

DEPENDENT CARE ASSISTANCE PLAN

for
DaimlerChrysler Corporation
UAW Represented Employees



This booklet contains a detailed summary of the Dependent Care Assistance Plan. It's important to keep in mind that this summary is based on an official plan document, policies and negotiated agreements. If there is any difference between those sources and this booklet, the sources will always have the final word.

DaimlerChrysler Corporation reserves the right to amend, modify, suspend or terminate all or part of the program described herein, provided however, that no action shall be taken to contradict the terms of the most current collective bargaining agreement.

ELIGIBILITY, ENROLLMENT & EFFECTIVE DATE

Eligibility

You will be eligible to participate in the plan if you are:

- an active, full-time or part-time, hourly UAW-represented employee of DaimlerChrysler Corporation
- an active, full-time or part-time, salary UAW-represented employee of DaimlerChrysler Corporation

You are not eligible to participate in the plan if you are:

- an hourly or salary employee represented by any other union
- a retiree

Enrollment

Eligible employees will be given the opportunity to elect to participate in the plan during Open Enrollment.

Newly hired employees (mid-year) will be eligible to participate in the plan provided enrollment is within 31 days from date of hire.

Certain Qualified Life Status Changes allow for mid-year enrollment, see page 3, "Qualified Life Status Changes".

If you do not enroll during Annual Open Enrollment, within 31 days of your date of hire (new hires) or have a Qualified Life Status Change you will have to wait until the next open enrollment period.

Contact Benefit Express at 1-888-456-7800 for all enrollments and life status changes.

Effective Date

Elections made during Annual Open Enrollment will be effective the next January 1.

New hire elections received within 31 days of date of hire will become effective first of the month following enrollment.

For example, if you are hired on April 15 and make your election on May 5, your effective date would be June 1.

If you qualify for enrollment due to a Qualified Life Status Change, participation will be effective the first of the month following enrollment.

CONTRIBUTION ELECTIONS & PAYROLL DEDUCTIONS

Contribution Elections

Contributions cannot exceed \$5,000 per year. If your spouse has a Dependent Care Assistance Plan, either with DaimlerChrysler Corporation or another employer, both of you together may not contribute more than \$5,000.

Further, contributions cannot exceed the annual taxable income of the lower paid spouse, unless this spouse is a full-time student for at least five (5) months a year, or is incapable of self-care.

Payroll Deductions

Annual contribution amounts will be divided by the number of pay periods available during the plan year, or the number of pay periods in which you have elected to participate in the plan.

For example, if you elect to contribute \$5,000 for the 2002 plan year your weekly deduction will be \$96.15, if paid bi-weekly your deduction will be \$192.31.

If you are a new hire mid-year your elected contribution amount is still divisible by the total number of pay periods remaining in the year.

For example, if you were hired in April and elected to contribute \$5,000 and participation in the plan commenced in May, you would receive a payroll deduction each pay period from May through December. Based on 35 pay periods the amount of the deduction would be \$142.85 if you are paid weekly. Based on 18 pay periods the amount would be \$277.77 if you are paid bi-weekly.

Deductions will be taken **each** pay period (weekly for hourly UAW employees and bi-weekly for salary UAW employees) as follows:

- 401(k) deductions will be deducted before Dependent Care Assistance Plan deductions
- In the event your Dependent Care Assistance Plan deduction exceeds the net amount of your paycheck, no deduction will be taken.
- Missed Dependent Care Assistance Plan deductions will not be "made-up" or applied to the next pay period.
- Deductions will not apply to any other form of compensation, i.e., sickness & accident pay, workers' compensation, etc.

WHEN PARTICIPATION IN THE DEPENDENT CARE ASSISTANCE PLAN ENDS

You are considered no longer active and your participation in the Plan ends when:

- Your employment at DaimlerChrysler is terminated
- You become ineligible for plan participation because:

- you are on Indefinite Layoff
- you are on Disability Leave of Absence
- you are on Leave of Absence (other than disability)
- you are no longer a UAW-represented employee, or
- you Retire

QUALIFIED LIFE STATUS CHANGES

The following Qualified Life Status Changes may allow you to enroll, adjust or suspend your contributions:

- You marry, divorce, legally separate, or your marriage is annulled.
- You add a qualified dependent (for example, birth or adoption of a child).
- You lose a qualified dependent (for example, death of your child or spouse).
- Your spouse starts or ends employment or an unpaid leave of absence, or changes employment from full-time to part-time or the reverse.
- You have a change in residence.
- You have a change in provider.
- You have a significant change in provider fees.

Qualified Life Status Change events that affect your participation in the plan must be reported to Benefit Express (1-888-456-7800) within 31 days of the event(s). Documentation supporting the qualified change will be required. Change effective date is first of the month following the month in which the change is reported.

ELIGIBLE DEPENDENTS

The Dependent Care Assistance Plan allows you to reimburse child and dependent care expenses so you (and your spouse if you are married) can work or look for work. Your expenses must be for the care of:

- Your dependent who is under age 13 when the care was provided and for whom you can claim as an exemption for federal tax filing purposes.
- Your spouse who is physically or mentally not able to care for himself or herself.
- Any person who is not able to care for him or herself and for whom you can claim as an exemption for federal tax filing purposes.

ELIGIBLE EXPENSES

This listing summarizes eligible and ineligible expenses as determined by the Internal Revenue Service (IRS) Publication 503; the final decision on an expense is determined by this publication and DaimlerChrysler Corporation.

Eligible Expenses:

- Day care centers, nursery schools and summer day camps.
- Kindergarten and higher, only the cost of day care/latchkey/extended care is an eligible expense.
- Individuals, excluding your dependents and your children under the age of 19, who provide care in or outside your home (e.g., nanny, au pair, baby-sitter).
- Dependent care centers that provide day care, not residential care, for dependent adults.
- Before and After School care.

Ineligible Expenses:

- Care payments to your own dependents or children under 19 years of age or a relative that you claim as a dependent on your Federal Income Tax Return.
- Child support payments
- Private school tuition
- Transportation costs
- Care expenses for a person who does not meet the definition of a qualified dependent
- Educational Programs

REIMBURSEMENT

Reimbursement for Dependent Day Care expenses is made directly by UHC to the employee and will be accompanied by an Explanation of Benefits (EOB) with the following information:

- Available balance as of check date
- Claims paid to date as of check date
- Balance of claims pending as of check date

In addition you will also receive on a annual basis an explanation of the following information:

- Annual election
- Year-to-date contributions
- Year-to-date claims
- Year-to-date reimbursement

Normally, expenses are eligible for reimbursement provided they meet the following criteria:

- Expense is for an eligible dependent care service. (A list of Eligible Expenses is shown on page 4.)
- Date was or is provided within the calendar year of participation.
- Expense is not a duplicate of a previously submitted expense.
- Expense has not been previously reimbursed, will not be submitted for reimbursement from any other source, and you are not claiming the expense as a deduction/tax credit on your tax return.
- The services have been provided (i.e., pre-billing for anticipated expenses is not permitted.)

CLAIM FILING

Reimbursements are processed by UHC on a daily basis. Generally all requests received are processed and an EOB and reimbursement is generated within 6-8 business days of receipt. Participants will receive a check for reimbursement by UHC. (Please allow 5 to 8 mailing days for reimbursement).

To obtain reimbursement for eligible expenses, you will need to submit a Dependent Care Assistance Plan Claim Form with each claim. A claim form will be sent to your home after enrollment in this Plan and is also available by contacting UHC at 1-877-311-7849 or www.uawdcx.com, click on Work-Life, then click on Dependent Care Assistance Plan.

What to Submit as Evidence of Your Expense

For dependent care expenses, a completed claim form is all you need to submit for reimbursement. The claim form must show the dollar amount you are claiming, the beginning date of service, the ending date of service, your signature, including date of signature. For example, a bill, receipt, or invoice for services rendered would qualify as valid receipts.

Submitting Your Claim

Your claim can be mailed or faxed to UHC at:

By Mail: **United Healthcare**
 P.O. Box 981178
 El Paso, TX 79998-1178

By Fax: **1-915-781-1085**

The address that you provide on the claim form will be used for correspondence and reimbursement. Please note that any name or address changes that occur must still be reported to your Plant Personnel Representative so that your records are properly updated.

Covered expenses incurred during each plan year (January 1 to December 31) can be submitted during a four (4) month grace period following the end of the plan year (i.e., through April 30th). Claims postmarked after April 30th will not be processed. After April 30th, all accounts are closed and any remaining unused funds are forfeited as required by Federal Law.

MINIMUM REIMBURSEMENT AMOUNT

If submitted claims do not equal at least \$50.00, they will be held in suspense until they total \$50.00. **Any approved claims outstanding at year-end (regardless of amount) will be processed and reimbursements will be made accordingly.**

If the amount of expense submitted exceeds the current account balance, a partial payment will be made equal to the current account balance. Outstanding amounts are held in suspense for automatic payment once additional contributions are received.

For example your weekly contribution is \$25 or \$1,300 annually. With your March contributions, the total of account contributions is \$300. In March, a claim for \$350 is submitted for eligible dependent care expenses. Because the claim submitted exceeds the account balance, a check for \$300 will be issued the next business day. As additional contributions are deposited into your account from your paycheck, a check up to the amount of claims held in suspense will be issued.

HELPFUL HINTS FOR EXPEDIENT CLAIMS PROCESSING

Do's

- Be sure to verify that your name, address and social security number are shown correctly.
- Do not staple receipts, etc. to the claim form. This slows down processing. If there are a number of attachments, please use a paper clip instead. If there are a number of small pieces of paper, scotch tape them to a larger piece of paper, if possible.
- Retain a copy of the claim form and receipts for your tax records.

Don'ts

- Scan the claim form into a computer.
- Write comments or messages on the claim form. Call Customer Service instead at 1-877-311-7849.
- Change your address on the claim form. If your address is incorrect, contact Benefit Express at 1-888-456-7800.
- Attempt to e-mail the claim form.
- Re-fax claim forms or mail unless you are requested to do so by a Customer Service Representative

CLAIM DENIALS

Denied Claims are eligible for appeal. If a claim is denied, either totally or partially, you will receive a written notice. The notice will explain the reason for the denial, describe what additional information, if any, is necessary, for re-submittal of the claim.

If you disagree with a claim denial, you or your authorized representative may contact customer service for more information regarding the denial.

A claim may be further reviewed by the Corporation or the claims processor at the request of the International Union, UAW.

QUESTIONS & ANSWERS

Q. Do you currently have eligible expenses for dependent care?

Check the list of qualifying expenses listed in this booklet. Keep in mind that the definition of a "dependent" includes not only children, but can also include certain adult dependents.

Q. What happens if six months into the year I no longer require dependent care services?

There are certain Qualified Life Status Change events that allow participants to exit the plan or suspend their contributions. See page 3 for these qualifying events.

Q. What period covers a plan year?

Plan year will be January 1 through December 31.

Q. What happens if I have over-estimated my expenses and I don't have a Qualified Life Status Change event and I have money left at the end of the year?

IRS regulations require that any unused contributions at the end of the plan year are forfeited.

Q. What happens if I retire, resign or terminate my employment?

Your pre-tax contributions cease. You may continue to submit claims for services incurred through the plan year up to the account balance at the time you exit the program.

Q. How do I report this information at the end of the year for tax filing purposes?

You must complete Form 2441.

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