BENE-FACTS

ABOUT THE FLEXIBLE SPENDING ACCOUNT (FSA) PLANS

"A tax benefit you can't ignore" Cathy Marcus, Director, Plan Administration (818) 640-9437

"Unless you've got money to burn, this plan is for you" Khuyen Phan, Manager, Plan Administration (818) 972-8914

SOME THINGS YOU NEED TO KNOW ABOUT THE HEALTH & DEPENDENT CARE FSA PLANS

- The FSA lets you use pre-tax money to pay for eligible health & dependent care expenses that are not eligible for reimbursement under another plan.
- You can contribute $100 to $2,750 for the health care account and $100 to $5,000 for the dependent care account[1]. The amount you choose for the year is divided by the number of paychecks in your pay cycle and deducted from each paycheck on a pre-tax basis[2].
- To be eligible for reimbursement under the dependent care FSA, expenses must be incurred in order to allow you, or if you're married, you and your spouse to work outside the home. Some examples of eligible expenses are day care, nursery school & after-school care for your children less than 13 years of age and home health care for dependents who reside more than half the year with you (such as a disabled spouse or parent) for whom you can claim as tax dependents. Please keep in mind that if you are paying for dependent care expenses for an elderly parent or other relative who is disabled but is not your child, IRS rules require that, in order for you to claim this relative as your dependent for tax purposes, you must provide more than half of such individual's support. Contact PayFlex at (888) 678-8242 or visit their website at www.payflex.com for more information.
- Some examples of eligible health care expenses are deductibles, copayments, eyeglasses & contact lenses and prescription drugs for you or your eligible dependents that you can name on your federal income tax return. Scroll down for more information.
- FSA elections are made on a year-to-year basis. You can't make changes to your election mid-year (unless you have a qualified change in status and make a corresponding/consistent change within 30 days[3]).
- If you don't use it, you lose it. You can't carry over any unclaimed balances from one year to the next so elect only as much as you expect to spend on qualified reimbursable expenses.
- If you go out on production hiatus or take an unpaid leave of absence, you may continue full participation on an after-tax basis[4].
- If you leave the Company during the year, claims are reimbursed only for services performed on or before your termination date (unless you elect to extend participation through COBRA).

[1] For dependent care, your contribution is limited to $2,500 if you're married and filing separate tax returns or $1,000 if you're considered a "highly compensated employee" earning in excess of $135,000 in 2021. If your spouse also contributes to a dependent care FSA, your combined contribution can't exceed $5,000. In addition, you can't contribute more than your or your spouse's earned income. Certain non-discrimination rules may prevent you from contributing the maximum amount otherwise allowable. You'll be notified if you are affected.

[2] Your deduction may increase at the end of the year to make up for any unpaid hiatus or leave of absence weeks.

[3] For complete details, refer to the Summary Plan Description which is posted on our benefits website at tpbenefits.com.

[4] If you choose not to continue, your participation will terminate and you won't be able to claim expenses incurred after your unpaid hiatus or leave began. However, if you return to active employment in the same calendar year, you have two choices for reinstatement: (a) you can elect to resume the weekly contributions that were in effect before your leave/hiatus began although your initial election will be reduced by the amount of missed payroll deductions or (b) you can increase your weekly contributions to make up for the missed deductions up to your original election amount. In either case, expenses incurred during your unpaid absence won't be eligible for reimbursement.

KEY POINTS TO REMEMBER

If you don't use it, you lose it so be conservative in your election.

You get reimbursed through the FSA Plans based on when services are rendered in 2022, not when they are billed or paid.

You must submit claims incurred in 2022 no later than March 31, 2023 in order to be reimbursed. You'll forfeit any money remaining in your FSAs after the March 31, 2023 deadline!

Having a Dependent Care FSA will limit the tax credits you may be able to take for dependent care expenses. You should talk to an accountant or tax advisor for guidance.

You cannot use funds in your dependent care FSA for health care expenses or vice versa.

Pre-tax payroll deductions may lower your earnings reported for Social Security since benefits are based on your career earnings history.

ENROLLMENT TOOLS Everything is posted at tpbenefits.com including an Expense Calculator to help you help you estimate your upcoming year expenses and lists of eligible and ineligible expenses. For a complete description of the Plan, click on the Summary Plan Description. To participate, submit your completed enrollment form through the secure web link posted within 30 days of eligibility.

IMPORTANT RESOURCES

- PayFlex, plan administrator, www.payflex.com
  (888) 678-8242
- Benefits Department, tpbenefits.com
  3500 West Olive Ave. Suite 1000, Burbank, CA 91505
  818-972-0787
- www.irs.ustreas.gov for Publications 502 (Medical and Dental Expenses) and 503 (Child and Dependent Care Expenses)

A WORD ABOUT ELIGIBILITY

To be eligible for the TW Ventures Inc. Flexible Spending Account Plan, you must be a full-time employee working for a Participating Employer that is affiliated with Telepictures and paid through Cast & Crew.