



November 9, 2017

Dear USW Represented Employee:

You are receiving this letter because you have either 1) previously requested reimbursement of child care expenses through the Experimental Childcare Program under the Institute for Career Development (ICD) or 2) enrolled in the Dependent Care Flexible Spending Account (DCFSA) for 2018 on a pre-tax basis.

Due to guidance provided by the AMUSA tax consultants it is necessary for us to modify the Experimental Childcare Program for 2018. Therefore, in order to continue to take advantage of this tax-free benefit the Union and the Company have agreed that eligible Employees may voluntarily designate any unused funds otherwise available through the ICD Tuition Reimbursement Program to be matched to their personal contributions to a Dependent Care Flexible Spending Account (DCFSA), up to \$1,800.

How does this benefit me?

- This enables you to receive reimbursement for the monies you contribute tax-free.
- This enables you to also receive company matching contributions up to \$1,800 per year tax-free by enrolling in the DCFSA.
- Your contributions to the DCFSA are made on a pre-tax basis through payroll deduction, which reduces your taxable earnings.
- If you prefer not to receive the matching funds, you may do so. (For example, you may prefer to use the ICD monies for tuition assistance.)

To be eligible to receive a company matching contribution to your DCFSA, you must meet all of the following requirements:

- Be eligible to participate in the Program of Insurance Benefits for Active Represented Employees,
- Enroll and voluntarily contribute to the DCFSA during the annual enrollment period,
- Have qualifying dependent children, and
- Incur childcare expenses in order to work or go to school.

Your contributions made to your DCFSA will be matched up to a maximum of \$1,800 per year. However, the total of your contributions and the Company-matching contributions cannot exceed the annual limit of \$5,000 per year. The Company will make matching contributions at the close of each quarter. For example, assuming 26 pay periods per year, if you contribute \$1,800 per/year into a DCFSA account, the Company will contribute \$1,800 and your total account will be \$3,600. Your payroll deduction would be approximately \$69 deposited per pay, and the Company match of \$69 per pay would be deposited into your DCFSA after the close of each quarter (obviously you can contribute less, but the company match would be less or you can contribute more up to the \$5,000 annual limit).

Note: This matching contribution can only be used for your qualified dependent child's daycare. It cannot be used for Elder Day Care.

For more information on the DCFSA, visit the Benefits Website and click on the Flexible Spending Account Tab for informational flyers and the Summary Plan Description. You may also refer to IRS Publication 503.

Attached is a DCFSA form for your completion should you decide to take advantage of the pre-tax Company matching contributions. Please complete and return the form by Friday, November 17, 2017. If you have already enrolled in the DCFSA for 2018 you must complete the new form; we will disregard the Dependent Care section of the Open Enrollment form. If you have questions, please call the UMR Flexible Spending Department at (877) 310-3539.

Employee Benefits

Frequently Asked Questions

Q1- What is the maximum I can put into a Dependent Care Spending Account if I am receiving the \$1,800 matching funds?

A1-\$3,200; the match will end when you have received a total of \$1,800 of matching funds (pay period 15).

Q2-If I enroll for a \$600 contribution to the Dependent Care Spending Account, how much will I receive in matching funds?

A2-\$600. Any amount you contribute up to \$1,800 will be matched dollar for dollar.

Q3-My husband and I both work at ArcelorMittal, file a joint tax return, and we both want to contribute to a Dependent Care Spending Account. Can we each receive the \$1,800 of matching funds?

A3-No, since you are limited to a total contribution of \$5,000. To maximize the matching funds for the two of you, if you each contribute \$1,250, you will receive matching funds of \$1,250, for a total match of \$2,500.

Q4-I use the Dependent Care Spending Account to pay for adult day care expenses for my mother who lives with me. I understand I cannot receive matching funds to pay for elder care. Do I need to fill out a new form?

A4-Yes because we need you to indicate that you don't want the matching funds. There is an option to decline the matching funds on the form.

Q5-What if I have a qualifying event during the year and will no longer need childcare?

A5-You will be able to terminate your enrollment in the plan and will receive the match earned up to the date of termination.

Q6-The Health Care and Dependent Care Summary Plan Description posted on the Benefits website does not reference the matching funds: are all other benefits and rules the same?

A6-Yes, the plan will be amended for this change. Otherwise, all other benefits, rules and restrictions of the DCFSA apply.

Q7-How often will the matching funds be deposited in my account?

A7-At the end of each quarter the company will match the Dependent Care Spending Account contributions made through the last complete pay period in the quarter.

Q8-Do I file for reimbursement of Dependent Care expenses through the ICD or Payroll Shared Services?

A8-You will file through UMR. UMR administers both the Health Care and the Dependent Care Spending Accounts. You can learn more about how to file by reading the Health Care and Dependent Care Summary Plan Description posted on the Benefits website. Reimbursement forms are posted on the Benefits Website or are available by calling UMR at (877) 310-3539.

Q9-I enrolled in both a Health Care Spending Account and a Dependent Care Spending Account for 2018. Will I also have to fill out a new form for the *Health Care Spending Account*?

A9-No, the information on the original form will be used for the 2018 enrollment in the Health Care Spending Account.

Q10-Can I still file my childcare expenses with the ICD and receive a taxed reimbursement?

A10-No, reimbursement for childcare expenses will no longer be available directly from the ICD.