

Cornell University
Division of Human Resources

Benefit Services

Select Benefits Summary Plan Booklet 2009

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Introduction to Your Reimbursement Accounts

Medical, dental, and vision expenses can sometimes put a strain on your monthly finances, even if you have insurance coverage.

The same is true for dependent care expenses if you need childcare or care for elderly parents.

Cornell University understands this. That is why we offer the Medical Care and Dependent Care reimbursement accounts through *Select Benefits*. These accounts are not insurance coverage. They help you reduce your out-of-pocket expenses by taking advantage of a federal law that gives you an immediate tax break when paying for services covered under the program—services that you have to pay for anyway.

These accounts work pretty simply. You put money into either or both accounts through payroll deduction *before your taxes are calculated and deducted*. This means you save on your federal income taxes and Social Security taxes. In most, but not all, states you will save on state income taxes, too! When you have an eligible expense, you file a claim. You are then reimbursed with tax-free money.

These accounts are **voluntary**. *You decide if you want to participate*. While the Dependent Care Reimbursement Account primarily benefits working parents and employees with dependent parents, almost everybody will benefit from participating in the Medical Care Reimbursement Account. That is because almost everybody has medical, dental, or vision care expenses that are not paid for by an insurance program. You are currently paying these expenses out of your own pocket on an after-tax basis. If you pay on a before-tax basis through the Medical Care Reimbursement Account, you can save 20-35% or more, depending on your overall tax rate.

While there are tremendous potential tax savings that come from participating, you need to carefully consider your contributions to the reimbursement

accounts. *Under current tax rules, any expense that is not incurred by March 15 and reimbursed by April 30 of the year following the year you made the contribution is forfeited*. This is sometimes called the “use-it-or-lose-it” rule. That is why you should estimate carefully and conservatively, setting aside only money you feel certain that you will spend for health care and/or dependent care expenses during the year.

This booklet provides the highlights of the reimbursement accounts. It also includes worksheets for you to estimate how much to contribute to each reimbursement account, as well as information on how to file claims for reimbursement.

Eligibility and How to Enroll

Eligibility

You can participate in the reimbursement accounts if you are a regular full-time or part-time faculty or staff member working at least 50 percent time, 20 hours per week, respectively. Both endowed and contract college faculty and staff are eligible.

Employees of the Arecibo Observatory who live in Puerto Rico cannot participate in *Select Benefits* due to Puerto Rico tax law limitations.

Minimum and Maximum Contributions

You can participate in either or both of the reimbursement accounts. The minimum contribution required to participate in one reimbursement account is \$120 per calendar year. If you participate in both accounts, the minimum is \$60 per calendar year in each account.

The maximum you can contribute is \$6,500 per year. However, the government imposes a \$5,000 maximum per year on the Dependent Care Reimbursement Account. If you decide to participate only in the Medical Care Reimbursement Account, you can put up to a total of \$6,500 in that account.

If you are eligible for both accounts, you will need to decide how much money you want to put into each, up to the \$6,500 maximum (including \$5,000 for the Dependent Care account).

The same annual maximums apply to nine-month appointments as to twelve-month appointments.

New employees joining the *Select Benefits* plan for less than a full calendar year are subject to the minimum and maximum contributions described above for the balance of the calendar year.

How to Enroll

If you want to participate, you must submit a completed enrollment form during the annual Open Enrollment period each year. Your decision will be in effect for the entire plan year. Newly hired employees may join the plan within 60 days of their hire date. Your hire date is the eligibility date and your participation will be for the balance of the year.

Participation does not continue automatically from year to year. You must re-enroll each year during the annual Open Enrollment period. You must specify how much you want to contribute in each account, each enrollment period.

Aon Consulting (866) 270-2331, enter company number 0427

Aon Consulting has been contracted to handle the administration of *Select Benefits* claims for Cornell participants. You should contact Aon when you have any questions about the status of your account or of a claim. You should also call them as you consider enrolling every year if you have questions on eligible expenses.

Direct Deposit Option

You have the option of having reimbursement payments directly deposited to a designated bank account. There are several advantages to direct deposit:

- you do not have to go to the bank to make deposits;

- you have no worries about lost or stolen checks;
- deposits can be made to either a checking or savings account; and
- funds are deposited automatically to your designated account several days before first-class mailing of checks would arrive at your home.

To sign up for direct deposit of your reimbursement checks, all you have to do is mail a completed direct deposit enrollment consent form to Aon Consulting. The form is enclosed for your convenience. It is your responsibility to notify Aon if your banking information changes at any time during the plan year. You may also enroll in Direct Deposit or change your banking information through Aon's ClaimsPlus Online System.

ClaimsPlusSM Online System

Aon Consulting has improved the communications process by implementing a web-based system called ClaimsPlus.

ClaimsPlus allows you to access your *Select Benefits* Health Care and Dependent Care Accounts on the web in a secure environment.

ClaimsPlus advantages allow you:

- Real-time web access 24 hours a day, 7 days a week
- To make claims inquiries and enter claim information quickly and easily
- To view claims reimbursement and contribution history
- To receive e-mail notification when a claim is approved, denied or when reimbursement is issued
- The capability to provide and update direct deposit information
- Online access to claims kit and claims form(s)
- To receive electronic participant statements sent via work e-mail.

You will receive a ClaimsPlus claims kit if you enroll in either the Medical Care Account or the Dependent Care Account.

How Your Medical Care Reimbursement Account Works

Your Medical Care Reimbursement Account works simply. When you enroll, you choose to contribute a set amount to your account through payroll deduction on a before-tax basis. When you have an expense that qualifies for reimbursement, attach the insurance company explanation of benefits (EOB) form, or a receipt from the health care provider, to a completed claims form(s) and submit the claim. Claims are processed daily; you will receive a tax-free check or have the amount direct-deposited to your bank account.

With this account, you reimburse yourself with the before-tax dollars you set aside to pay for medical, dental, or other health care expenses not covered, or paid in full, by your insurance plans. You never have to pay taxes on the money you receive from your reimbursement account. That means permanent tax savings, which helps your health care dollars go farther.

Example of Tax Savings

John and his spouse have a combined adjustable gross income of \$80,000 and two dependent children. John expects to have \$6,500 of health care expenses that will not be paid by the medical, dental and vision plans. He chooses not to contribute to a Dependent Care Reimbursement account this year. Instead, he decides to contribute the maximum amount allowed to a Medical Care Reimbursement Account to cushion against the upcoming health care expenses. At enrollment, John agrees to set aside \$6,500 in a Medical Care Reimbursement Account. The potential tax savings are shown in the following chart:

	Without a Medical Care Reimbursement Account	With a Medical Care Reimbursement Account
Family Earnings	\$80,000	\$80,000
Medical Care Reimbursement Account Contribution	\$0	\$6,500
Adjusted W-2 Earnings	\$80,000	\$73,500
Estimated Tax Savings	\$0	\$2,122

Note: This example is based on 2008 IRS Income Tax tables and assumes only one of many possible tax variations (including federal tax rate of 25% plus 7.65% FICA, totaling 32.65%). Because your financial situation may be different, you should discuss your particular situation with a qualified financial advisor.

Filing a Claim

When filing a claim, you must complete a claims form(s) and supply supporting documentation. If your claim is for a medical condition that is covered by a medical, dental, or vision plan, you will need to file your claim with that plan first. After that claim is processed, you then can submit a copy to Aon Consulting of the EOB that you receive from the insurance company, showing what was paid by the insurance plan. Claims for eligible expenses that are not covered by a health care plan can be submitted directly for payment by completing a claims form(s) and attaching the itemized receipt.

Claim reimbursement is based on the date you receive the health care service, not the date you pay the invoice or the date you are billed. With the Medical Care Reimbursement Account, you may be reimbursed for your entire claim, even if you do not yet have the entire claim amount in your account. The plan makes its reimbursements based on the amount you have agreed to put in the plan for the year, not the amount you have put into your reimbursement account to date.

When you enroll, you will receive a claims kit containing claims form(s) and the procedures you need to follow when filing a claim. The basic guidelines for filing claims against your reimbursement account and instructions for submitting a claim are printed on the back of the claims form(s). Submit your claims to Aon Consulting, Flex Administration #00559, PO Box 3002, Arlington Heights, IL 60006-3002.

Eligible Medical Care Expenses

You may use your Medical Care Reimbursement Account to reimburse yourself for the following out-of-pocket expenses incurred during the year:

- deductible amounts you have to pay under your Cornell medical and dental plans, or under your spouse's plans
- the portion of covered expenses that you have to pay (called a copayment) for any medical or dental bills after you have met your deductible
- any amounts that you are required to pay after any maximum benefit under a medical or dental plan has been paid
- any other health care expenses not covered by a health care plan that otherwise would be eligible for deduction when you file your tax return. These can include fees for:
 - Braille books & magazines
 - contact lenses
 - contraceptive devices
 - dental expenses (out-of-pocket)
 - dentures
 - eyeglasses
 - hearing aids cost above health plan benefits
 - lodging expenses when seeking qualifying medical care
 - nursing home (medical portion only)

- opticians
- over-the-counter medicines and drugs that treat conditions rather than maintaining good health
- seeing-eye dogs/guide dogs
- special schools (mentally/physically handicapped)
- transportation to obtain medical care at a medical facility
- copayments, deductibles and coinsurance payments you are expected to make through your health insurance arrangement.

For expenses to be eligible, they must be medically necessary and/or prescribed by your physician, dentist, or vision care doctor.

Note: For a detailed list of eligible and ineligible expenses, refer to IRS Publication 502 available on the IRS Web site at <www.irs.gov> for the definitive list and descriptions.

Ineligible Medical Care Expenses

Medical and dental premiums you pay cannot be reimbursed through the Medical Care Reimbursement Account. In addition, elective cosmetic surgery and similar expenses are not allowable expenses according to the Internal Revenue Service. Other common ineligible expenses include:

- anti-baldness drugs
- baby sitting for a normal, healthy baby
- cosmetic surgery
- cost of dancing or swimming lessons, even if recommended by your doctor
- dental procedures to whiten your teeth
- donations to volunteer ambulance companies
- electrolysis
- funeral and burial expenses

- health club dues
- household help
- maternity clothes
- nutritional supplements
- over-the-counter vitamins, (unless recommended by your doctor and a letter of medical necessity is provided)
- toothpaste, cosmetics, and toiletries
- weight loss programs (unless prescribed by a doctor to alleviate a diagnosed medical condition).

Note: For a detailed list of eligible and ineligible expenses, refer to IRS Publication 502 available on the IRS Web site at <www.irs.gov>.

Please Note: Federal Law Limits Orthodontia Expenses!

Internal Revenue Service rules regarding orthodontia claims are somewhat complicated. If you expect to submit expenses for orthodontia reimbursement, please call Aon Consulting at (866) 270-2331 (enter company number 0427) during the annual Open Enrollment period to help clarify how much you can expect to be reimbursed during the plan year.

There are two basic methods in which you may be reimbursed for orthodontia. You may either submit a contract from your provider to receive scheduled monthly reimbursement based on service dates. Or, you may submit your itemized monthly payment receipt.

Payment based on contract:

If the installation and removal charges are not shown separately on the contract, the reimbursement amount will be determined by dividing the total cost by the number of months during which the service is received. Special payment schedules that do not coincide with the date(s) of service (such as full payment at installation) will be prorated over the period of service.

Aon Consulting will determine the amount eligible for reimbursement. Please note:

- Installation charges are eligible for reimbursement on the installation date (less any insurance benefits)
- Removal charges are eligible for reimbursement when the braces are removed (less any insurance benefits)
- The remaining charges (less any insurance benefits) will be prorated for the number of months of projected payments.

Please note: if your months of service overlap into another plan year, you must re-enroll in the Medical Care spending account to continue reimbursements.

Tax Considerations

The Medical Care Reimbursement Account is based on current tax laws and gives you the advantage of those laws. It is helpful to remember some important points about these tax laws and why the program provides significant financial value to you:

- Currently, only health care expenses over 7 1/2% of your adjusted gross income are deductible for income tax purposes. But with the Medical Care Reimbursement Account, you can save taxes immediately on the very first dollar not reimbursed by your insurance. (Keep in mind that you cannot claim the same expenses through the Medical Care Reimbursement Account and on your tax return.)
- Reducing your taxable income through participation in the account does not affect the amount you may contribute to your 403(b) or Tax Deferred Annuity (TDA) retirement plan.
- Participation may affect your future Social Security retirement benefits. This could happen if your taxable pay, after reimbursement account contributions are taken out, is below the Social Security Taxable Wage Base. For most employees, the immediate tax savings from participation is of far greater value than the long-term impact on Social Security benefits.

How Your Dependent Care Reimbursement Account Works

If you are eligible to participate, you choose to contribute a set amount to your account through payroll deduction on a before-tax basis. With this account, you reimburse yourself with before-tax dollars to pay for dependent care expenses you incur in order to work. (If you are married, the expenses must be incurred in order to allow you and your spouse to work.)

The IRS defines a dependent as:

- Your dependent who was under age 13 who, when the care was provided, you can claim as a dependent on your income tax return; or
- Your dependent (such as a child, parent or grandparent) who is physically or mentally unable to care for himself or herself, even if you cannot claim an exemption for the person for income tax purposes, as long as the person lives in your home at least eight hours a day;
- Also, your spouse who was physically or mentally not able to care for himself or herself, as long as he or she lives in your home at least eight hours a day.

Example of Withholding Tax Savings

Mary and her spouse have a combined adjustable gross income of \$80,000 and one dependent child. Mary expects to have \$3,000 in childcare expenses. This example shows how much she can save on taxes if she agrees to deposit \$3,000 into a Dependent Care Reimbursement Account.

	Without a Dependent Care Reimbursement Account	With a Dependent Care Reimbursement Account
Family Earnings	\$80,000	\$80,000
Dependent Care Reimbursement Account Contribution	\$0	\$3,000
Adjusted W-2 Earnings	\$80,000	\$77,000
Estimated Tax Savings	\$0	\$979

Note: This example is based on 2008 IRS Income Tax tables and assumes only one of many possible tax variations (including federal tax rate of 25% plus 7.65% FICA, totaling 32.65%). Because your financial situation may be different, you should discuss your particular situation with a qualified financial advisor.

Filing a Claim

When filing a claim, you must supply documentation. You will need to submit a completed claims form(s), which includes your dependent care provider's tax identification number or Social Security number information, along with your itemized payment receipt or invoice.

Claim reimbursement is based on the date you receive the dependent care services, not the date you pay the invoice or the date you are billed. Reimbursement is made up to the amount currently in your Dependent Care account. Reimbursement is made to you, not to an outside provider.

Eligible Dependent Care Expenses

You may use your Dependent Care Reimbursement Account to reimburse yourself for the following expenses:

- before- and after-school care for children under age 13;
- private dependent care providers and in-home care, including taxes and expenses paid on behalf of the provider;
- a day camp during school vacation (if not primarily for educational purposes);
- a licensed nursery school, even though the school provides lunch and educational services;
- care for a disabled spouse or another disabled dependent;
- cost of schooling below kindergarten;
- a housekeeper, maid, or cook, but only if at least part of their services are to provide dependent care for a person who qualifies as an eligible family member; and
- elder care for a dependent relative.

Ineligible Dependent Care Expenses

Expenses that cannot be reimbursed through the Dependent Care Reimbursement Account include but are not limited to:

- kindergarten or private school expenses;
- food, clothing or entertainment for a dependent;
- child support payments;
- dependent care expenses not related to both parents working;
- expenses for overnight camps;
- nursing home expenses, unless the dependent spends at least eight hours a day in your household;
- transportation to and from your dependent care provider; or
- amounts you claim as a federal dependent care income tax credit on your federal income tax return.

Note: For a detailed list of eligible and ineligible expenses, refer to IRS Publication 503 and IRS Form 2441 (Child and Dependent Care Expenses) available on the IRS Web site at <www.irs.gov>.

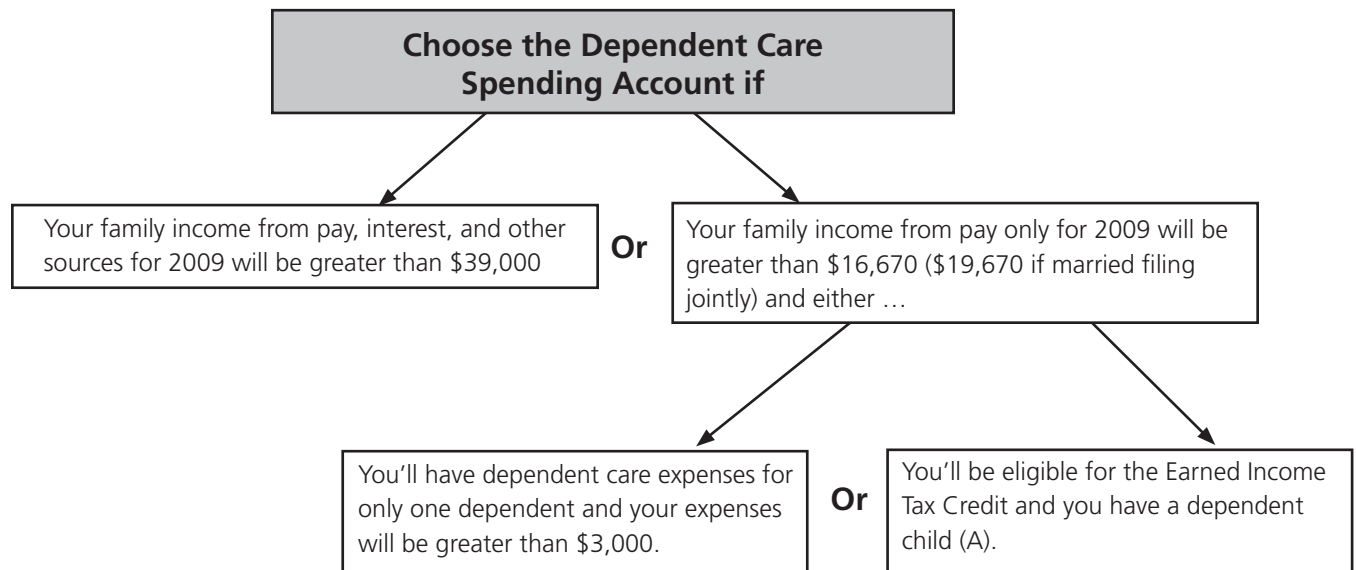
Tax Considerations

The Dependent Care Reimbursement Account is based on current tax laws and gives you the advantage of those laws. It is helpful to remember some important points about these tax laws and why the program provides significant financial value for those who are eligible:

- The law permits you to use the Child Care Credit on your federal and state income tax returns or the *Select Benefits* Dependent Care Reimbursement Account—but not both for the same expenses.
- Your Child Care Credit is reduced dollar-for-dollar by any amount you claim through the *Select Benefits* Dependent Care Reimbursement Account.
- Reducing your taxable income through participation in the account does not affect the amount you may contribute to your 403(b) or Tax Deferred Annuity (TDA) retirement plan.
- Participation may affect your future Social Security retirement benefits. This could happen if your taxable pay, after reimbursement account contributions are taken out, is below the Social Security Taxable Wage Base. For most employees, the immediate tax savings from participation is of far greater value than the long-term impact on Social Security benefits.

Dependent Care Spending Account Or Tax Credit: What Combination Is Right For You?

Both the dependent care spending account and the tax credit are designed to save you money on your dependent care expenses by reducing your taxes. But which is the best option to choose? In general:



(A) *Eligibility for Earned Income Tax Credit:* Several issues help determine eligibility for this tax credit. Typically, the main issue for eligibility is if your income from pay (minus any before-tax benefit deductions) is low enough to qualify.

- If you have one dependent child, your 2009 family income from pay only must be less than \$35,695 (\$38,695 if you're married filing jointly) to qualify.
- If you have more than one dependent child, your 2009 family income from pay only must be less than \$40,578 (\$43,578 if you're married filing jointly) to qualify.

Before-tax contributions you make for health care coverage, the employee savings plan, and flexible spending accounts can help reduce your earned income to the threshold needed to qualify for the earned income tax credit or they can increase the amount of your credit.

The dollar amounts shown above are based on federal law and estimated 2008 tax brackets. You may want to consult your tax advisor for further assistance, especially for factoring in any impact on state income taxes.

Medical Care Reimbursement Account Worksheet

This worksheet will help you calculate how much you need to deposit in the Medical Care Reimbursement Account. Just follow these steps:

- 1) Based on your records for the past few years, fill in your anticipated *eligible* expenses.
 - If the expense is paid by insurance, enter your copayment, any deductible you pay, and any coinsurance amount you pay.
 - If the expense is not covered by any health care plan, enter the entire cost.
- 2) Add up the total annual expenses for you and your family.
- 3) Divide your total annual expenses by the number of pay periods in the plan year to determine a per pay period contribution amount for your own information.
- 4) If you are convinced that you will have the same level of expense this coming year, enter the annual amount on your enrollment form. If you think you will have higher or lower expenses, adjust the contribution amount accordingly. It is always best to estimate conservatively, remembering the "use-it-or-lose-it" rule in the IRS regulations. Enter your annual amount on the enrollment form.

Cost For:	For You	For Your Spouse	For Your Children
Health Plan deductibles	\$	\$	\$
Health Plan copayments	\$	\$	\$
Coinsurance	\$	\$	\$
Travel expenses/medical care	\$	\$	\$
Doctor or clinic visits	\$	\$	\$
Birth control devices (prescribed)	\$	\$	\$
Prescription drug copayments	\$	\$	\$
Routine physicals/exams	\$	\$	\$
Dental care/exams/orthodontia*	\$	\$	\$
Vision care/eye exams	\$	\$	\$
Eye glasses/contact lenses	\$	\$	\$
Hearing care	\$	\$	\$
Medical services/supplies	\$	\$	\$
Other eligible expenses	\$	\$	\$

Total Annual Medical Care Expenses: \$ _____ + \$ _____ + \$ _____ = \$ _____
TOTAL

*Call Aon Consulting toll free at (866) 270-2331 (enter company number 0427) to determine the amount of reimbursement you can expect to receive.

Dependent Care Worksheet

To get an idea of your dependent care expenses, look at your records for the past few years. Using this information, add any new types of expenses that you anticipate and complete the following worksheet. Just follow these steps:

- 1) Based on your records for the past few years, fill in your anticipated eligible expenses.
- 2) Add up the total annual expenses for your eligible dependents.
- 3) Divide total annual expenses by the number of pay periods in the plan year to determine a per pay period amount for your own information.
- 4) If you are convinced that you will have the same level of expense this coming year, enter the annual amount on your enrollment form. If you think you will have higher or lower expenses, adjust the contribution amount accordingly. It is always best to estimate conservatively, remembering the “use-it-or-lose-it” rule in the IRS regulations. Enter your annual amount on the enrollment form.

Child care (children under age 13)	\$
Dependent adult care (elder care)	\$
FICA and other taxes you pay for the above care providers	\$
Costs for “qualified dependent care center”	\$
Day camp (not overnight camp)	\$
Cost for pre-school	\$

Total Annual Dependent Care Expenses = \$ _____

Keep in mind that your annual deposits cannot be greater than either your annual income or your spouse’s annual income, whichever is lower.

Changing Your Enrollment

To change your contribution to a reimbursement account after the plan year begins, you or an eligible dependent must experience one of the “status changes” described below. The status change must affect eligibility for the plan. In addition, the change you request must be consistent with the gain or loss of benefits eligibility. You must notify Benefit Services at (607) 255-3936 or via e-mail at <benefits@cornell.edu> within 60 days of the change in status to determine if you can make a change to your account. Benefit Services must receive your enrollment form within 60 days of the change in status in order for your enrollment to be processed.

You may make changes to your reimbursement account enrollment during the year if you experience any of the following qualified status changes:

- You get married.
- The birth, placement for adoption or adoption of a child.
- Loss of coverage under your spouse’s health care plans.
- Beginning or ending an unpaid leave of absence by you, your spouse, or eligible dependents.
- An employment change affecting benefits eligibility for you, your spouse, or your dependents.
- Your spouse’s employer adding or eliminating a plan or coverage option any time during the year.
- (For the Dependent Care Reimbursement Account only): Changes in dependent care provider’s rates, or switching providers. You cannot change your before-tax enrollment because of a change in your dependent care provider rates if the dependent care provider is your or your spouse’s relative.
- (For a Medical Care Reimbursement Account only): Entitlement to Medicare or Medicaid.

- Annulment, legal separation or divorce from a spouse or death of a spouse or child.
- (For the Dependent Care Reimbursement Account only): Your dependent otherwise ceases to be eligible.

Leaving Cornell During the Plan Year

Medical Care Reimbursement Account

If you leave the university or are laid off, and there is a balance left in your Medical Care Reimbursement Account, you can continue to receive reimbursement of medical expenses incurred before your date of termination. You may remit expenses incurred after your date of termination only if you continue your participation under COBRA. Aetna is the COBRA administrator.

Dependent Care Reimbursement Account

You may continue to remit expenses incurred during the plan year against any unused balance until the funds are exhausted or the plan year ends, whichever is first.

About This Booklet

This booklet highlights the benefits available through the Medical Care and Dependent Care reimbursement accounts. If there is any discrepancy between what is written here and what is written in the plan document, the plan document will govern. Changes in the tax laws or other requirements might cause changes in the plan. Cornell University reserves the right to amend or terminate the plan at any time.

Getting Help

If you have special needs and need assistance with this booklet or any aspects of Cornell University's *Select Benefits* program, you can contact Benefits Services at (607) 255-3936.

If you have questions about any of the following items, call Aon Consulting at (866) 270-2331 (enter company number 0427).

- General *Select Benefits* questions
- Eligible and ineligible Medical Care and Dependent Care reimbursement account expenses
- Status of Medical Care and Dependent Care reimbursement account claims
- When to expect your *Select Benefits* direct deposit or reimbursement check.

Claims Filing and Appeal Process

Claims and Claims Procedures

You must file a claim for benefits on an approved claims form(s). Claims form(s) are available on the Web through <<http://www.ohr.cornell.edu/benefits/programs/index.html>>. You may request that a claims form(s) be sent to you by calling Benefit Services at (607) 255-3936 or you may request a claims form(s) via email <benefits@cornell.edu>. The claims form(s) must be fully completed and must include any required documentation. Claims form(s) should be submitted to Aon Consulting, Flex Administration- 00559, P.O. Box 3002, Arlington Heights, IL 60006-3002. A claim will be considered filed for purposes of Cornell's claim procedures when the properly completed claims form(s) and all materials necessary to process the claim are received by Aon Consulting. If you have any questions concerning your claims, you should contact Aon Consulting at (866) 270-2331 (enter company number 0427).

Unless special circumstances exist, Aon Consulting will notify you of the claim decision within 60 days of receipt of the completed form. You will receive either a notice of the claim decision or a notification that:

- a. explains the special circumstances requiring a delay in the decision; and
- b. sets a date, no later than 180 days after the claim is received, with the Claim Administrator by which you can expect to receive a decision.

However, if you do not receive a denial notice from the Claim Administrator within 90 days of the date the completed claim was received, you may assume that your claim has been denied, and you may appeal that denial.

Claims Appeals

If your claim is partially or wholly denied, you should receive a notice from the Claim Administrator:

- a. stating the specific reason(s) for the denial;
- b. describing and explaining any additional material or information required of you to make the claim payable under the plan;
- c. explaining what steps must be taken to have the claim denial reviewed; and
- d. explaining that the initial decision will be a final decision unless the decision is appealed.

You may request to have the denied claim reviewed.

ERISA Appeals

If you are dissatisfied with the outcome of the claims review, you may exercise your rights under the Employee Retirement Income Security Act of 1974 (ERISA) to appeal the claim denial to the ERISA plan administrator. In your request for review, you may:

- a. submit additional material for consideration in review, including a written explanation of the issues and comments on the issues; and

- b. review, upon request, all materials and Cornell plan documents applicable to the claim.

Your appeal request must be filed within 120 days of the date you received the final claim denial. You will receive a written decision of the plan administrator on the review of a denied claim within 60 days of the date the ERISA appeals committee receives the written request for review. If special circumstances require a delay in the decision, you will receive a notice of the reasons for the delay. A delayed decision will be issued no later than 120 days after the date the ERISA appeals committee receives your written request for review.

The written decision of the plan administrator will explain the reasons for the decision and will refer to the provisions of the plan on which it is based. If, for any reason, you do not receive a written decision within the time limits described, you may assume that this claim has been denied on review. You may appeal the decision of the plan administrator to the Benefits Plan Appeals Committee. The decision of the appeals committee on review will be final binding and conclusive.

No legal action against Cornell, the appeals committee trustee, or any other person for the recovery of any claim will be commenced until Cornell's claim procedures as set forth in this summary plan booklet have been exhausted. All legal actions against Cornell, the appeals committee, trustee, or any other person for the recovery of any claim must be commenced within one year after Cornell's claim review procedures have been exhausted.

Your Rights under ERISA

ERISA stands for the Employee Retirement Income Security Act of 1974. It is federally mandated legislation requiring that participants in employee benefit plans be given a Summary Plan Description that describes the plan and informs them of their rights under it. The preceding pages contain a description of the plan and this section provides information about the plan administration and your rights under it.

The plan administrator reserves the right to determine whether benefits are payable under the provisions of the Cornell University *Select Benefits* plan and to interpret disputed claims or plan terms for those matters that are directly within Cornell's control.

Select Benefits is subject to regulation by various state and federal entities, including the New York State Department of Insurance and the Internal Revenue Service. Matters that fall under the jurisdiction of these agencies will be decided in accordance with regulations established by each agency for the specific issue at hand.

Statement of Your Rights under ERISA

As a participant in Cornell University's *Select Benefits* plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Examine during regular work hours 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, without charge, at the Division of Human Resources, 130 Day Hall, and other specified locations, such as worksites and union halls.
- 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.
- Receive a summary of the plan's annual financial report. The Summary Annual Report is furnished to all participants on an annual basis.

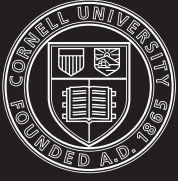
In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants 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 welfare benefit or exercising your rights under ERISA.

If your claim for a welfare benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the plan administrator review and 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 30 days, you may file suit in a federal court. In such a case, the court may require the plan administrator to provide materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent due to reasons beyond the control of the plan administrator.

If you have a claim for benefits, which 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 lose, the court may order you to pay these costs and fees: for example, if it finds your claim is frivolous. If you have questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the U.S. Labor Management Services Administration, Department of Labor.



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