Benefits Handbook Date November 1, 2018

Dependent Care Flexible Spending Account

Marsh & McLennan Companies

Dependent Care Flexible Spending Account

The Dependent Care Flexible Spending Account Plan (Plan) allows you to put aside money before taxes are withheld so that you can pay someone to care for your eligible dependents while you and your spouse (if you are married) work, look for work, or go to school full time.

Plan Summary

This section provides a summary of the Dependent Care Flexible Spending Account Plan.

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The Plan at a Glance

Plan Feature	Highlights
How the Plan Works	▪ You may contribute to the Plan through payroll deductions on a before-tax basis. ▪ When you have reimbursable dependent care expenses, you can receive your money back tax-free, up to the amount that is in your account when you ask for reimbursement.
Eligibility	▪ You are eligible if you are an employee classified on payroll as a US regular employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies (other than Marsh & McLennan Agency LLC and any of its subsidiaries (MMA) and Mercer PeoplePro). ▪ You are eligible if you are an employee classified on payroll as a US regular employee of Marsh & McLennan Agency LLC – Corporate (MMA-Corporate), Marsh & McLennan Agency LLC – Alaska (MMA-Alaska), Marsh & McLennan Agency LLC – Southwest (excluding MHBT Inc., IA Consulting, Insurance Partners of Texas and Hendrick & Hendrick, Inc.) (MMA-Southwest), Marsh & McLennan Agency LLC – Northeast (MMA-Northeast), or Security Insurance Services. ▪ See “Participating in the Plan” on page 3 for details.
Enrollment	▪ You are eligible to enroll: – within 30 days of the date you become eligible – during Annual Enrollment. ▪ You must enroll each PLAN YEAR in order to participate in the Dependent Care Flexible Spending Account.
Contributions	▪ You can contribute: – between $120 and either: ▫ $2,500 per year if you are married and you and your spouse file separate income tax returns, or ▫ $5,000 per year if you are single or if you are married and you and your spouse file a joint income tax return.
Reimbursements	▪ In general, the Plan will reimburse expenses: – for care provided to your qualifying family members during the hours that you and your spouse are working, looking for work, or attending school full time – that generally could be applied as a dependent care tax credit on your tax return if you did not use the Plan – for dependent care services in the plan year for which you make contributions.
Unused Contributions	▪ In accordance with IRS rules, you will forfeit any account balance remaining in your Dependent Care Flexible Spending Account not used to pay eligible expenses incurred between January 1 and December 31 of the plan year if they are not submitted by March 31 of the following year. ▪ You have until March 31 of the following year to submit claims for reimbursement of eligible expenses you incur during the plan year.

Plan Feature	Highlights
Qualifying Family Members	▪ Generally, a qualifying family member is: – your qualifying child under age 13 who lives with you for more than half the year, if you claim your child as a dependent on your tax return – a dependent of any age, like a parent, grandparent, brother or sister, who is physically or mentally not able to provide self-care, who lives with you for more than half the year, and whom you claim as a dependent on your tax return – your spouse who is physically or mentally not able to provide self-care and who lives with you for more than half the year. ▪ See "Participating in the Plan" on page 3 for more details.
Contact Information	For more information, contact: Trion Spending Account Service Center (Claims Administrator) 2300 Renaissance Boulevard King of Prussia, PA 19406 Phone: +1 866 324 4087 Fax: +1 888 788 1928 Website: **http://trion.lh1ondemand.com** Marsh & McLennan Companies does not administer this plan. Trion's Flexible Spending Account's decisions are final and binding.

Participating in the Plan

You are eligible to participate in the Dependent Care Flexible Spending Account if you meet the eligibility requirements described in the *Participating in Spending Accounts* section.

You may participate in the Dependent Care Flexible Spending Account if you pay someone to care for your qualifying family members.

You can enroll in this Plan even if you are not enrolled in any other Company plan.

Enrollment

To participate in this Plan, you must enroll for coverage. You may enroll:

- within 30 days of the date you become eligible to participate
- during Annual Enrollment
- within 30 days following a qualifying change in family status that makes you eligible to enroll.

You must enroll each PLAN YEAR in order to participate in the Dependent Care Flexible Spending Account.

Enrollment procedures are described in the *Participating in Spending Accounts* section.

Contributions

How do I decide how much to contribute?

You select an amount to contribute for the PLAN YEAR. In general, you and your spouse are each limited to the maximum contribution allowed by the IRS and, if less, your respective employer's plan. For the Plan, you can contribute between $120 and $5,000 if you are married and file a joint tax return, or $2,500 if you are married and file separate income tax returns, subject to the minimum income limit.

Any amount you may have contributed to a Dependent Care Flexible Spending Account with a former employer in a calendar year counts toward that year's maximum. For example, if you:

- contributed $2,000 to your former employer's Dependent Care Flexible Spending Account from January through April, and
- began contributing at Marsh & McLennan Companies in May, then
- the maximum amount you are allowed by law to contribute to the Company Dependent Care Flexible Spending Account is $3,000 for the remainder of the calendar year.

Since you will forfeit any amounts that you do not use for expenses incurred by December 31 and you cannot change the contribution election once you make it unless you have a qualified family status change or your dependent care provider (e.g., child's day care provider) or eligible expense changes, you should carefully estimate your eligible expenses before deciding on an amount to contribute.

You have to contribute to the Plan to be reimbursed for eligible expenses you incur during the plan year. You cannot be reimbursed for services that are provided before your coverage begins or after your coverage ends.

Once your election is made it cannot be changed unless you have a qualified family status change and then any changes must be due to, and consistent with, the qualified family status change.

Additionally, although not a qualified family status change, you can change the amount you contribute if your dependent care provider (e.g., child's day-care provider) or eligible expense changes during the year.

The Dependent Care Flexible Spending Account cannot be used for health care expenses INCURRED by any of your family members or tax dependents, so do not include health care expenses when you are calculating your Dependent Care Flexible Spending Account election. If you enroll by mistake in the Dependent Care Flexible Spending Account, you cannot transfer the balance to a Health Care Flexible Spending Account or cancel the account during the year.

Does the Company contribute to my Dependent Care Flexible Spending Account?

No, the Company does not make contributions to your account.

What is the minimum amount I can contribute?

You can contribute a minimum amount of $120 per plan year to the Plan.

What is the maximum amount I can contribute?

In general, you and your spouse are each limited to the maximum contribution allowed by the IRS and, if less, your respective employer's plan. You can contribute up to a maximum amount of $5,000 per plan year to the Plan if you are married and file a joint income tax return or $2,500 if you are married and file separate income tax returns. Any amount you may have contributed to a Dependent Care Flexible Spending Account with a former employer in a calendar year counts toward that year's maximum. If both you and your spouse work for the Company, together, you and your spouse can contribute up to a maximum of $5,000 per year to the Plan.

Tax law and IRS rules require that the Plan meet certain non-discrimination tests. Failure to meet such tests will result in the elections of higher-paid participants be reduced or capped. You will be notified if you are affected.

My spouse contributes to his/her employer's dependent care flexible spending account; is there a limit to how much I can contribute to my Dependent Care Flexible Spending Account?

You and your spouse are each limited to the maximum contribution allowed by the IRS and, if less, your respective employer's plan. You can only submit a claim once and only to one dependent care flexible spending account.

Also, according to IRS rules:

- if you file a joint tax return, you and your spouse can contribute up to a combined total of $5,000 per year
- if you and your spouse file separate tax returns, you can each contribute up to $2,500 per year
- you can't contribute more than the amount of your earned income or your spouse's earned income, whichever is less.

If both you and your spouse contribute to a Dependent Care Flexible Spending Account, you can only be reimbursed once for any eligible expense.

My spouse and I both work for the Company; how much can we contribute to the Plan?

The contribution limits that the Plan imposes on married couples are the same as the IRS limits for married couples. Together, you and your spouse can contribute up to a maximum of $5,000 per year to the Plan. For each expense, you can only submit a claim once and only to one Dependent Care Flexible Spending Account. If you and your spouse each contribute to a Dependent Care Flexible Spending Account, you can only be reimbursed once for any eligible expense.

How are contributions credited to my account?

Your contributions will be deducted on a before-tax basis each pay period and will be credited to your account.

When will contributions start to come out of my paycheck?

When you first enroll as a newly eligible employee or as a result of a qualified family status change, your contributions will begin in the next available pay period after your enrollment is processed.

If you enroll during the Annual Enrollment period, your contributions will begin with the first pay period of the new plan year.

Can I transfer contributions between my Dependent Care and Health Care Flexible Spending Accounts?

No, the IRS requires that this Plan and the Health Care Flexible Spending Account remain separate. You cannot transfer money between accounts or use money in one account to be reimbursed for expenses related to the other account.

What happens to contributions in my Dependent Care Flexible Spending Account that I have not used by the end of the plan year?

In accordance with IRS rules, you will forfeit any account balance that is not used to pay eligible expenses incurred between January 1 and December 31 of the plan year if they are not submitted by March 31.

If your participation ends during the plan year, you will not be reimbursed for expenses incurred after the date your participation ends (for example, after your employment ends). You will, however, have until March 31 of the following plan year to submit for reimbursement for eligible expenses you incurred during the plan year while you were participating.

Taxes

See the *Participating in Spending Accounts* section for more information about taxes.

Should I use this Plan or the federal dependent care tax credit?

For most individuals, participating in a Dependent Care Flexible Spending Account will produce the greater federal tax savings, but there are some for whom the opposite is true. (And in some cases, the federal tax savings from participating in a Dependent Care Flexible Spending Account will be only marginally better.) Because the preferable method for treating benefits payments depends on certain factors, such as your tax filing status (e.g., married, single, head of household), number of qualifying individuals, earned income, etc., you will have to determine your tax position individually in order to make the decision. Use IRS Form 2441 (“Child and Dependent Care Expenses”) to help make this determination.

Also note that a tax credit is a dollar-for-dollar reduction in the amount of tax due, whereas pre-tax contributions to a Dependent Care Flexible Spending Account are subtracted from gross income, on which income tax is calculated.

You should consult a professional tax advisor for further information.

Can I claim my reimbursed expenses as a credit on my federal tax return?

No. If you are reimbursed for an eligible expense from the Plan, you can not claim it as a credit on your federal income tax return.

How the Plan Works

You may contribute to the Plan through payroll deductions on a before-tax basis. When you have reimbursable dependent care expenses, you can receive your money back tax-free, up to the amount that is in your account when you ask for reimbursement.

The IRS allows you to contribute to this Plan if:

- you are single and work
- you and your spouse both work, or your spouse is actively looking for paid work
- your spouse is a full-time student for at least five months of the year
- your spouse is physically or mentally not able to provide self-care.

You contribute to the Dependent Care Flexible Spending Account over a 12-month PLAN YEAR, from January 1 to December 31 (or fewer months, if you start or stop participating during the plan year as the result of a qualified family status change). You may use your Dependent Care Flexible Spending Account to be reimbursed for eligible expenses INCURRED during the plan year. You have until March 31 of the following plan year to submit for reimbursement of eligible expenses you incurred during the plan year.

In accordance with IRS rules, you will forfeit any account balance not used to pay eligible expenses incurred by December 31 of the plan year if they are not submitted by March 31.

Example: You can use your 2018 Dependent Care Flexible Spending Account to be reimbursed for eligible expenses incurred between January 1 and December 31, 2018 (the plan year). You must submit claims for those eligible expenses no later than March 31, 2019.

Impact on Benefits

Can I change my Dependent Care Flexible Spending Account election due to a change to my current dependent care provider or a significant cost increase charged by my current dependent care provider?

Yes. You can change the amount you contribute if your dependent care provider (e.g., child’s day-care provider) or eligible expense changes during the year; however, a change to your dependent care provider or eligible expense is not a qualified family status change and you are not permitted to make other changes to your benefits. All changes must be made within 30 calendar days following the change in your child care/elder care provider or cost of coverage.

Reimbursements

In general, the Plan will reimburse expenses:

- for care provided to your qualifying family members during the hours that you and your spouse are working, looking for work, or attending school full time
- that generally could be applied as a dependent care tax credit on your tax return if you did not use the Plan
- for dependent care services in the PLAN YEAR for which you make contributions.

For guidelines on what constitutes reimbursable expenses, see IRS Publication 503 or contact the Claims Administrator.

Who are the qualifying family members whose expenses may be reimbursed?

Generally, a qualifying family member is:

- your qualifying child under age 13 who lives with you for more than half the year, if you claim your child as a dependent on your tax return
- a dependent of any age, like a parent, grandparent, brother or sister, who is physically or mentally not able to provide self-care, who lives with you for more than half the year, and whom you claim as a dependent on your tax return (or whom you could claim, except that:
  - he or she received gross income above the IRS limitation,
  - he or she is married and filed a joint return with his or her spouse, or
  - you, or your spouse if filing jointly, could be claimed as a dependent on someone else's return.)
- your spouse who is physically or mentally not able to provide self-care and who lives with you for more than half the year.

If you are divorced or separated, your child may be considered your qualifying family member even if you do not claim your child as a dependent on your tax return. Contact a professional tax advisor to determine if your child can qualify.

Unless your domestic partner or his or her children meet the qualifying family member definition above, the federal government does not permit you to use Dependent Care Flexible Spending Accounts for expenses INCURRED by your domestic partner or his or her children.

How do I get Dependent Care Flexible Spending Account reimbursements?

There are several ways for you to be reimbursed for eligible Dependent Care Flexible Spending Account expenses:

- you can use the Benny® Prepaid MasterCard® at point of service with a qualifying provider to pay for eligible expenses without needing to submit claims. When you use the Benny® Prepaid MasterCard® at a qualifying provider the funds are automatically deducted from your Dependent Care Flexible Spending Account for payment. Using the Benny® Prepaid MasterCard® reduces out-of-pocket payments and paperwork, as well as the need to wait for reimbursement checks.
  - If you participate in the Health Savings Account and the Plan and use the Benny® Prepaid MasterCard® to pay for eligible dependent care expenses at a provider who is not a qualifying provider, the cost of the expense will be deducted from your Health Savings Account and you will be subject to federal, state, and local taxes as applicable, and in some cases a 20% penalty tax.
- you can submit a claim for reimbursement either online at the Spending Account Service Center, mobile app (Spending Account Mobile Center for your Android or iPhone, also compatible with iPad® and iPod touch®), by fax at 888 788 1928 or by mail.

Claims Submission by Mail:

Spending Account Service Center
FSA Claims Processing
2300 Renaissance Boulevard
King of Prussia, PA 19406

Include:

- Trion Dependent Care Flexible Spending Account Claim Form
- Itemized bill or receipt and proof of payment if your provider does not complete the provider information of the claim form.
- Acceptable supporting documentation includes:
  - Name and address of the day care provider
  - Tax ID Number or Social Security Number of day care provider
  - Dates of services for which you are being charged
  - Amount you are being charged
- Provider Signature

You should keep copies for your records.

What is the Benny® Prepaid MasterCard®?

The Benny® Prepaid MasterCard® is a special-purpose MasterCard® that gives you an automatic way to pay for eligible expenses at a qualifying provider without needing to submit claims. The Benny® Prepaid MasterCard® lets you electronically access your contributions to your Dependent Care Flexible Spending Account at qualifying providers.

Trion will provide two (2) Benny® Prepaid MasterCards®, which will be loaded with your Dependent Care Flexible Spending Account contributions as they are deducted from your pay. Additional or replacement cards are available for a $10.00 fee (come in packages of 2 cards) charged directly to your account. If you participate in more than one account, the fee would be charged first to your Health Care Flexible Spending Account or Limited Purpose Health Care Flexible Spending Account, then your Dependent Care Flexible Spending Account before being charged to your Health Savings Account.

How does the Benny® Prepaid MasterCard® work?

The Benny® Prepaid MasterCard® works like a debit card, with your account balance stored on it. When you use the Benny® Prepaid MasterCard®, the amount of the eligible expenses will be deducted automatically from your Dependent Care Flexible Spending Account and payment will be electronically transferred to the provider/merchant. There are no monthly bills and no interest.

Please be aware that your contributions to the Dependent Care Flexible Spending Account are funded to the Benny® Prepaid MasterCard® as they are deducted from your pay, so it is important to be aware of your account balance in order to avoid card declines at the point of service.

Who issues the reimbursements?

Reimbursements are issued by the Claims Administrator. You can submit your eligible expenses for reimbursement at any time after you incur the expense, provided that you submit your claim for reimbursement before the claims submission deadline of March 31 of the following plan year.

Where can I get a Dependent Care Flexible Spending Account Claim Form?

Forms can be found on Colleague Connect. You can download the Trion Dependent Care Flexible Spending Account Claim Form by going to Colleague Connect (**https://colleagueconnect.mmc.com**). Click **Career & Rewards** and select **Find a Document**.

Forms can also be found on the Claims Administrator’s website or be requested from the Claims Administrator by calling +1 866 324 4087.

How is the reimbursement paid from my account?

For eligible expenses that are not reimbursed by using the Benny® Prepaid MasterCard®, you must submit a claim for reimbursement. The Claims Administrator will reimburse eligible expenses directly to you from your Dependent Care Flexible Spending Account. The Claims Administrator will do one of the following:

- deposit your reimbursement amount directly into your checking or savings account. To establish direct deposit of your reimbursement, you will need to provide your direct deposit information to the Claims Administrator by completing a Direct Deposit Authorization Form, accessible online through the Trion Spending Account Service Center.
- send your check to your home address if you do not have direct deposit on file with the Claims Administrator.

Your first reimbursement may be paid by check while the Claims Administrator authenticates your bank information for direct deposit.

How long does it take for claims to be processed?

Reimbursements are processed within three to four business days of the Claims Administrator's receipt of the completed claim form and required documentation.

Do I need a minimum amount of expenses before I can be reimbursed?

No. There is no minimum when submitting a claim for reimbursement.

What if the amount of my expense is more than I have in my account?

You will be reimbursed up to the amount you have in your account. The balance will be paid once there is enough in your account to be reimbursed for it. You cannot be reimbursed for more than your annual election.

Can I be reimbursed before I pay my provider?

Yes, but you must submit documentation confirming that services were rendered including dates of service, services rendered and your cost for these services (such as an itemized statement from your provider) before you can be reimbursed for eligible expenses.

Can I use the Benny® Prepaid MasterCard® to pay in advance for eligible Dependent Care Flexible Spending Account expenses?

No. You can only use the Benny® Prepaid MasterCard® to pay for eligible expenses for dependent care after the care has been provided.

Can I be reimbursed for expenses incurred before participation in the Plan?

No, expenses incurred before your participation begins cannot be reimbursed.

How often can I request reimbursement?

You can submit your expenses for reimbursement as often as you would like, provided that you submit your claim for reimbursement before the claims submission deadline of March 31 of the following plan year.

What happens to contributions in my spending account that I haven't used at year end?

In accordance with IRS rules, you will forfeit any account balance not used to pay eligible expenses incurred between January 1 and December 31 of the plan year if they are not submitted by March 31 of the following plan year.

Expenses must be incurred while you are participating. If your participation ends during the year, you will not be reimbursed for expenses incurred after the date your participation ends (for example, after your employment ends). You will, however, have until March 31 of the following plan year to submit for reimbursement eligible expenses you incurred during the plan year while you were participating.

How can I get a copy of IRS Publication 503?

Go to www.irs.gov and enter "503" in the "Search" box for more information about reimbursable dependent care expenses.

You may also contact the Claim Administrator for information about reimbursable dependent care expenses.

Examples of Eligible Expenses

Expenses reimbursed by this Plan include:

- care at licensed nursery schools (below kindergarten), day camps (not overnight camps), before- or after-school programs at kindergarten and beyond, and day care centers for dependent adults or children. To qualify, the school or center must comply with state and local laws and receive a fee for its services
- care provided in or outside of your home by individuals who may be relatives but who cannot be your children under age 19 or your tax dependents
- household services related to the care of eligible dependents who live with you
- any other qualified dependent care expense as defined by the Internal Revenue Code.

For guidelines on reimbursable expenses, check the current Internal Revenue Service guidelines, IRS Publication 503, or contact the Claims Administrator.

When you file your claim for reimbursement, you must provide:

- the Social Security number for individual dependent care providers, and
- the taxpayer identification number for care centers and schools.

Examples of Ineligible Expenses

You cannot be reimbursed for dependent care expenses:

- that you claim as a tax credit on your income tax return (generally you can claim either a tax credit or have expenses reimbursed under the Plan, but not both. Note, though, that if you have expenses for two or more qualifying dependents, you may be able to claim a tax credit for expenses over the $5,000 PLAN YEAR limit)
- that do not qualify for an income tax credit on your tax return (if your expenses do not qualify for an income tax credit, they will not qualify as reimbursable expenses under the Plan)
- for services provided by your spouse or a person you claim as a dependent on your income tax return
- for services provided by your child who is under age 19
- that are not work-related
- for services that occurred in another plan year.

These are some examples of expenses that are not eligible for reimbursement:

- baby-sitting when you or your spouse, if married, are not working
- kindergarten and higher grades
- overnight camp
- boarding school
- expenses for child care if you have a non-working spouse who is neither disabled nor a full-time student.

The Dependent Care Flexible Spending Account cannot be used for health care expenses INCURRED by any of your family members or dependents, so be sure not to include health care expenses when you are calculating your Dependent Care Flexible Spending Account. If you enroll by mistake in the Dependent Care Flexible Spending Account, you can’t transfer the balance to a Health Care Flexible Spending Account or cancel the account during the year.

About Your Account

How can I find out my unused account balance and other account information?

You can access Trion's online website, https://trion.lh1ondemand.com, the Spending Account Service Center, 24 hours a day, 7 days a week. The Spending Account Service Center provides you with helpful tools and information such as:

- account elections and balances, year-to-date contributions, submitted/paid claims and issued reimbursements,
- online claim submission,
- direct deposit form, claim forms, and eligible expenses listings.

When will I receive my account statement?

A statement showing your account activity will be issued twice per year, in October and December, and with each reimbursement check. Note: if you do not have an account balance at the time the statement is issued, you will not receive an account statement.

What information can I find on my account statement?

You will find the following:

- annual election
- your balance as of the statement date
- year to date reimbursements
- claims filing deadline.

Do I earn interest on my account?

No, your account does not earn interest.

Glossary

Claims Filing Deadline

The claims filing deadline is March 31 following the end of the plan year. For example, for the 2018 plan year, your eligible expenses must be incurred no later than December 31, 2018 and must be submitted to the Claims Administrator by March 31, 2019 (the claims filing deadline).

Incurred

Expenses are treated as having been incurred when the care or service is provided, not when you are billed or pay for it.

Plan Year

The plan year is January 1 through December 31.