Section 125 Cafeteria Plan

Adoption Agreement
1. Plan Sponsor/Employer: Vanderbilt University  
   PMB #407700  
   2301 Vanderbilt Place  
   Nashville, TN 37240-7700  
   615-322-8303  
   EIN: 62-0476822
2. Plan Administrator: Vanderbilt University  
   PMB #407700  
   2301 Vanderbilt Place  
   Nashville, TN 37240-7700  
   615-322-8303
3. Registered Agent for Service Of Process: Vanderbilt University  
   PMB #407700  
   2301 Vanderbilt Place  
   Nashville, TN 37240-7700  
   615-322-8303
4. Plan Effective Date: July 1, 1984
5. Restatement Effective Date: January 1, 2017
6. Plan Year: January 1 – December 31
7. Plan Number: 501
8. Related Employers whose employees may participate in the plan: None.
9. General Requirements for Eligibility (Additional eligibility requirements may be described in an attachment to this Plan).
   a. Age and Service Requirements
      ( ) Age:  
      ( ) Length of Service: ________________________  
      ( X ) None
   b. Plan Entry Date (choose one):
      ( X ) First day of employment  
      ( ) Immediately upon satisfaction of eligibility requirements  
      ( ) On the first day of the month coinciding with or next following satisfaction of eligibility requirements  
      ( ) Other:
c. Former participants (check one):

(  ) Former participants must satisfy the waiting period requirements before re-entry into the Plan.
(  ) Waiting period waived for re-employed former employees re-employed within the same calendar year of termination.
(  ) Not applicable – no waiting period

d. Individuals excluded from participation in the plan (check all that apply):

(  ) None
(  ) Employees who do not meet the definition of a “fully benefits-eligible employee” or a “partially benefits eligible employee”
(  ) Employees who are non-resident aliens and receive no earned income from the Employer
(  ) Temporary employees (This exclusion does not apply to VTS employees or flex employees.)
(  ) Seasonal or migrant employees
(  ) Collectively bargained employees who receive benefits under such agreement
(  ) Leased or outsourced employees
(  ) Employees of Related Employers
(  ) Self-employed individuals (including a partner), or a person who owns (or is deemed to own) more than 2 percent of the outstanding stock of an S corporation.
(  ) Other:

10. Automatic Enrollment:

(  ) The Employer will treat an election by an Employee to participate in the following benefit(s) as an election under this Plan to defer the employee cost of such coverage on a pre-tax basis:

(  ) Group Health Insurance Plan
(  ) Group Dental Insurance Plan
(  ) Group Vision Insurance Plan
(  ) Group Life Insurance Plan – Supplemental Coverage
(  ) Dependent Day Care Flexible Spending Account Plan
(  ) Health Savings Account
(  ) Health Care Flexible Spending Account Plan (General)
(  ) Health Care Flexible Spending Account Plan (Limited Purpose/Post-Deductible)
(  ) Group Short Term Disability Insurance Plan
(  ) Group Long Term Disability Insurance Plan
(  ) Other: Accidental Death & Dismemberment Insurance

(  ) There is no automatic enrollment under the Plan.
11. Family Medical Leave Act (FMLA).
   
a. If the plan includes a health insurance benefit or a health care flexible spending benefit and the Employer is subject to FMLA, a Participant may elect to continue coverage during FMLA leave: (choose one)

   ( ) Only with respect to the health insurance benefit and health care flexible spending benefit
   (X) With respect to all Cafeteria Plan benefits
   ( ) With respect to the following plan benefits:

   ( ) Employer is not subject to FMLA (skip to Section 12)

b. Payment Options under FMLA. If Employer is subject to FMLA, the Employer elects the following payment options for the Participant’s portion of any premium due during the Participant’s FMLA leave:

   ( ) Pre-pay option
   (X) Pay-as-you-go option
   (X) Catch-up option. This option must be selected if it is the only option available to non-FMLA employee on leaves of absence

The Employer may not offer either the pre-pay option or the catch-up option without also offering the pay-as-you-go option if the Employer offers the pay-as-you-go option to non-FMLA employee on leaves of absence.

12. Employer Contribution (check one):

   (X) The Employer will not make any contributions to the Plan on behalf of Employees.

   ( ) The Employer will make the following contribution(s) to the Plan on behalf of Employees:

13. Section 125 Cafeteria Plan Benefits. An employee can pay for the following benefits through the Section 125 Cafeteria Plan (check all that apply):

   (X) Group Health Insurance Plan
   (X) Group Dental Insurance Plan
   (X) Group Vision Insurance Plan
   ( ) Group Life Insurance Plan – Basic Coverage
   ( ) Group Life Insurance Plan – Supplemental Coverage
   (X) Dependent Day Care Flexible Spending Account Plan
      - maximum benefit amount: $5,000
   (X) Health Care Flexible Spending Account Plan (General)
      - maximum benefit amount – limit under Code § 125(i) (limit for 2017 is $2,600)
( ) Health Care Flexible Spending Account Plan (Limited Purpose/Post-Deductible)
   - maximum benefit amount -
( ) Group Short Term Disability Insurance Plan
( ) Group Long Term Disability Insurance Plan
( ) Health Savings Account
( X ) Other: Accidental Death & Dismemberment Insurance

14. Period of Coverage: The Period of Coverage during which a Participant's coverage under a Qualified Benefit is effective shall be:

( X ) The Plan Year for all Qualified Benefits offered under the Plan.

( ) Other (specify):
   ( ) Group Health Insurance Plan
   ( ) Group Dental Insurance Plan
   ( ) Group Vision Insurance Plan
   ( ) Life Insurance Plan
   ( ) Dependent Day Care Flexible Spending Account Plan
   ( ) Health Care Flexible Spending Account Plan (General)
   ( ) Health Care Flexible Spending Account Plan (Limited Purpose/Post-Deductible)
   ( ) Group Short Term Disability Insurance Plan
   ( ) Group Long Term Disability Insurance Plan
   ( ) Health Savings Account
   ( ) Other:

15. Grace Period (choose one):

( ) Not applicable
( ) The Employer will not adopt the grace period permitted under IRS Notice 2005-42.
( X ) The Employer will allow a grace period following the end of the Plan Year during which unused benefits remaining at the end of the Plan Year may be paid or reimbursed to Participants for qualified benefit expenses incurred during the grace period.
( X ) The grace period will end on March 15th (cannot exceed 2 ½ months after the end of the Plan Year)

( X ) The grace period will apply to the following benefits (check all that apply):
( X ) Health Care Flexible Spending Account Plan (General)
( ) Health Care Flexible Spending Account Plan (Limited Purpose/Post-Deductible)
( ) Health Care Flexible Spending Account Plan (Limited Purpose)
( ) Health Care Flexible Spending Account Plan (Post-Deductible)
( X ) Dependent Day Care Flexible Spending Account Plan

Employer may not elect the grace period feature with regard to a health care flexible spending account and the carryover feature in Item 16 below.

16. Health Care Flexible Spending Account Carry-Over:

( ) Not applicable
( X ) The Employer will not allow participants to carry over any unused balance in a health care flexible spending account to a subsequent Plan Year.
( ) The Employer will allow participants to carry over to a subsequent Plan Year $500 (not to exceed $500) of any unused balance in a health care flexible spending account pursuant to IRS Notice 2013-71.

Employer may not elect the carryover feature and the grace period in Item 15 above.

17. Failure to file an Enrollment Form (check all that apply):

( ) If at the end of a Plan Year an Employee fails to file an Enrollment Form with the Plan Administrator for the following Plan Year prior to the start of the Plan Year, the Employee waives his or her right to participate in the Plan for the following Plan Year.

( X ) If at the end of a Plan Year an Employee fails to file an Enrollment Form with the Plan Administrator for the following Plan Year prior to the start of the Plan Year, the Employee's elections for all benefits except the Health Care Flexible Spending Account Plan and the Dependent Day Care Flexible Spending Account Plan will continue in the following year on the same basis as the Employee elected in the previous year.

With respect to the Health Care Flexible Spending Account Plan and the Dependent Day Care Flexible Spending Account Plan, if the Employee fails to file an Enrollment Form with the Plan Administrator for the following Plan Year prior to the start of the Plan Year, the Employee will be deemed to have elected to not participate in such benefits for the following Plan Year.

With respect to the Tobacco Credit and the Spousal Fee for the Health Insurance Benefit, if the Employee fails to file an Enrollment form with the Plan Administrator for the following Plan Year prior to the start of the Plan year, the Employee will not receive the Tobacco Credit and will be charged the Spousal Fee.
( ) If at the end of a Plan Year an Employee fails to file an Enrollment Form with the Plan Administrator for the following Plan Year prior to the start of the Plan Year, the Employee will be deemed to have elected to not participate in the following benefit(s) for the following Plan Year:

18. Change in Election in Event of Reduction of Hours or Enrollment in Qualified Health Plan (choose one):

( ) A Participant may prospectively change his or her election with respect to group medical insurance, without regard to whether the Participant experienced a change in status event, as described in Treas. Reg. § 1.125-4, as provided in IRS Notice 2014-55.

( X ) The Employer will not adopt this change in election option.

19. Automatic increase/decrease in election for insignificant changes (choose one):

( ) The Plan Administrator will, on a reasonable and consistent basis, automatically effectuate a prospective increase or decrease in affected Participants’ elections for the balance of the Period of Coverage (except the health care expense reimbursement benefit) to reflect insignificant increases or decreases in the required contribution for the coverage elected.

( X ) The Employer will not adopt this change in election option.

20. The terms of this Adoption Agreement are part of the Vanderbilt University Section 125 Cafeteria Plan document which is attached hereto. The undersigned Plan Sponsor/Employer hereby adopts this Plan document and agrees to be bound by all the terms, provisions, conditions and limitations of the Plan, as it may be amended from time to time.

21. The Plan will be construed, enforced and administered and the validity determined in accordance with the laws of the State of Tennessee to the extent not superseded by the Internal Revenue Code, as amended, or any other applicable Federal law.

THIS PLAN DOCUMENT is executed this 21st day of March, 2017 by the Employer effective as of the date specified above.

VANDERBILT UNIVERSITY

By: [Signature]

Title: Associate Vice Chancellor and Chief Human Resources Officer