

## **FLEXIBLE BENEFITS PLAN SUMMARY PLAN DESCRIPTION**

### **PLAN INFORMATION SUMMARY**

The Employer named below establishes a Flexible Benefits Plan (the "Plan") as set forth in this Summary Plan Description ("SPD") as of the Effective Date set forth below. The purpose of the Plan is to provide eligible Employees a choice between cash and the specified welfare benefits described in this Plan Information Summary (see "Benefits Provided Under the Plan") Pre-tax Contribution elections under the Plan are intended to qualify for the exclusion from income provided in Section 125 of the Internal Revenue Code of 1986.

#### **FLEXIBLE BENEFITS PLAN EMPLOYER INFORMATION**

1) Name and Address of Employer /  
Plan Administrator: **HAWAII RESIDENCY PROGRAMS, INC.  
MARIA DE LIMA  
1356 LUSITANA ST., # 510 - UH TOWER  
HONOLULU, HI 96813**

The Plan Administrator has the exclusive right to interpret the Plan and to decide all matters arising under the Plan, including the right to make determinations of fact and to construe and interpret possible ambiguities, inconsistencies, or omissions in the Plan and this SPD.

2) Employer's Telephone Number: **(808) 586-2891**  
3) Employer's Federal Tax  
Identification Number **990215841**  
4) Plan Number Assigned to Cafeteria Plan **501**  
6) Effective Date of this Plan: **08/01/08**  
7) Last Day of the Plan Year: **06/30/09**  
Subsequent Plan Years: **July 1 through June 30**  
8) Name and Address of  
FSA Claim Administrator: **PIOPAC Fidelity  
1132 Bishop St. Suite 2101  
Honolulu, HI 96813**  
9) Name and Address of registered  
agent for service of legal process: **RICHARD PHILPOTT  
CEO**  
10) Affiliated Employers that will participate in the Plan (affiliates in excess of 30 are listed in Appendix  
1):  
11) Employer's Type of Business: **CORPORATION**

## **ELIGIBILITY**

All Employees employed by the Employer shall be eligible to participate under the Plan except the following: Employees who work less than twenty (20) hours per week.

An eligible Employee may become a Participant in the Plan:

**Group Health Insurance Premiums:** On the first day of the month following one (1) day of employment. Employee's health insurance premiums (e.g. medical and dental) will automatically be pre-taxed under a Negative Election arrangement. If you decide not to have your health insurance premiums pre-taxed you must complete an election waiver form.

**Medical Expense Reimbursement Plan (out-of-pocket) Sec. 125:** On the first of the month following three (3) months of continuous active employment provided the Employee completes a Salary Redirection Agreement ("SRA"). However, eligibility for coverage under any given benefit Plan or Policy shall be determined by the terms of that Benefit Plan or Policy, and reductions of the Employee's Compensation to pay Pre-tax or After-tax Contribution(s) shall commence when the Employee becomes covered under the applicable Benefit Plan policy.

**Voluntary Group Supplemental Health Plans Insurance Premiums and Dependent Care Expense (Sec. 129):** On the first day of the month following thirty (30) days of employment provided the Employee completes a Salary Redirection Agreement ("SRA"). However, eligibility for coverage under any given benefit Plan or Policy shall be determined by the terms of that Benefit Plan or Policy, and reductions of the Employee's Compensation to pay Pre-tax or After-tax Contribution(s) shall commence when the Employee becomes covered under the applicable Benefit Plan policy.

## **BENEFITS PROVIDED UNDER THE PLAN**

The following Benefit Plans and Policies subject to the terms and conditions of the Plan are available for election by eligible employees. The maximum a Participant can contribute via the SRA is the maximum aggregate cost of the Benefit Plans or Policies elected minus any Non-elective Contribution made by the Employer. It is intended that such Pre-tax Contribution Amount(s) shall, for tax purposes, constitute an Employer contribution, but may constitute Employee contributions for state insurance law purposes. Copies of the Benefit Plans or Policies (or a list of eligible Policy numbers) shall be attached as an appendix to this Plan.

Medical Coverage

Disability Income – Short Term (A&S) After- tax

Cancer Insurance

Accident Insurance

Personal Sickness Indemnity (PSI)

Medical Care Expense Reimbursement described in Appendix I to this SPD, not to exceed

\$1,200.00 per Plan Year pursuant to the **HAWAII RESIDENCY PROGRAMS, INC.** Medical Care Expense Reimbursement Plan.

Dependent Care Expense Reimbursement described in Appendix 1 to this SPD, not to exceed

\$5,000 per Plan Year or \$2,500 for married filing separate returns pursuant to the **HAWAII RESIDENCY PROGRAMS, INC.** Dependent Care Expense Reimbursement Plan.

## **THE FUNDING AGENT**

The Employer selects the following funding Agent for the Plan (check one):

The Employer, which will comply with the requirements of Article VII of the Plan.

The Flexible Benefits Trust created concurrently with the execution of the Plan, which shall receive contributions under the Plan in accordance with Article VII of the Plan.

## **ADMINISTRATIVE EXPENSES**

Administrative Expenses incurred in operating the Plan shall be paid by the Participants (employees), except as otherwise noted in the Plan.