from your FSA. When you use the card to pay prescription drug copays, those amounts will always be debited from your FSA — never from your HRA.

2. Receive authorization for your eligible transaction. Your transaction will be denied if it includes any ineligible expenses or if you have exceeded the available amount in your FSA.

3. Sign your receipt and keep a copy for your records.

4. Continue using your card as long as you have funds in either your HRA or your FSA. Once you have used all the funds in your HRA, any eligible expenses will automatically be forwarded to your FSA. If funds are available in your FSA, you will automatically receive a reimbursement check or direct deposit to your bank account.

If you participate in the Health Care FSA but not in Medical Plan 3:

1. Use your Consumer Accounts Card (MasterCard®) at your doctor’s office or pharmacy to pay for office visit and prescription drug copay expenses you would normally submit to your FSA for reimbursement.

2. Receive authorization for your eligible transaction. Your transaction will be denied if it includes any ineligible expenses or if you have exceeded the available amount in your FSA. As long as funds are available in your FSA, you will automatically receive a reimbursement check or direct deposit to your bank account.

3. Sign your receipt and keep a copy for your records.

To File a Manual Claim

If your expense will not be automatically reimbursed, follow these steps to receive reimbursement from your Health Care FSA:

1. Complete and submit a Flexible Spending Account Claim Form. Forms are available online at www.turnerbenefits.com via TKN and then My Turner Benefits. Along with the form you will need to submit an explanation of benefits from your insurance carrier, if applicable, or an itemized statement from the provider with the patient’s name, date of service, total charge, and type of service. Be sure to keep a copy of all documentation for your records. Canceled checks are not acceptable proof of an expense. Mail or fax your claim form and supporting documentation to the Flexible Spending Account Administrator.

2. Receive reimbursement from your account. You will receive a check from your Health Care Flexible Spending Account when your submitted expenses total at least $25. Claims are processed weekly.

3. File all claims for eligible expenses by the deadline. Claims for the previous year must be postmarked by April 30 or you will forfeit any money left in your account. For example, if you have expenses during 2016, you have until April 30, 2017, to submit your eligible expenses for reimbursement.

Dependent Care Flexible Spending Account

You will need to file a claim form to receive reimbursement from the Dependent Care FSA. You can only be reimbursed for the amount that is actually in your account. For example, if you file a claim for $300 and you only have $200 in your account at the time, you will only be reimbursed $200. The remaining $100 will automatically be reimbursed as additional contributions are made to your account. Contributions will be made to your account on a biweekly basis.

To File a Claim

Follow these steps to receive reimbursement from your Dependent Care FSA:
1. **Complete and submit a Flexible Spending Account Claim Form.** Forms are available online at www.turnerbenefits.com via TKN and then My Turner Benefits. Along with the form you will need to submit a paid receipt or canceled check that shows the amount charged and the dates of service. You must also complete the “Dependent Care Provider Verification Section” of the form and provide the tax identification number or Social Security number of your caregiver (unless the care is provided by a tax-exempt organization such as a school or church). Be sure to keep a copy of all documentation for your records. Mail or fax your claim form and supporting documentation to the Flexible Spending Account Administrator.

2. **Receive reimbursement from your account.** You will receive a check from your Dependent Care FSA when your submitted expenses total at least $25. Claims are processed daily.

3. **File all claims for eligible expenses by the deadline.** Claims for the previous year must be postmarked by April 30 or you will forfeit any money left in your account. For example, if you have expenses during 2016, you have until April 30, 2017, to submit your expenses for reimbursement.

### What Else You Should Know

#### Making Changes During the Year

You may not stop or change your contributions to the Flexible Spending Accounts unless you have a qualified change in status or other allowable change (see page 6). You have 60 days from a change in status or other allowable change to make changes to your Flexible Spending Accounts.

#### Transfers

You are not allowed to transfer money between the Health Care FSA and the Dependent Care FSA.

#### Forfeitures

IRS regulations require that any money left in your Flexible Spending Accounts after the filing deadline be forfeited. You have until April 30 of the following year to submit claims for eligible expenses from the previous year.

To avoid losing any unused money, be sure to estimate your contributions carefully. Use your account only for predictable expenses that you will have during the year.

#### Submitting Claims After Participation Ends

Claims must be incurred by December 31 but you have until April 30 of the following year to submit for reimbursement. When you end your employment with the company, you may continue to submit eligible incurred claims through your termination date. To be eligible, the expense must be incurred before your termination date — unless you qualify for COBRA and elect to continue making contributions to the Health Care FSA under COBRA (see page 173). In compliance with IRS regulations, no claims will be allowed after your termination date.

#### Continued Health Care Flexible Spending Account Coverage

You may be eligible to continue making contributions to the Health Care FSA (but not the Dependent Care FSA) when your employment ends if you qualify for COBRA (see page 173).

However, COBRA only applies to the Health Care FSA for the Plan Year in which the qualifying event occurred, and then only if the maximum benefit available for the rest of the year under the Health Care FSA is greater than the COBRA premiums for the Health Care FSA for the remainder of the year.

For example, suppose you choose to contribute $1,200 ($100 per month) to your Health Care FSA for the year, but you terminate your employment (a qualifying event) on May 31. As of May 31, you had submitted $300 of claims to your Health Care FSA, leaving $900 as the maximum benefit available for the rest of the year. Your COBRA premiums for the Health Care FSA would be up to 102% — $102 per month or $714 for the rest of the year. Because the maximum benefit will be greater than the COBRA premiums, you would be allowed to elect COBRA continuation coverage of your Health Care FSA for the rest of the Plan Year.

COBRA premium payments for the Health Care FSA are on an after-tax basis, unlike regular premium payments for the Health Care FSA, which are deducted from your paycheck before taxes.

COBRA does not apply to the Dependent Care FSA.

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IRS Regulations
While Turner intends to continue the Health Care FSA and Dependent Care FSA, these accounts are subject to legislation that could affect how the account is administered or used. For example, contribution maximums may be adjusted to comply with regulations. You will be notified if changes in the law or IRS interpretation affect the plan.

Filing Appeals
If your claim is denied, you have the right to appeal the decision. For additional information about the Flexible Spending Accounts, see the Administrative Information section of this book. It includes information about the plan sponsor, your rights under ERISA, claim appeal procedures and Turner's rights to change or terminate the plan.