Dependent Care Reimbursement FSA

windstream

TABLE OF CONTENTS

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DEPENDENT CARE PLAN AT A GLANCE

BENEFIT	You may use pretax dollars to pay for certain dependent care expenses, thereby reducing your taxable income and saving you money.
ELIGIBILITY	All non-bargaining and bargaining employees of Windstream and its subsidiaries are eligible to participate if they are regularly scheduled to work at least 30 hours per week. Temporary, seasonal, leased, or independently contracted employees are not eligible.
ENROLLMENT	Enrollment is voluntary; however, you must elect to enroll during your first 31 days of employment (hire date + 30 days),during the Annual Benefit Enrollment Period, or after a Qualified Change of Status. You must reenroll annually to establish your contributions for the following year. If you enroll during the first 31 days of employment (hire date + 30 calendar days), your coverage will be effective the first of the month following 56 days of employment.
CONTRIBUTIONS	You decide how much you wish to contribute to the Dependent Care Plan up to the plan contribution limit. The annual maximum plan contribution limit for the dependent care plan is $5,000, or $2,500 if you are married and do not file a joint tax return with your spouse.
LIMITATIONS	All eligible expenses must be incurred by December 31 of the plan year. Any funds not claimed by March 31 of the following year will be forfeited. Incurred refers to the date services are provided not when the service is billed or paid for.
TERMINATION	Coverage terminates when you leave employment. You may voluntarily withdraw from the Dependent Care Plan during the Annual Benefit Enrollment Period or after a change in status.

This Summary Plan Description is for informational purposes and is not legally binding. This Summary Plan Description does not contain all of the technical details and legal expressions contained in the formal Plan documents. Any discrepancies between this Summary Plan Description and the formal Plan documents will be resolved in favor of the formal Plan documents. The Plan Administrator shall have the sole discretionary power and authority to construe the provisions of the Plan and to make factual determinations in deciding whether an applicant is entitled to benefits under the Plan. In the event of any misstatement of any fact(s) affecting coverage under the Plan, the Plan shall be used to determine the proper coverage. Coverage means eligibility as well as the amount of any Benefit thereunder.

DEPENDENT CARE PLAN SUMMARY PLAN DESCRIPTION

This Summary Plan Description has been prepared specifically for non-bargaining and bargaining employees of Windstream and its subsidiaries who are regularly scheduled to work at least 30 hours per week. Temporary, seasonal, leased, or independently contracted employees are not eligible.

The Dependent Care Plan reimburses you for certain dependent care expenses that are necessary so that you and, if applicable, your spouse may work or look for work. The annual maximum plan contribution limit for the Dependent Care Plan is $5,000 (or $2,500 if you are married and do not file a joint tax return with your spouse). Your reimbursements are made on a tax-free basis. When you enroll, you decide how much you want to contribute to the Dependent Care Plan annually, up to the $5,000 limit (or $2,500 if applicable), by estimating how much you will need to pay for eligible dependent care expenses during the year. Windstream then deducts your contributions in equal amounts from your biweekly (or weekly for IBEW 2374 and 1189) paycheck before withholding federal income, Social Security, and, in most cases, state and local taxes.

When you incur eligible expenses, you submit a request for reimbursement from the Dependent Care Plan. In effect, the Dependent Care Plan increases your spendable income and allows you to pay for eligible dependent care expenses with tax-free dollars.

All expenses must be incurred on or before December 31 of the plan year and submitted for reimbursement before March 31 of the following plan year. Unclaimed funds in your account on March 31 will be forfeited. They cannot be carried over to the next plan year, paid out in cash, or rolled over. Incurred refers to the date the services are provided, regardless of when the services are billed or paid for.

CONTACT INFORMATION

If you have any questions regarding eligibility/ineligibility for a specific charge, please contact the Windstream Benefits Center. Upon request, written verification of eligibility or ineligibility for reimbursement will be provided, free of charge. If you need assistance in understanding a provision of the Dependent Care Plan, please contact the Windstream Benefits Center.

Telephone **888-392-7597**
Address **P.O. Box 11657, Pleasanton, CA 94588**

ELIGIBILITY

Non-bargaining and bargaining employees of Windstream and its subsidiaries are eligible to participate in the Dependent Care Plan if they are regularly scheduled to work at least 30 hours per week. Temporary, seasonal, leased, or independently contracted employees are not eligible.

If you are married and your spouse does not work and does not actively seek work, you are not eligible to participate in the Dependent Care Plan.

ENROLLMENT, CHANGE, AND TERMINATION

You may enroll in the Dependent Care Plan, change contributions, or terminate participation as follows:

- **During Your First 31 Days of Employment**

  If you are a new employee, you may enroll in the Dependent Care Plan during your first 31 days of employment (calculated as hire date + 30 calendar days). Your coverage will be effective on the first day of the month following 56 days of employment.

- **During the Annual Benefit Enrollment Period**

  If you didn't enroll in the Dependent Care Plan during your first 31 days of employment, you have the option to enroll during the Annual Benefit Enrollment Period.

  If you enroll during the Annual Benefit Enrollment Period, your contributions will become effective January 1 of the following year.

  All employees who participate in this Plan must reenroll every year during the Annual Benefit Enrollment Period, usually held in November. If you don't enroll during the Annual Benefit Enrollment Period, you may not elect to participate again until the next Annual Benefit Enrollment Period unless you incur a qualified change in status.

- **After a Qualified Change in Status**

  You may enroll in the Dependent Care Plan or change your contribution amount without waiting until the next Annual Benefit Enrollment Period under the following circumstances:

  - you have a change in marital status (*i.e.*, you get married, you get divorced, you become legally separated from your spouse, your marriage is annulled, or your spouse dies);

  - there is a change in the number of your dependents (*i.e.*, a child is born or dies, or is adopted by or placed for adoption with you);

- you or your spouse have a change in employment that affects eligibility for the Dependent Reimbursement Plan (for example, your spouse terminates employment and loses other group health plan coverage, you commence or return from an unpaid leave of absence, or you begin working 30+ hours per week and gain eligibility for the Plan, etc.)

- change in the place of residence for you, your spouse, or your dependent provided that the change in the place of residence affects your, your spouse, or your dependent's coverage under the Plan;

- you or your spouse or dependent are able to enroll, terminate participation in, or change elections under another employer's dependent reimbursement plan; or, the period of coverage under this Plan is different from the period of coverage under your spouse or dependent's employer's dependent reimbursement plan (for instance, their Plan Year runs July 1 to June 30, instead of the Windstream Plan Year of January 1 to December 31);

Any election change resulting from a change in status must meet the consistency rule, meaning it must be on account of and correspond with a change in status that affects eligibility for coverage under the plan.

In all cases, you must request your change within 31 days (event date + 30 calendar days) after the qualified change in status occurred. The enrollment or change must be consistent with the qualified change in status.

You must request your change by entering it online at **https://windstream.workterra.net** and return certain event and/or dependent documentation before your changes are approved. Once your event is approved by the Windstream Benefits Center (when they verify they have received all supporting documentation for your event and/or dependents), your paycheck deductions will change on a go-forward basis as soon as administratively possible and will remain in effect until the end of the calendar year. Refunds and retroactive adjustments are not provided, so promptly submitting your request and supporting documentation is important.

If you request to cancel or reduce your Dependent Care Plan as provided herein, a refund may be requested for Dependent Care contributions taken after the effective date of your change. However, you cannot reduce your Dependent Care Plan annual election to an amount less than what you have already contributed year to date (based on your effective date of change).

The effective date of any change is generally the Event Date (for instance, date of birth for childbirth event). However, some events are effective on the 1st of the month following the Event Date, including Death of a Dependent, Divorce, Spouse Gain of Coverage, and Significant Change in Day Care Cost. When you enter your changes online, you'll be able to review a Confirmation Statement reflecting the Effective Date of your change.

Only claims incurred on or after the effective date of the change, as reflected on your Confirmation Statement, are eligible for reimbursement from an increased contribution amount.

- **After Your Child Turns 13**

  If you are contributing to the Dependent Care Plan when your child turns 13, you may discontinue your contributions to the Dependent Care Plan without waiting until the next Annual Benefit Enrollment Period. See the "After a Qualified Change in Status" section for directions on how to make this change within 31 days (event date + 30 days) of your child's birthday.

- **After an Increase or Decrease in Dependent Care Costs**

  If your costs increase or decrease significantly during the plan year, you may adjust your contribution amount accordingly, subject to consistency requirements. See the "After a Qualified Change in Status" section for directions on how to make this change within 31 days (event date + 30 days) of your cost change.

FAMILY AND MEDICAL LEAVE

This Dependent Care Reimbursement Plan complies with the Family and Medical Leave Act of 1993 (FMLA).

During any leave taken under the FMLA, you may elect to continue or suspend your participation in the Dependent Care Reimbursement Plan. If you suspend your participation, you will not be reimbursed for any expenses incurred during your leave. However, you may elect to participate again when you return from FMLA leave if you make the election within 31 days of your return, as long as your election is under the same terms that applied prior to your FMLA period.

If you continue your participation in the Dependent Care Reimbursement Plan while on FMLA Leave, you will continue to be responsible for making contributions. Please contact the Windstream Benefits Center at 888-392-7597 to discuss the payment options available to you.

TAX CREDITS

Receiving reimbursement for eligible dependent care expenses will limit your ability to take advantage of the federal child care tax credit. If you are enrolled in and receive reimbursement under the Dependent Care Plan, the maximum tax credit you may claim will be reduced. In some cases, tax savings for dependent care expenses will be greater using the tax credit. In other cases, you will find better savings with your Dependent Care Plan. You may wish to discuss these possibilities with a qualified tax advisor or attorney.

EXPENSES

Essentially, any work-related dependent care expense for which you may claim a tax credit on your income tax return is eligible for reimbursement from the Dependent Care Plan. Keep in mind that the Dependent Care Plan covers only those dependent care expenses that you incur for qualified dependents so you and your spouse may work or look for work. Eligible expenses must be directly related to the care of a qualified dependent.

Qualified dependents generally include:

- Your child age 12 or younger of whom you have custody and for whom you are entitled to claim a deduction on your federal tax return. For children of divorced or separated parents, only the parent with custody (rights to claim the child for tax purposes) can consider the child an eligible dependent under this plan.
- Your child of any age who is physically or mentally unable to care for him/herself, even if he/she does not entitle you to a deduction on your federal tax return.
- Your spouse who is physically or mentally unable to care for him/herself, even if he/she does not entitle you to a deduction on your federal tax return. Same gender domestic partners who are disabled may qualify if they are your federal tax dependent. For an adult to qualify as a dependent, he or she must regularly spend at least eight hours a day in your home.

Additional details regarding the definition of qualified dependents can be found in IRS Publication 503, which is available at www.irs.gov. You can also call the Windstream Benefits Center at 888-392-7597 to confirm whether an individual is a qualified dependent.

ELIGIBLE EXPENSES

The following lists provide general guidelines as to which expenses are eligible for reimbursement. You are encouraged to contact the Windstream Benefits Center by phone at 888-392-7597 to confirm whether an expense is eligible for reimbursement.

Eligible dependent care expenses:

- nursery schools, summer camps, and day care centers that comply with state and local laws, serve six or more children, and receive a fee for service. If your dependent is in first grade or higher (through age 12), the cost of schooling must be separated from the cost of care submitted for reimbursement. If your dependent is in a grade before first grade and the cost of care and the cost of

schooling can be separated, then only the cost of care is reimbursable. However, if the cost of schooling cannot be separated from the cost of care, the total cost is reimbursable. A dependent care center or child care center would be eligible for reimbursement (if the center cares for more than six children, it must comply with all applicable state and local regulations).

- care provided in or outside of your home by individuals other than your dependents. Only care provided inside or outside your home by anyone other than your spouse, a person you list as your dependent for income tax purposes or one of your children under age 19 would be eligible.

- centers that provide day care—not residential care—for dependent adults.

- household services related to the care of a dependent. A housekeeper, au pair or nanny whose services include, in part, providing care for a qualifying dependent would be eligible for reimbursement.

To qualify for reimbursement, you must provide your dependent care provider's tax ID number or social security number on your federal tax return (IRS form 2441). If you fail to provide this information, your reimbursements may not be eligible and may be reclassified as taxable income by the IRS.

You are responsible for making sure that the expenses you submit for reimbursement are considered eligible expenses by the IRS. If you are not sure whether an expense is eligible, please contact the Windstream Benefits Center at 888-392-7597. You may also refer to IRS Publication 503: Child and Dependent Care Expenses which is available by calling the IRS at 1-800-829-3676 or through the IRS website in the Forms and Publications section.

INELIGIBLE EXPENSES

Ineligible expenses include, but are not limited to:

- amounts you pay directly to an immediate family member under age 19 or to any person you claim as a dependent on your federal income tax return.
- costs for any person caring for a child or children when you or your spouse is not working (or looking for work).
- transportation expenses, including chauffeur services.
- charges for a convalescent nursing home for a parent.
- tuition expenses for children in the kindergarten and above.
- charges for overnight camp.
- charges for the services of a care provider who has no Social Security or taxpayer identification number.

- any expense incurred prior to the effective date of Plan participation or the effective date of a qualified change in status.

CONTRIBUTIONS

You determine your contribution by estimating your annual out-of-pocket expenses for dependent care. The maximum amount you may contribute depends on your marital status:

- If you are single and file as the head of household, you may contribute up to $5,000.
- If you are married and file a joint tax return, you may contribute up to $5,000. If your spouse also has a dependent care account, the IRS limits the combined total of your contributions to $5,000. For example, if your spouse contributes $3,000 to his or her dependent care plan, you may only contribute $2,000 to your dependent care plan.
- If you are married and you and your spouse file separate tax returns, you may contribute up to $2,500.

When you enroll, you will elect an annual contribution amount. This annual amount will be divided by the remaining pay periods until the end of the calendar year to arrive at your per pay period contribution amount. The minimum contribution is $5 per pay period ($130 per year). Your participation is effective as listed in the Enrollment, Change, Termination section of this Summary Plan Description.

Keep in mind that you cannot change your contributions to the Dependent Care Plan until the beginning of the next calendar year or until the occurrence of a qualified event. **Any funds for which you have not incurred an eligible expense by the end of the year will be forfeited.**

The pretax amounts you direct to your Dependent Care Plan do not affect your other salary-based benefits such as life insurance, disability insurance, and contributions under the 401(k) plan. These amounts will, however, affect your Social Security benefits and, if applicable, your unemployment or worker's compensation benefits.

The following worksheet has been provided to help you estimate your dependent care contribution.

ESTIMATED ANNUAL OUT-OF-POCKET DEPENDENT CARE EXPENSES	
Wages or salary paid to care provider in your home	$_____
FICA and other taxes paid for care provider in your home	$_____
Wages or salary paid to care provider outside your home	$_____

Payment to a qualified day care facility	$_____
Preschool tuition	$_____
Total annual estimated dependent care expenses eligible for reimbursement	**$**_____

CLAIMS

All dependent care claims are processed by Employee Benefits Specialists, Inc. (EBS). For reimbursement, you have two options:

1. You will be issued a Flexible Spending (FSA) debit card. When you use your card to pay for qualified purchases, the money is instantly deducted from your flexible spending account(s). Please keep all receipts. You will be asked to submit receipts from certain purchases made with your debit card. If you are an active employee new to the Plan, your Benny debit card is activated on the 1st pay period in which Dependent Care deductions are taken from your paycheck.

2. If you are not able to use your debit card at a provider, you can submit your claims (claim form and documentation required) by fax or mail to Employee Benefit Specialists, Inc. Claim forms with fax and address information are available from **https://ebsbenefits.lh1ondemand.com/Login.aspx**. Completed claim forms must be returned to EBS by fax at 925-460-3929 (preferred) or by mail to EBS, P.O. Box 11657, Pleasanton, CA 94588. Be sure to sign and date the form and to include proof of expenses that includes the dates of service, services rendered, and your cost.

All claims for expenses must be incurred by December 31 of the plan year (or the date your Dependent Care Plan coverage terminated, if earlier). Expenses must be submitted before March 31 following the plan year. Funds left in your account on March 31 of the following plan year will be forfeited.

Claim Denials

If a request for reimbursement is denied, in whole or in part, Employee Benefit Specialists, Inc. will provide you with written notice of the decision, which will include the following information:

- The specific reason or reasons for the denial;
- Specific reference to the plan provisions on which the denial is based;

- A description of any additional material or information necessary to complete the claim and explanation of why this material or information is necessary; and
- An explanation of the steps to be taken if you wish to submit your claim for review, and an explanation of your right to file suit in a federal court after you have exhausted your appeals.

The notice must be provided within 30 days of the date that Employee Benefit Specialists, Inc. receives your request for reimbursement, unless special circumstances require an extension of the period for processing the request. If such an extension is required, written notice of the extension shall be provided to you before the end of the 30-day period.

First Level Appeal

You may appeal a denial of a claim by sending a written request to the Plan Administrator or its designee not later than (180) days after your receipt of written notification of denial of a claim. You or your duly authorized representative:

- May review pertinent documents; and
- May submit issues and comments in writing.

The determination on appeal will consider your submissions, regardless of whether they were considered in a previous decision.

Failure to make written request for appeal within the 180-day period after receipt of a claim denial notice shall render the decision regarding the claim final, binding, and conclusive on all parties.

A decision on review of a denied claim shall be made by the Plan Administrator not later than thirty (30) days after the Plan Administrator's receipt of a request for review.

The decision on review shall be in writing and shall include:

- The specific reason or reasons for the denial;
- Specific reference to the plan provisions on which the denial is based;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to the claim for benefits; and
- An explanation of the steps to be taken if you wish to submit your claim for review, and an explanation of your right to file suit in a federal court after you have exhausted your appeals.

Second Level Appeal

You may appeal a denial of a first level appeal by sending a written request to the Plan Administrator or its designee not later than (180) days after your receipt of written notification of denial of a first level appeal. You or your duly authorized representative:

- May review pertinent documents; and
- May submit issues and comments in writing.

The determination on appeal will consider your submissions, regardless of whether they were considered in a previous decision.

Failure to make written request for appeal within the 180-day period after receipt of the Administrator's notice of denial of the first level appeal shall render the Administrator's decision regarding the appeal final, binding, and conclusive on all parties.

A decision on review of a denied appeal shall be made by the Plan Administrator not later than thirty (30) days after the Plan Administrator's receipt of a request for review. The decision shall be made by someone other than the person, or a subordinate of the person, who made the first level appeal determination.

The decision on review shall be in writing and shall include:

- The specific reason or reasons for the denial;
- Specific reference to the plan provisions on which the denial is based;
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to the claim for benefits; and
- An explanation of your right to file suit in a federal court.

AVAILABILITY OF FUNDS

Claims submitted under the Dependent Care Plan cannot be reimbursed unless adequate funds have been deposited into the Dependent Care Plan. To determine the availability of funds in your Plan or to check the status of a claim, call 888-392-7597. Or, you may view your account balances and history online at **https://ebsbenefits.lh1ondemand.com/Login.aspx**. **First-time users will use the following log-in directions:**

> Your login ID is the first initial of your first name, your full last name and the last four of your Social Security number. Your password is your full social. Example: John Smith, 111223333. User name would be jsmith3333 and the password would be 111223333. You will be prompted to change your password upon your initial login; please follow the instructions on the screen.

DEPENDENT CARE REIMBURSEMENT TIMING

All dependent care must be incurred before amounts are reimbursed. A plan is not allowed to reimburse dependent care expenses in advance. This will directly affect (delay) the reimbursement timing of many plan participants. Example - Day care expenses for the month of December may be due on December 1. These expenses would not be reimbursable until December 31.

TERMINATION

Your coverage under the Dependent Care Plan ends the earliest of:

- when your employment terminates.
- when you fail to reenroll in the Dependent Care Plan during Annual Benefit Enrollment Period or you withdraw from the Dependent Care Plan because of qualified change in status.
- when you are no longer in an eligible class.
- when the Dependent Care Plan terminates.

When you leave employment, it is Windstream's administrative practice to withhold benefit deductions, including Dependent Care, through your last paycheck with regular pay. However, you will not be able to incur claims past your termination of employment date. For instance, if you leave Windstream on June 7, you will continue to contribute to the Dependent Care plan through your last paycheck with regular pay. However, you will only be able to submit claims incurred before June 7.

If you leave employment or terminate from the Dependent Care Plan, you have until March 31 of the following year to file for reimbursement for any outstanding dependent care expenses that were incurred prior to your termination date. Any funds remaining in your account after March 31 will be forfeited.

AMENDMENT AND TERMINATION OF THE DEPENDENT CARE PLAN

The Company reserves the right to amend, modify, terminate, and partially terminate the Dependent Care Plan at any time by action of its officers.

PLAN DATA

Name of Plan: The Windstream Dependent Care Plan is a component of the Windstream Comprehensive Plan of Group Insurance.

The Windstream Comprehensive Plan of Group Insurance includes: Windstream Preferred Provider Organization Plan, Windstream Prescription Drug Plan, Windstream Dental Care Plan, Windstream Vision Care Plan, Windstream Medical Reimbursement Plan, Windstream Dependent Care Plan, Windstream Corporation Executive Medical Group Policy, Windstream Health Savings Option Plan, Windstream Basic Life and AD&D Insurance Plan, Windstream Supplemental Life Insurance Plan, and Windstream Supplemental AD&D Plan, Windstream Group Accident Plan, Windstream Long Term Disability Plan, Windstream Income Advantage Benefit Plan, Special Insurance Plan for Former Allied Telephone Profit Sharing Participants, Windstream Indemnity Plan, Windstream Prior Insurance Plan, Windstream Employee Assistance Plan, Windstream Severance Pay Plan and any other plans included as a constituent plan to the Comprehensive Plan of Group Insurance from time to time.

The remainder of this section provides information about the Windstream Comprehensive Plan of Group Insurance as a whole.

Plan Sponsor and Primary Agent for Service of Legal Process:

Windstream Services, LLC
4001 Rodney Parham Road
Little Rock, AR 72212

Plan Information may be obtained by writing to:

You may obtain Summary Plan Descriptions ("SPDs") about Windstream's benefit plans on the www.windstreambenefits.com. If you do not have access to a computer, you may also call 888-392-7597 or write to Windstream Benefits Center, P.O. Box 11657, Pleasanton, CA 94588 to request a copy of any SPD.

Collective Bargaining Agreements:

The Windstream Dependent Care Plan is maintained pursuant to one or more collective bargaining agreements. You may obtain a copy of the applicable collective bargaining agreement upon written request to the Plan Administrator, or you may examine a copy of the applicable agreement at the Plan Administrator's office.

Plan Administrator: Windstream Benefits Committee
Windstream Services, LLC

4001 Rodney Parham Road
Little Rock, AR 72212
(501) 748-7000

Employer Identification Number: 20-0792300

Type of Plan: The Comprehensive Plan of Group Insurance is a welfare benefit plan offering group health, dental, vision, life, long term disability, AD&D, wellness and EAP benefits, as well as medical and dependent care flexible spending accounts. The Dependent Care Plan is the component of the Comprehensive Plan of Group Insurance that offers a dependent care flexible spending account.

Plan Identification Number: 501

Type of Administration:
Some components of the Windstream Comprehensive Plan of Group Insurance use contract administration while others use insurers. The Dependent Care Plan contracts with Employee Benefits Specialists, Inc. to administer benefits.

Sources of Contributions and Funding Medium: Some components of the Windstream Comprehensive Plan of Group Insurance are self-funded by contributions from the Plan Sponsor and the employees, and benefits under those components are paid from the general assets of the Plan Sponsor. The Plan Sponsor has a stop loss insurance policy to finance large claims under the self-funded components. The stop loss carrier does not directly pay benefits of the Plan, but instead pays amounts directly to the Plan Sponsor.

Other components are insured, and the insurance premiums are paid by the Plan Sponsor and the employees.

Contributions for the Dependent Care Plan are paid entirely by employees, and reimbursements are provided from the Plan Sponsor's general assets. No stop loss insurance applies to the Dependent Care Plan.

Plan Year: January 1 - December 31