



**Flexible Spending Account
Plan Description**

PLAN HIGHLIGHTS

- The purpose of the Flexible Spending Account (FSA) Plan is to provide a tax savings plan for paying out-of-pocket health, dental, vision, and dependent care expenses.
- Participation in the FSA Plan is available to all employees of MANNA Worldwide, Inc.
- Contributions to the Plan may be made to these FSA accounts:
 - Health Care Account for unreimbursed health, dental, and vision care expenses
 - Dependent Care Account for dependent care expenses
- FSA contributions are made on a pre-tax basis. This means that deductions are not subject to federal or state income taxes or Social Security and Medicare taxes under the Federal Insurance Contribution Act (FICA). Therefore, pre-tax payroll deductions may result in higher net income. Pre-tax deductions may also decrease potential Social Security earnings.
- The minimum annual contribution per account is \$100 for the Health Care Account.
- The maximum annual contribution, as set forth in the Affordable Care Act, is \$2,650 for the Health Care Account.
- Reimbursement may be made as frequently as on a weekly basis. Claims are processed by the benefits administrator at MANNA Worldwide.
- All remaining balances as of January 1, for the prior year, are forfeited for Dependent Care FSA. For Health Care FSA accounts, employees may extend the plan year until March 15 of the following year. All claims for this extended grace period must be submitted for reimbursement by March 31 or the funds will be forfeited.
- Individuals must re-enroll in the FSA Plans before January 15 in order to continue participation during that calendar year.

PURPOSE

The purpose of the Flexible Spending Account (FSA) Plan is to provide a tax savings plan for paying out-of-pocket health, dental, and vision care expenses.

Plan Administrator

MANNA Worldwide, Inc. is the Plan Administrator and has the responsibility for operating and interpreting the Plan. Day to day administration of the Plan is performed by the personnel in the MANNA office.

For Further Information

The information contained in this Plan Description is details the major features of the FSA Plan. For more information regarding FSA plans, one may review Internal Revenue Service Publication #969, *Health Savings Accounts and Other Tax-Favored Health Plans*.

Continuation of the Plan

MANNA Worldwide, Inc. intends to continue this Plan indefinitely, but reserves the right to modify or terminate the Plan at any time with or without further notification.

Participation in this Plan is provided to eligible employees and does not constitute a guarantee of employment. Participation in the Plan also requires continued employment and eligibility and is subject to the terms and conditions of the Plan Description.

ELIGIBILITY

Employee

An individual must receive compensation paid by the MANNA Worldwide, Inc. payroll system and his or her salary must be sufficient to cover the amount of monthly contribution.

Spouse

A spouse must be legally married to and have his or her principal residence with the eligible individual.

Surviving spouse and children of a deceased individual

A spouse or dependent child of a deceased individual is not eligible to participate in the FSA Plan other than to submit claims for reimbursement for services received prior to the individual's death.

Domestic Partner

An individual's same-gender or heterosexual domestic partner and eligible dependent children of the domestic partner are not eligible for FSA participation.

Dependent child

Dependent children include individuals who have their principal resident with an individual, who rely chiefly on an individual for financial support and who is claimed by the individual as a dependent for federal tax purposes.

Dependent children also include unmarried natural, step, legally adopted children, and any children who are in an individual's custody under an interim court order prior to the finalization of adoption proceedings. Any children who are dependent upon an individual for financial support and maintenance because of mental retardation or physical disability will be eligible regardless of age.

Dependent children do not include foster children or grandchildren. MANNA Worldwide, Inc. reserves the right to require sufficient proof of dependent status in determining eligibility.

Parents and grandparents

An individual's parents, grandparents and in-laws are not eligible to participate in the FSA plan.

Duration of eligibility

Participation in the Plan may continue for as long as an individual remains an eligible individual and receives compensation through the MANNA Worldwide, Inc. payroll system.

HEALTH CARE FLEXIBLE SPENDING ACCOUNT

Summary

The purpose of the FSA Health Care Account is to provide a tax-savings program for an individual to reimburse himself or herself for out-of-pocket expenses not covered by an individual nor spouse's medical, dental or vision plans.

Maximum contributions: The maximum annual contribution is \$2,650.

Minimum contributions: The minimum annual contribution is \$100.

Eligible Expenses

The expense must not be covered by a health, dental or vision plan or spouse's plan. The expense must be included in the IRS list of eligible tax deductible expenses contained in Publication #502, *Medical and Dental Expenses*. A complete list may be obtained online at <http://www.irs.gov/pub/irs-pdf/p502.pdf>. The expenses must be incurred by the participant or his or her eligible dependents (spouse and any children). To qualify, the dependent must be claimed as a tax exemption on the individual's federal income tax return.

Eligible expenses can be taken either as a tax deduction on the annual federal income tax return (IRS form 1040) or used toward Health Care Account reimbursement. An individual must select one method or the other because a deduction cannot be claimed for an expense that has been reimbursed through the FSA account.

Examples of Eligible Expenses

Typically, eligible out-of-pocket health care expenses are expenses incurred for medical care. Such expenses include amounts paid for the diagnosis and treatment of illness or injury including prescription drugs.

Expenses associated with certain over-the-counter drugs and other items are also eligible for reimbursement with a written prescription from your doctor. Among eligible medications are Acid Controllers, Allergy & Sinus, Antibiotic Products, Antidiarrheals, Anti-Gas, Anti-Itch & Insect Bite, Anti-Parasitic Treatments, Baby Rash Ointments/Creams, Cold Sore Remedies, Cough, Cold & Flu, Digestive Aids, Feminine Anti-Fungal/Anti-Itch, Hemorrhoid Preps, Laxatives, Motion Sickness, Pain Relief, Respiratory Treatments, Sleep Aids & Sedatives, Stomach Remedies. All forms of these medications (e.g., tablet, liquid, capsule, drops, etc.) are eligible and include generic and store or name brand.

Also included are drugs which were recently made available over-the-counter and no longer require a prescription such as Band-Aid®, Elastic Bandages & Wraps, Birth Control, First Aid

Supplies, Braces & Supports, Insulin & Diabetic Supplies, Catheters, Ostomy Products, Contact Lens Solution/Supplies, Reading Glasses, Denture Adhesive, Wheelchairs, Walkers, & Canes, and Diagnostic Tests & Monitors to be eligible for reimbursement.

Expenses must be for the treatment of an existing disease or to prevent a disease that is likely to occur if the medication is not taken. They do not include toiletries and cosmetics, vitamins and dietary supplements or herbal remedies.

Examples of Ineligible Expenses

The following are examples of health care expenses which do not qualify for reimbursement: Health insurance premiums, Medicare Part B premiums, vitamins, marriage or family counseling, custodial care in an institution, health club dues and homeopathic medicine.

BENEFITS OF FLEXIBLE SPENDING ACCOUNTS

Contributions to the FSA Plan are exempt from taxation at the time of payroll deduction. The reimbursement of claims is also exempt from taxation. Plan participants save taxes related to paying out-of-pocket health, dental and dependent care expenses. Such expenses may include prescription co-payments, physician office visit co-payments, deductibles, coinsurance, eye glasses, and orthodontia care and child care services.

CONTRIBUTIONS**Contribution Tax Status**

Contributions are deducted from paychecks on a pre-tax basis. This means that the contribution amount is excluded as taxable earnings.

Contribution Deduction Schedule

For individuals who are paid on a monthly basis, contributions are deducted from the paycheck issued the last working day of each month.

Contribution Coverage Period

Contributions are deposited to an individual's account the month the contributions are deducted from individual's paycheck.

ENROLLMENT PROCEDURES

Initial Hire or Benefits Eligibility

An individual must enroll in a FSA Plan by completing the Enrollment Form and submitting to the MANNA office no later than 31 days from the date of hire or initial benefits eligibility.

After Hire or Initial Benefits Eligibility

After hire or initial eligibility, an individual may elect FSA participation; change the amount of the contribution as a result of marriage, birth or adoption of a child provided the individual notifies the MANNA office and completes the enrollment process no later than 31 days from the date of a change in family status.

Open Enrollment

Open Enrollment is the one time each year when plan changes and premium rates for the next calendar year are communicated to benefits eligible employees. During Open Enrollment, an individual may elect to enroll or re-enroll in the FSA Plan.

Re-enrollment Requirement

Eligible employees must re-enroll in the FSA plan in order to continue participation for the next calendar year. An Enrollment Form must be submitted to the MANNA office prior to January 15 to be effective for that calendar year.

EFFECTIVE DATES OF COVERAGE

Initial Hire or Benefits Eligibility

The effective date of FSA coverage is the first of the month following the date of hire or initial benefits eligibility.

After Initial Eligibility

The effective date of FSA coverage is based on the date of a qualifying change in employment or family status. An individual may drop FSA coverage by submitting a written request to the MANNA office no later than 31 days from the date of a qualifying change in family or employment status.

Open Enrollment

The effective date of FSA coverage is January 1st.

HEALTH CARE ACCOUNT CLAIMS

Completed claim forms, accompanied by receipts for the services, may be submitted to the MANNA office.

Deadlines for filing Health Care FSA claims are from the date of eligibility during the current calendar year to March 15th of the following calendar year. Participants will have until March 31st of the following calendar year to submit claims for those dates of service. Any money not claimed by April 1st, of the following calendar year will be forfeited under IRS regulations.

Any deposits from the previous calendar year that remain in the account on April 1 of the following calendar year must be forfeited under IRS regulations.

Required Documentation

To file a claim for reimbursement from the Health Care Account, an individual must submit evidence of a qualified expense.

Examples of proper claim documentation include:

- A document referencing the date of service, provider, amount billed and paid, and the type of service.
- A canceled check accompanied by a third party statement as verification of the incurred health care expense.
- An Explanation of Benefits (EOB) statement received from a medical or dental insurance plan.

Amount of Reimbursement

There is no minimum claim amount. If the amount of a health care account claim exceeds the current reimbursement account balance, the claim will be paid up to the amount of the current balance in the employee's FSA.

Reimbursement after a Change in Family Status

Reimbursement relating to a spouse or dependent child added as a result of a change in family status applies only to services received during the new coverage period for the covered individual.

Appealing a Denied Claim

If an employee wishes to appeal a denied claim, he or she may contact the Plan Administrator. The Plan Administrator will be assist you in the process of appeals or understanding what proof may be needed to get the claim paid.

A decision will be made on the appeal within 60 calendar days after the request for review is received, unless special circumstances arise. In such cases, an individual will be notified that up to 60 additional days may be required.

Plan Administrator decisions concerning appeals will be final and binding on individuals, dependents and all other interested parties. In no event will a participant or a family member be entitled to challenge a decision of the Plan Administrator in court or in another administrative proceeding, until all appeal procedures described above have been exhausted.

CHANGES IN EMPLOYMENT OR FAMILY STATUS

This section summarizes the impact of changes in employment or family status on FSA Account coverage. The effective date of the change will be the date of the Family Status event.

After hire or initial eligibility, an individual may elect coverage, change his or her annual election or drop coverage as a result of a qualifying change in family or employment status by submitting a written request to the MANNA office within 31 days from the date of a qualifying change in family status.

Leaves of Absence

An individual may continue to submit FSA claims for services received during the period he or she was actively making contributions to the FSA Account.

Termination of Employment

Participation in an FSA Account generally ends at the end of the month employment is terminated or an individual no longer meets the eligibility requirements (i.e., change to a position not eligible for benefits). An individual has until the annual claim filing deadline of that year to submit claims for the expenses incurred prior to termination of employment or loss of benefits eligibility.

Retirement

An individual may continue to submit FSA claims for reimbursement for services received prior to the date of retirement.

SUMMARY

Name of Plan: MANNA Worldwide, Inc. Flexible Spending Account Plan

Date Established: January 1, 2010

Type of Plan: Fringe benefit

Plan Year: January 1 through December 31

Plan Sponsor – Employer: MANNA Worldwide, Inc.
4255 W. Risinger Rd.
Fort Worth, TX 76123
817-346-3641

Employer Identification
Number: 75-2931604

Plan Administrator: MANNA Worldwide, Inc.

Contributions: Employee salary reduction