

**CHICAGO THEOLOGICAL SEMINARY
COMMUTER'S EXPENSE REIMBURSEMENT PLAN
SUMMARY PLAN DESCRIPTION**

PLAN PURPOSE

The Chicago Theological Seminary Commuter's Expense Reimbursement Plan is a benefit program to help Participants reduce the cost of commuting to and from work, as defined herein. Section 132(f) of the Internal Revenue Code permits Chicago Theological Seminary to pay for commuter vehicle expense, transit passes, qualified parking expenses, and bicycle commuting expenses on a tax-favored (pretax) basis.

This Summary describes the basic features of the Commuter's Expense Reimbursement Plan, how it operates, and how to get the maximum advantage from it. The Summary does not describe every detail of the Plan. If there is a conflict between the Plan Documents and this Summary, then the Plan Documents will control.

WHO IS ELIGIBLE TO ENROLL IN THE PLAN

If you are regularly scheduled to work 35 hours or more per week, then you are eligible to enroll in this Plan.

HOW TO ENROLL

After you become eligible, you must determine the amount of each pay check you will redirect into two special spending accounts: Commuters Spending Account and Parking Spending Account. Your decision must be made during the month preceding the Period of Coverage for which it will be in effect. A Period of Coverage means a calendar month during which your Election Form/Salary Reduction Agreement is in effect and irrevocable. Chicago Theological Seminary will provide you with a written election form that will enable you to identify the benefits in which you wish to participate and the portion of your compensation reduction that may be applied to provide each benefit.

If for some reason, as a newly eligible employee, you fail to complete an election form, then you will be deemed to have elected cash compensation to the extent permissible.

If you should terminate your employment and stop your elections under this Plan, you may, if rehired, begin to participate in the Plan again after re-satisfying the eligibility requirements.

If, for any reason, you become unable to make the required contributions for the Plan, your benefits will cease at that time. You will not be able to resume pretax payment of commuter expenses until the next Period of Coverage.

WHEN YOU ARE ELIGIBLE TO ENROLL

As an eligible employee, you may enroll in the Plan effective on the first day of the month following 30 consecutive days of employment as an eligible employee.

SCHEDULE OF FLEXIBLE BENEFITS

Eligible Commuter, Bicycle Commuter, Transit, and Parking Expenses may be paid for through the Commuter's Expense Reimbursement Plan with pretax income. Details relative to the cost per pay for each benefit and the minimum and maximum amounts you may contribute to the Spending Accounts are provided by Chicago Theological Seminary on the enrollment form.

The two separate "spending accounts" available to you are:

- Commuter's Spending Account - Transportation costs associated with a commuter highway vehicle for travel between your residence and place of employment; any transit pass; or bicycle commuter expenses can be pre-taxed.
- Parking Spending Account - Qualified Parking Expenses can be pre-taxed.

Benefits under a Commuter's Expense Reimbursement Plan have rules governing benefits and plan administration. These rules are explained in more detail in the plan document which has been prepared solely for the purpose of these benefits. A copy of all this information is available from Steve Manning at Chicago Theological Seminary.

OPTIONAL BENEFITS

Briefly, the Optional Benefits from which you may choose are as follows:

Commuter's Spending Account and Parking Spending Account, or Bicycle Commuter Spending Account.

There are some expenses you know you'll have to pay for in the coming year; for instance, transit passes, tokens, farecards, voucher or similar item entitling transportation; commuter highway vehicle expenses; bicycle commuter expenses; or parking expenses. Normally you'd pay for expenses like these with after-tax income. And, because taxes reduce the value of your dollar, you'd have to earn considerably more than \$100 to pay for \$100 of expenses.

If you are eligible to participate, the Chicago Theological Seminary Commuter's Expense Reimbursement Plan allows you to contribute pretax income to create two separate special accounts in order to reimburse yourself on a pretax basis for payment of certain commuter, bicycle commuter, mass transit, or parking expenses. It's like getting a discount on these bills since you don't have to earn as much money to pay for

them. The money you contribute to spending accounts by automatic payroll deduction is not subject to federal or Social Security taxes but, depending on your residence, may be subject to state and local income taxes.

How Commuter Spending Accounts and Bicycle Commuter Spending Accounts Work

You may establish a spending account to reimburse predictable expenses incurred for out-of-pocket commuter and transit expenses. Once you have determined your annual predictable expenses for the period of time covered by the Plan, that amount may be paid for with pretax pay, deposited on a per pay basis to the spending account you have elected. The minimum amount you may defer is \$20.00 per month for commuter and transit expenses, or \$5.00 per month for bicycle commuter expenses. The Commuter and Transit Spending Account maximum for 2013 is \$245.00 per month, or a maximum of \$20.00 per month for the Bicycle Commuter Spending Account.

To receive reimbursement, you must complete a claim form and submit it along with your paid bills to the Benefits Supervisor of Chicago Theological Seminary or the designated claims administration representative. Once the claims administrator receives the claims all claims will be processed for reimbursement on a weekly basis. Upon submission of a claim to your Commuter's Spending Account or Bicycle Commuter Spending Account, you will be reimbursed the full amount of your eligible expenses up to your elected Commuter's Spending Account or Bicycle Commuter Spending Account pretax deferral amount. If the Commuter Spending Account is accessible by an electronic payment card (e.g., debit card, credit card, or similar arrangement), you will be required to comply with substantiation procedures established by your Plan Administrator in accordance with IRS guidance. You must acquire and retain sufficient documentation to substantiate any expense paid with the debit card.

Expenses you may include are "Transit Passes" which means any pass, token, farecard, voucher or any other item that entitles you to use mass transit for the purpose of traveling to and from work. "Commuter Highway Vehicle" Expenses may also be included but limited to highway vehicles with seating capacity for at least 6 adults (not including the driver) and at least 80 percent of the vehicle mileage must be for purposes of transporting employees in connection with travel between their residences and place of employment. And, expenses for trips during which the number of employees transported for such purposes is at least half of the adult seating capacity for such vehicle (not including the driver).

Employees who regularly use a bicycle to commute to work and who receive no other transportation fringe benefit that month (e.g. transit pass or parking) may be reimbursed up to \$20.00 each qualified bicycle commuting month for eligible Bicycle Commuter expenses. Eligible Bicycle Commuter expenses include the cost of the purchase, improvement, repair and/or storage of a bicycle that is used regularly for commuting

to work.

How Parking Spending Accounts Work

You may establish a spending account to reimburse predictable expenses incurred for qualified parking expenses. Once you have determined your annual predictable expenses for the period of time covered by the Plan, a portion of that amount may be paid for with pretax pay, deposited on a per pay basis to the spending account you have elected. The minimum amount you may defer is \$20.00 per month. The maximum pretax deferral allowed per month in 2013 is \$245.00 for the Parking Spending Account.

To receive reimbursement, you must complete a claim form and submit it along with your paid bills to the Benefits Supervisor of Chicago Theological Seminary or the designated claims administration representative. Once the claims administrator receives the claims all claims will be processed for reimbursement on a weekly basis. Upon submission of a claim to your Parking Spending Account, you will be reimbursed the full amount of your eligible expenses up to your elected Parking Spending Account pretax deferral amount.

Expenses you may include are Parking Expenses which means parking provided to an employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by mass transit, commuter highway vehicle, or by carpool. Such term shall not include any parking on or near property used by the employee for residential purposes.

CARRY-OVER OF UNUSED BENEFITS AND POSSIBLE FORFEITURE

If any balance remains in the your Account for a Period of Coverage after all reimbursements have been made, and you continue to participate in the Plan following the Period of Coverage or Plan Year, such balance shall be carried forward to reimburse you for expenses incurred in a subsequent Period of Coverage.

If you have any funds left in your Account at the time you terminate employment or stop being eligible for any other reason, any amounts not applied for eligible expenses incurred or paid prior to termination will be forfeited. Also, any Account benefit payments that are unclaimed (for example, uncashed checks) by the close of the Plan Year shall be forfeited. All amounts described as forfeited shall be forfeited to the Employer.

ABOUT TAXES

Social Security taxes are not deducted from the amount you pay in contributions on a pretax basis. This could result in a small reduction in the Social Security benefit you receive at retirement. This is because Social Security benefits are based on what you earned while you were working, up to the Taxable Wage Base (TWB). The TWB is adjusted annually. If your compensation is above the TWB, your Social Security

benefit is not likely to be affected. If you are below the TWB, the benefit would be reduced. The tax advantages you gain through the Commuter's Expense Reimbursement Plan may offset any possible reduction in Social Security benefits.

FUTURE OF THE COMMUTER'S EXPENSE REIMBURSEMENT PLAN

The Commuter's Expense Reimbursement Plan is based on Chicago Theological Seminary's understanding of the current provisions of the Internal Revenue Code Section 132(f) "Qualified Transportation Fringe". Chicago Theological Seminary reserves the right to amend or discontinue the Plan if regulations or changes in the tax law make it advisable to do so. If the Plan is amended or terminated, it will not affect any benefit to which you were entitled before the date of the amendment or termination.

Name of Plans

Chicago Theological Seminary Commuter's Expense Reimbursement Plan.

Participants

The plans provide benefits for all employees of Chicago Theological Seminary who meet the eligibility requirements described herein.

Effective Date: July 1, 2013

Employer/Plan Sponsor Information

Chicago Theological Seminary
1407 E. 60th St.
Chicago, IL 60637
Phone: 773-896-2400

Employer Identification Number (EIN): 36-2167014

Plan Administrator Information

Chicago Theological Seminary
1407 E. 60th St.
Chicago, IL 60637

Phone: 773-896-2400

Type of Plans

Commuter's Spending Account
Parking Spending Account
Bicycle Commuter Spending Account

Agent for Service of Legal Process

Chicago Theological Seminary
1407 E. 60th St.
Chicago, IL 60637
Phone: 773-896-2400

Plan Year

January 1 through December 31.

Plan Definition and Funding

This is a Section 132(f) benefit plan classified as a "Qualified Transportation Fringe" plan by the Internal Revenue Code. The Plan is funded by employee contributions.

Not a Contract of Employment

No provision of the Plan is to be considered a contract of employment between you and Chicago Theological Seminary or a Participating Employer. Chicago Theological Seminary's rights with regard to disciplinary action and termination of any Employee, if necessary, are in no manner changed by any provision of the Plan.

CHICAGO THEOLOGICAL SEMINARY

SCHEDULE A

COMMUTER'S EXPENSE REIMBURSEMENT PLAN

EMPLOYEE CONTRIBUTION LIMITATIONS

	Monthly Minimum	Monthly Maximum*
2013 Commuter's Spending Account	\$20.00	\$245.00
2013 Parking Spending Account	\$20.00	\$245.00
2013 Bicycle Commuter Spending Account	\$ 5.00	\$ 20.00

***2013 limits with increases annually indexed to inflation, typically announced by the IRS each December for the following year.**