

# Spending Accounts

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Spending accounts allow you to pay for certain health care, dependent day care, and transportation expenses with pretax contributions from your pay.

- **Health Care Spending Account (HCSA):** Use the HCSA to pay for certain health care expenses for yourself and your qualified dependents that are not paid by any medical, dental, or vision plan. You are eligible to enroll in the HCSA if you are not enrolled in a High Deductible Health Plan. *If you enroll in a High Deductible Health Plan, you cannot enroll in the HCSA.*
- **Limited Purpose Health Care Spending Account (LPSA):** Use the LPSA if you are enrolled in a High Deductible Health Plan-Basic or Premier and establish a Health Savings Account (HSA) to pay for dental, vision, and/or preventive care medical expenses for yourself and your qualified dependents that are not paid by any medical, dental, or vision plan or your HSA.
- **Dependent Day Care Spending Account (DCSA):** Use the DCSA to pay for certain dependent day care expenses so that you (and your spouse, if you are married) can work or look for work. **Reminder:** This account cannot be used to pay health care expenses for your dependents.
- **Transportation Reimbursement Incentive Program (TRIP):** Use the TRIP to pay for the cost of public transportation and parking so you can commute to work. **Note:** TRIP is not part of annual enrollment. You can enroll at any time.

### Your Spending Account™ Website

The Your Spending Account™ (YSA) website makes it easy for you to manage your spending accounts. You can file claims, confirm which expenses are eligible, check your account balance, and more! See the YSA Guide for more information.

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## How the spending accounts work

### Enrolling in the spending accounts

To have continued coverage in the Health Care Spending Account, Limited Purpose Health Care Spending Account, and/or Dependent Day Care Spending Account, you *must* enroll each year. *Your election does not roll over from year to year.*

For TRIP, you can enroll at any time. Pretax, and if needed, after-tax, payroll contributions will be taken as soon as administratively possible to pay for your transit and/or parking pass, which must be purchased online.

Once enrolled, you can obtain information about your account on Your Benefits Resources™:

- Visit Total Comp @ Citi at **[www.totalcomponline.com](http://www.totalcomponline.com)**. From the “Quick Links” page, click on “Your Benefits Resources™.”
- Go directly to Your Benefits Resources™ at **<http://resources.hewitt.com/citigroup>**.

Contributions to the spending accounts from your pay will be available as follows:

If you enroll during the annual enrollment period:

- **HCSA and LPSA:** The entire amount of the 2010 contributions you elect will be posted to your account January 1.
- **DCSA:** Contributions will be posted to your account each pay period. You can be reimbursed up to the amount available in your account. The balance of any claim will be paid as additional contributions are deposited into your account.

If you enroll as a new hire:

- **HCSA and LPSA:** The entire amount of the 2010 contributions you elect will be posted to your account within 31 days after you enroll.
- **DCSA:** Contributions will be posted to your account each pay period. You can be reimbursed up to the amount available in your account. The balance of any claim will be paid as additional contributions are deposited into your account.
- **TRIP:** Contributions will be deducted each pay period to purchase transit and/or parking passes you’ve selected online.

### Changing your contribution amounts

You may change your contributions for the HCSA, LPSA, and DCSA only during annual enrollment or as a result of a qualified change in status.

Review the Instructions for Change in Status Worksheet (Form 308A) and the Change in Status Worksheet (Form 308B), which lists status events and the corresponding changes you can make to your benefits coverage for each event, at

**[www.citigroup.net/human\\_resources/life\\_events.htm](http://www.citigroup.net/human_resources/life_events.htm)** (intranet only).

## Legal requirement: Save your receipts

Each time you “swipe” your Health Care Spending Account Reimbursement Card (described in “Health Care Spending Account Reimbursement Card” on page 150), be sure to save your receipt in case you are required at a later date to substantiate that your expense was eligible for reimbursement under the Plan. *Per IRS rules, unsubstantiated expenses will be considered taxable income.*

You have until June 30, 2011, to resolve any 2010 transactions that require receipts. If you fail to resolve these transactions with the Citi Benefits Center by the deadline, the amount of the transaction in dispute, considered an “overpayment,” will be added to the amount of your 2011 earnings. Applicable taxes will be withheld and reported on a Form W-2 (if you are an active employee) or a Form 1099-MISC (if you are no longer a Citi employee) at the time year-end tax forms are distributed.

## Reimbursements

Reimbursements for eligible HCSA/LPSA and DCSA expenses will be deposited directly to your bank account, or sent via check to your home address, if no direct deposit account is on file. To add your direct deposit account information, visit Your Benefits Resources™ through Total Comp @ Citi at **www.totalcomponline.com**, available from the Citi intranet and the Internet. From the “Quick Links” page, click on Your Benefits Resources™. You also can go directly to **http://resources.hewitt.com/citigroup**.

If you HCSA or LPSA claim is denied, see “Claims and appeals for the HCSA/LPSA” on page 159.

## Overpayments

In the event an expense reimbursed by any of the spending accounts is not eligible for reimbursement, you agree to reimburse Citi for any amount owed. In the event that amounts are owed under the HCSA, your privileges under the Health Care Spending Account Reimbursement Card may be subject to suspension or termination.

## Spending accounts at a glance

SPENDING ACCOUNTS AT A GLANCE				
	Health Care Spending Account (HCSA)	Limited Purpose Health Care Spending Account (LPSA)	Dependent Day Care Spending Account (DCSA)	Transportation Reimbursement Incentive Program (TRIP) <sup>1</sup>
<i>Why enroll?</i>	To reduce your taxes by paying for eligible expenses with pretax dollars			
<i>What is reimbursed</i>	IRS-qualified health care expenses for you and your family that are not paid by any medical, dental, or vision plan.	IRS-qualified vision, dental, and preventive care medical expenses for you and your family that are not paid by any medical, dental, or vision plan or your HSA.	IRS-qualified dependent day care expenses for your qualified dependents so that you (and your spouse, if you are married) can work or look for work.	Eligible transit and parking expenses. <b>Note:</b> Your contributions are used to purchase transit/parking passes online. There is no claim-filing process.
<i>Contribution limits</i>	From \$120 to \$15,000 per year per family; money is deducted in equal amounts each pay period.	From \$120 to \$5,000 per year per family; money is deducted in equal amounts each pay period.	From \$120 to \$5,000 per year per family; money is deducted in equal amounts each pay period.	<b>Transit:</b> Up to \$230 per month <b>Parking:</b> Up to \$230 per month
<i>Forfeiture provisions</i>	You will forfeit any money you contribute but do not use each calendar year.	You will forfeit any money you contribute but do not use each calendar year.	You will forfeit any money you contribute but do not use each calendar year.	If your account remains inactive for 12 consecutive months, you will forfeit any remaining contributions.

## Spending Accounts

SPENDING ACCOUNTS AT A GLANCE				
	Health Care Spending Account (HCSA)	Limited Purpose Health Care Spending Account (LPSA)	Dependent Day Care Spending Account (DCSA)	Transportation Reimbursement Incentive Program (TRIP) <sup>1</sup>
<i>Changing your election</i>	You can change your election as the result of a qualified status change; you cannot enroll in December for the current year.	You can change your election as the result of a qualified status change; you cannot enroll in December for the current year.	You can change your election as the result of a qualified status change; you cannot enroll in December for the current year.	You can change your online purchase at any time; the change will be effective as soon as administratively possible.
<i>Filing a claim</i>	You must file claims for 2010 expenses so they are postmarked no later than June 30, 2011.	You must file claims for 2010 expenses so they are postmarked no later than June 30, 2011.	You must file claims for 2010 expenses so they are postmarked no later than June 30, 2011.	Claims for eligible expenses incurred through February 2010 must be filed no later than March 31, 2010. <sup>2</sup>

<sup>1</sup> TRIP is not part of annual enrollment. You can enroll in TRIP at any time.

<sup>2</sup> Beginning in March 2010, TRIP transit and parking passes must be purchased online.

## Health Care Spending Account (HCSA)

You can contribute between \$120 and \$15,000 a year on a pretax basis to reimburse yourself for eligible out-of-pocket health care expenses. Contributions are taken each pay period before federal and, in most locations, state and local taxes are withheld.

You must actively elect to participate in the HCSA during each annual enrollment or within 31 days of a qualified change in status. You may enroll in the HCSA if you are *not* enrolled in a High Deductible Health Plan.

You can be reimbursed for expenses incurred only during the time you are enrolled. You can enroll as a new employee, during the annual enrollment period, or within 31 days of a qualified change in status. However, you cannot enroll in December for the current calendar year.

HCSA claims must be filed by June 30 of the calendar year following the calendar year in which the expense was incurred. You may change or stop your contributions as a result of a qualified change in status.

The amount of your payroll contributions will appear on your Form W-2 Wage and Tax Statement for the year in which you were enrolled.

In accordance with IRS guidelines, the Plan Administrator, in its discretion, may reduce the rate of contribution by certain participants to ensure that the HCSA is not deemed to discriminate in favor of highly compensated employees.

Under the Heroes Earnings Assistance Relief Tax Act of 2008, if you are a reservist called to active military duty for more than 179 days on or after January 1, 2010, you are entitled to receive a taxable distribution of your HCSA balance (contributions less the amount reimbursed) if you request a distribution by the last day of the calendar year in which you made such contributions.

## Rules and features

### General rules about expenses

Most health care expenses that the Internal Revenue Service (IRS) considers as deductible on your income tax return are eligible for reimbursement from the HCSA, provided the expenses are not reimbursed from any other source.

You can be reimbursed for your expenses or those incurred by anyone you can claim as a dependent on your tax return, regardless of whether you or your dependent is covered under any Citi medical, dental, or vision Plan.

Estimate expenses conservatively. You cannot receive a refund for contributions intended to reimburse yourself for a surgery or procedure that is later canceled.

### Examples of eligible health care expenses

- Your share of expenses that are not paid by your medical, dental, and/or vision plan, such as deductibles, coinsurance, and copayments;
- Other charges that exceed what your medical, dental, and/or vision plan will pay, such as charges above reasonable and customary amounts or other plan limits;

- Vision care expenses, such as exams, prescription eyeglasses and sunglasses, contact lenses, and laser surgery, that are not covered by your medical or vision plan;
- Hearing care expenses, such as exams, hearing aids, and hearing aid batteries, that are not covered by your medical plan;
- Certain equipment and training for disabled individuals;
- Childbirth classes, such as Lamaze, for up to two people;
- Chiropractic care that is not covered by your medical plan;
- Physical therapy, psychiatric therapy, and counseling that are not covered by your medical plan;
- Cholesterol tests, vaccines, and immunizations that are not covered by your medical plan;
- Prescription contraceptives and infertility treatments that are not covered by your medical plan;
- Smoking cessation programs;
- Certain over-the-counter drugs for which you have a receipt (see the lists of eligibility requirements below);
- Medicines prescribed by a doctor that your medical plan or prescription drug program does not cover; and
- Transportation necessary to obtain certain health care services.
- Cough drops and throat lozenges;
- Diabetic supplies, including test kits;
- First aid cream, Neosporin;
- Hearing aid batteries;
- Hydrocortisone cream, Benadryl;
- Laxatives;
- Medicines taken as sleeping aids;
- Motion sickness pills;
- Nicotine gum or patches for smoking cessation;
- Pain reliever;
- Pedialyte;
- Pills for individuals who are lactose intolerant;
- Pregnancy test kits;
- Reading glasses;
- Sinus medications and sprays;
- Special diaper rash ointments;
- Special ointment or cream for sunburn;
- Suppositories and creams for hemorrhoids;
- Thermometers;
- Visine, contact lens solutions, contact lens cleaners, and other eye products used to treat eye ailments; and
- Wart remover treatments.

## Eligible over-the-counter drugs

The following over-the-counter medicines are covered under the HCSA when used to treat a medical illness or condition:

- Allergy medicine (e.g., Claritin);
- Antacids (e.g., Prilosec);
- Anti-diarrhea medicine;
- BenGay, Tiger Balm, or other products for muscle pain or joint pain;
- Medicines used to treat insect bites;
- Calamine lotion, creams to treat poison ivy;
- Carpal tunnel wrist supports;
- Cold medicine;

## Ineligible health care expenses

- Expenses for which you have been reimbursed from another source, such as Citi's or another employer's medical, dental, and/or vision plan, Medicare, or Medicaid;
- Elective cosmetic surgery or cosmetic dental work;
- Vitamins or minerals taken for general health purposes, including those recommended by your doctor;
- Maternity clothes or diaper services;
- Nursing services to care for a healthy newborn;
- Household help or custodial care at home or in an institution, even if recommended by your doctor;

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- Health club fees, exercise classes, or weight-loss programs for general health purposes, even if recommended by your doctor;
- Cosmetics, toiletries, or toothpaste;
- Amounts you pay for medical and dental insurance premiums; and
- Long-term-care services including insurance premiums for long-term care insurance.

The following over-the-counter items are covered under the HCSA only when accompanied by a diagnosis of medical condition from a licensed physician. The physician's note must indicate your specific medical condition and that the over-the-counter item is the recommended treatment:

- Medicated shampoos (diagnosis of specific scalp infection other than dry scalp or dandruff);
- Weight-loss drugs/programs (items which replace normal food are not eligible)
- Feminine hygiene products;
- Sunscreen;
- Acne treatment;
- Glucosamine/chondroitin for arthritis;
- St. John's Wort;
- OTC hormone therapy;
- Dietary supplements/fiber supplements/vitamins are rarely reimbursable, but they may be eligible if they are used to treat a specific medical condition and are not for general health purposes (requires note from licensed physician); and
- Hormone therapy creams.

### For more information

For more information about eligible expenses, see *IRS Publication 502: Medical and Dental Expenses* at [www.irs.gov](http://www.irs.gov) or contact your tax adviser. You also can call the IRS at 1-800-829-1040.

**Note:** The IRS publication is a guideline for use in preparing tax returns; it is not a description of the Citi Plan.

## Health Care Spending Account Reimbursement Card

When you enroll in the HCSA, you must elect to receive a Health Care Spending Account Reimbursement Card to use at any provider that accepts MasterCard as a form of payment. **Note:** The Health Care Spending Account Reimbursement Card is not available for use with any of the other spending accounts. Once you elect to receive a card, the automatic claims submission feature, described below, will be turned off automatically.

### Automatic claims submission

The following Plans will submit your claims to the HCSA administrator so you will be reimbursed automatically for many eligible expenses without having to file a claim:

- Aetna and Empire BlueCross BlueShield ChoicePlan 500;
- Oxford Health Plans PPO;
- Citigroup Prescription Drug Program; and
- MetLife Preferred Dentist Program (PDP).

However, if you elect to receive a Health Care Spending Account Reimbursement Card, the automatic claims submission feature will be turned off. Instead, claims submitted automatically will be used only to validate purchases made with the reimbursement card. You will then need to file a claim for any expenses for which you do not use your reimbursement card.

If you do not want to be reimbursed for your claims automatically, you may cancel automatic reimbursement or you may elect an HCSA card, which will turn off the automatic claims submission feature. You may change your election one time during the plan year on the Your Spending Account™ (YSA) website. You may access the YSA website through Your Benefits Resources™. Visit Total Comp @ Citi at [www.totalcomponline.com](http://www.totalcomponline.com). From the "Quick Links" page, click on "Your Benefits Resources™." Select the "Health and Insurance" tab and select any spending account you wish to access. To access the YSA website, click on either "Manage Your Account" or "Your Spending Account."



## Reimbursements

At any time, you may be reimbursed for eligible expenses up to the total amount you elected to contribute for the year. If you increase your contributions during the year because of a qualified change in status, you may be reimbursed from the increased amount only for expenses incurred *after* the date of the qualified change in status.

### Using HCSA during an unpaid leave or after your termination of employment

You can continue your HCSA coverage under COBRA through the end of the calendar year. If you do not continue coverage under COBRA, you cannot use the account for expenses incurred beyond the start date of your leave or your termination date, respectively. However, you will have until the following June 30 to submit your claims for services incurred before the start date of your leave/your termination date.

### Effect on other benefits

Even though you reduce your taxable income by using the spending account(s), you are not reducing your pay for determining any Citi pay-related benefits, such as disability or life insurance. Benefits under these Plans are based on your total compensation *before* your spending account contributions are deducted.

### Effect on taxes

You receive a tax advantage by paying for eligible health care expenses through your HCSA *or* by claiming a federal income tax deduction for eligible expenses that exceed 7.5% of your adjusted gross income. However, you cannot claim a deduction for an expense on your tax return if you have been reimbursed for the same expense through the HCSA.

### Social Security

Your spending account contributions will reduce the amount of your Social Security taxes. If your taxable pay is below the Social Security taxable wage base, your future Social Security retirement benefits also may be reduced.

## Filing a claim

See “How to file a claim” in the *Eligibility and Participation* section.

Generally, you will have until June 30 following the year in which you incur the eligible expense to file a claim for reimbursement. If mailing your 2010 claims, your envelope must be postmarked no later than June 30, 2011.

### For more information

Call the Citi Benefits Center through ConnectOne at 1-800-881-3938. From the ConnectOne main menu, choose the “health and welfare” benefits option.

You also can visit the Social Security Administration website at [www.socialsecurity.gov](http://www.socialsecurity.gov) for information on the taxable wage base for a given year and Social Security plans and provisions.

## Limited Purpose Health Care Spending Account (LPSA)

You must be enrolled in the Citi High Deductible Health Plan-Basic or Premier to enroll in the LPSA. You can enroll as a new employee, during the annual enrollment period, or within 31 days of a qualified change in status. However, you cannot enroll in the LPSA in December for the current calendar year. You may change or stop your contributions as a result of a qualified change in status.

### Rules and features

You can contribute between \$120 and \$5,000 a year on a pretax basis to reimburse yourself for eligible out-of-pocket dental, vision, and preventive care medical expenses. Contributions are taken each pay period before federal and, in most locations, state and local taxes are withheld.

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## General rules about expenses

Since the LPSA is intended to be used in conjunction with a Health Savings Account, eligible expenses are limited to those for dental, vision, and preventive care medical expenses. Other medical care expenses should be paid from your HSA.

## Examples of eligible health care expenses

- Your share of expenses that are not paid by your dental and/or vision plan, such as deductibles, coinsurance, and copayments and charges that exceed reasonable and customary amounts or other plan limits;
- Vision care expenses, such as exams, prescription eyeglasses and sunglasses, contact lenses, and laser surgery, which are not covered by your medical or vision plan;
- Preventive care medical expenses as identified by the IRS, such as:
- Periodic health evaluations, including tests and diagnostic procedures ordered in connection with routine examinations, such as annual physicals;
- Routine prenatal and well-child care;
- Child and adult immunizations;
- Tobacco cessation programs;
- Obesity weight-loss programs; and
- Screening services including routine cancer, heart disease, and infectious disease screening.
- Since network preventive care is covered at 100% in the High Deductible health Plan, you will not need this account to reimburse yourself for network preventive medical care expenses. However, if you obtain preventive care from an out-of-network doctor, the High Deductible Health Plan will cover 100% of reasonable and customary charges only. As a result, not all preventive care charges may be covered.

## Ineligible health care expenses

- Expenses for which you have been reimbursed from another source, such as Citi's or another employer's medical, dental, and/or vision plan, Medicare or Medicaid, or your Health Savings Account;
- Non-preventive-care medical expenses;
- Elective cosmetic surgery or cosmetic dental work;

- Vitamins or minerals taken for general health purposes, including those recommended by your doctor;
- Maternity clothes or diaper services;
- Nursing services to care for a healthy newborn;
- Household help or custodial care at home or in an institution, even if recommended by your doctor;
- Health club fees, exercise classes, or weight-loss programs for general health purposes, even if recommended by your doctor;
- Cosmetics, toiletries, or toothpaste;
- Amounts you pay for medical and dental insurance premiums; and
- Long-term-care services including insurance premiums for long-term care insurance.

## For more information

For more information about eligible expenses, see *IRS Publication 502: Medical and Dental Expenses* at **[www.irs.gov](http://www.irs.gov)** or contact your tax adviser. You also can call the IRS at 1-800-829-1040.

**Note:** The IRS publication is a guideline for use in preparing tax returns; it is not a description of the Citi Plan.

## Is the Limited Purpose Health Care Spending Account for you?

The Limited Purpose Health Care Spending Account (LPSA) is for employees who enroll in the High Deductible Health Plan-Basic or Premier.

Generally, employees who enroll in the High Deductible Health Plan and establish a Health Savings Account also enroll in an LPSA to pay for eligible health care expenses with pretax dollars. ("Establish" an account means you apply for an account and are approved because you meet certain credit and "know your customer" requirements. If your account is not established, you cannot receive the employer contribution.) However, you may enroll in an LPSA if you are not enrolled in a Health Savings Account (as long as you are enrolled in the High Deductible Health Plan).

**Note:** Employees who enroll in a High Deductible Health Plan or who establish a Health Savings Account are *not* eligible to enroll in a Health Care Spending Account.



## Plan your LPSA contributions accordingly

Since network preventive care is covered at 100% in the High Deductible Health Plan, you will not need this account to reimburse yourself for network preventive medical care expenses. However, if you obtain preventive care from an out-of-network doctor, the High Deductible Health Plan will cover 100% of reasonable and customary charges only. As a result, not all preventive care charges may be covered.

To participate in the LPSA each year you must actively enroll. Your enrollment does not carry over from year to year.

You can be reimbursed for expenses incurred only during the time you are enrolled. The amount of your payroll contributions will appear on your Form W-2 Wage and Tax Statement for the year in which you were enrolled.

In accordance with IRS guidelines, the Plan Administrator, in its discretion, may reduce the rate of contribution by certain participants to ensure that the LPSA is not deemed to discriminate in favor of highly compensated employees.

## Paying for your expenses out of pocket

You can submit claims for certain expenses under the following plans:

- High Deductible Health Plan-Basic and Premier;
- Dental; and
- Vision.

However, you must pay for expenses out of pocket and submit qualified expenses for reimbursement using the LPSA Claim Form (Form 315).

## Reimbursements

At any time, you may be reimbursed for eligible expenses up to the total amount you elected to contribute for the Plan year. If you increase your contributions during the year because of a qualified change in status, you may be reimbursed from the increased amount only for expenses incurred *after* the date of the qualified change in status.

## Using LPSA during an unpaid leave or after your termination of employment

If you terminate employment with Citi, you can continue your LPSA coverage under COBRA through the end of the calendar year in which your employment was terminated. If you do not continue coverage under COBRA, you cannot use the account for expenses incurred beyond your termination date. However, you will have until the following June 30 to submit your claims.

## Effect on other benefits

Even though you reduce your taxable income by using the spending account(s), you are not reducing your pay for determining any Citi pay-related benefits, such as disability or life insurance. Benefits under these Plans are based on your total compensation *before* your spending account contributions are deducted.

## Effect on taxes

You receive a tax advantage by paying for eligible health care expenses through your LPSA *or* by claiming a federal income tax deduction for eligible expenses that exceed 7.5% of your adjusted gross income. However, you cannot claim a deduction for an expense on your tax return if you have been reimbursed for the same expense through the LPSA.

## Social Security

Your spending account contributions will reduce the amount of your Social Security taxes. If your taxable pay is below the Social Security taxable wage base, your future Social Security retirement benefits also may be reduced.

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### Filing a claim

See “How to file a claim” in the *Eligibility and Participation* section.

Generally, you will have until June 30 following the year in which you incur the eligible expense to file a claim for reimbursement. If mailing your 2010 claims, your envelope must be postmarked no later than June 30, 2011.

### For more information

Call the Citi Benefits Center through ConnectOne at 1-800-881-3938. From the ConnectOne main menu, choose the “health and welfare” benefits option.

You also can visit the Social Security Administration website at [www.socialsecurity.gov](http://www.socialsecurity.gov) for information on the taxable wage base for a given year and Social Security plans and provisions.

## Dependent Day Care Spending Account (DCSA)

You can contribute between \$120 and \$5,000 a year on a pretax basis to reimburse yourself for day care expenses for qualified dependents so that you (and your spouse, if you are married) can work or look for work. See “Qualifying individuals” on page 155.

You can be reimbursed for expenses incurred only during the time you are enrolled. You can enroll as a new employee, during the annual enrollment period, or within 31 days of a qualified change in status. However, you cannot enroll in December for the current calendar year.

The amount of your payroll contributions will appear on your Form W-2 Wage and Tax Statement for the year in which you were enrolled.

In accordance with IRS guidelines:

- The Plan Administrator, in its discretion, may reduce the rate of contribution by certain participants during the year to ensure that the DCSA is not deemed to discriminate in favor of highly compensated employees.

- Eligible expenses submitted via paper claim with future dates of service will not be reimbursed prior to the last day of the billing period.

**Quick tip:** You cannot use the DCSA to reimburse yourself for your dependents’ health care expenses; use the HCSA for that purpose.

### Rules and features

#### Examples of eligible dependent day care expenses

- Care at a licensed nursery school, day camp (including specialty camps), or day care center; the facility must comply with state and local regulations, serve more than six individuals, and receive fees for services;
- Services from individuals who provide dependent day care in or outside your home, unless the provider is your spouse, your own child under age 19, or any other dependent (these individuals must provide their Social Security numbers to you);
- After-school care for children under age 13;
- Household services related to the care of an elderly or disabled adult who lives with you;
- Expenses for a care provider for the transportation between your house and the place that provides day care services;
- Your portion of FICA and other taxes that you pay for a care provider; and
- Any other services that qualify as dependent day care under IRS rules.

#### Examples of ineligible dependent day care expenses

- Expenses for food, clothing, or education;
- Expenses for transportation between your house and the place that provides day care services;
- Expenses for dependent day care when either you or your spouse is not working;
- Charges for convalescent or nursing home care for a parent or disabled spouse;
- Overnight camp expenses;

- Expenses for dependent day care that enables you or your spouse to do volunteer work;
- Payments made to your spouse, your own child under age 19, or any other dependent; and
- Expenses for which you take the federal child care tax credit.

## For more information

For more information about eligible dependents and expenses, see *IRS Publication 503: Child and Dependent Care Expenses* at [www.irs.gov](http://www.irs.gov) or contact your tax adviser. You also can call the IRS at 1-800-829-1040.

**Note:** The IRS publication is a guideline for use in preparing tax returns; it is not a description of the Citi Plan.

## Qualifying individuals

According to IRS rules, you may be reimbursed only for expenses incurred in caring for a qualifying individual. Generally, a qualifying individual includes:

- Each of your children under age 13 who must share your residence for more than half the year and who must not provide more than half of his or her own support;
- Your spouse who is physically or mentally unable to care for himself or herself and resides with you for more than half the year; and
- Dependents who are mentally or physically unable to care for themselves, reside with you for more than half the year, and who have gross income of less than the dependency exemption threshold (\$3,650 in 2009).

## Marital status and your DCSA contribution

**If you file a joint tax return:** You and your spouse together may contribute up to \$5,000 a year before taxes to DCSAs. For example, if your spouse contributes \$2,000 to his or her employer's DCSA, you can contribute up to \$3,000 to yours. If either you or your spouse earns less than \$5,000 annually, the combined amount you and your spouse contribute cannot exceed the lower salary.

**If you file separate tax returns:** You and your spouse each may contribute up to \$2,500 a year before taxes to your respective DCSA.

**If your spouse does not work:** In general, you cannot use the DCSA if your spouse does not work, unless he or she is a full-time student for at least five months during the calendar year, is looking for work, or is disabled.

To determine the maximum contribution in these cases, your spouse is considered to earn \$250 a month if you have one qualified dependent or \$500 a month if you have two or more qualified dependents. For Plan purposes, count only the months that your spouse is either in school or disabled.

These limits are subject to change.

## Reimbursements

You cannot be reimbursed for expenses that exceed the amount of your contributions.

If your claim exceeds your current account balance, you will be reimbursed up to your account balance. Any outstanding amount of your claim will be paid to you automatically after the next pay period when new contributions are added to your account until the total amount is paid or the money in your account is depleted.

The maximum you can receive tax-free from your DCSA is reduced by the value of any employer-provided day care you use, whether provided through Citi or your spouse's employer.

For example, if you receive a DCSA subsidy of \$1,000, then you can receive up to \$4,000 tax-free from your DCSA. If you contribute more than \$4,000, any amount reimbursed above \$4,000 will be included as taxable income on your Form W-2 Wage and Tax Statement for that year.

## Effect on other Citi benefits

Even though you reduce your taxable income by using the spending account(s), you are not reducing your pay for determining any Citi pay-related benefits, such as disability or life insurance. Benefits under these Plans are based on your compensation before your spending account contributions are deducted.

## Spending Accounts

### Effect of DCSA participation on Social Security

Your spending account contributions will reduce the amount of your Social Security taxes. If your taxable pay is below the Social Security taxable wage base, your future Social Security retirement benefits also may be reduced.

### Using DCSA after your termination of employment

You may submit claims for eligible expenses incurred after your termination date but within 2010. You must submit any eligible 2010 claims no later than June 30, 2011.

### DCSA subsidy

If you are eligible *and* you elect the DCSA subsidy during enrollment (either as a new hire or during annual enrollment), Citi will pay up to 30% of your DCSA contribution. The percentage will depend on the amount of your total compensation and whether you work part-time or full-time.

**Alert:** To obtain the DCSA subsidy you must elect it; it is not automatic.

You are eligible for a subsidy if you enroll in the DCSA and on your enrollment date:

- **If you are a sole financial provider:** Your total compensation *and* your total annual household income together do not exceed \$90,000, or
- **If you are in a dual-income household:** Your total compensation does not exceed \$45,000 *and* your total annual household income does not exceed \$90,000.

You must enroll for the subsidy during your enrollment period. You cannot receive the subsidy through any other process. You must elect the full amount that you want to use to reimburse yourself for eligible expenses. The deductions from your pay will be the amount of the election minus the amount of the subsidy.

The amount of your subsidy will not change during the year even if you change your DCSA contribution amount as a result of a qualified change in status. Your subsidy will be credited to you during the first quarter if you enroll during annual enrollment or within 31 days after you enroll as a new hire or newly eligible for benefits.

You cannot become eligible for the DCSA subsidy midyear as a result of a qualified change in status, such as a divorce or death of your spouse.

If your total compensation is*:	Your DCSA subsidy will be:	
	For full-time employees	For part-time employees
Up to \$25,000	30% of your DCSA contribution; maximum subsidy is \$1,500	22-1/2% of your DCSA contribution; maximum subsidy is \$1,125
\$25,001-\$35,000	20% of your DCSA contribution	15% of your DCSA contribution
\$35,001-\$45,000	15% of your DCSA contribution	11-1/4 % of your DCSA contribution
\$45,001-\$90,000 if you are the sole financial provider of your dependents	15% of your DCSA contribution	11-1/4 % of your DCSA contribution

\* And your total household income does not exceed \$90,000 at the time you enroll.

### If you are rehired

If you terminate employment with Citi and are rehired in the same year, you must re-enroll to have DCSA coverage. If you re-enroll in the DCSA, you are not eligible for the subsidy since your subsidy was credited during your employment earlier in the same year. (Subsidies are credited during the first quarter if you enroll during annual enrollment or within 31 days after you enroll as a new hire or newly eligible for benefits.)

### Filing a claim

See "How to file a claim" in the *Eligibility and Participation* section.

Generally, you will have until June 30 following the year in which you incur an eligible expense to file a claim for reimbursement. For example, you will have until June 30, 2011, to file claims for reimbursement of expenses incurred in 2010. (Your envelope must be postmarked no later than June 30, 2011.)

**Note:** You cannot submit claims for reimbursement more than two weeks in advance of the service date. Claims submitted more than two weeks in advance will be denied as ineligible and you will need to resubmit them to be reimbursed.

## For more information

Call the Citi Benefits Center through ConnectOne at 1-800-881-3938. From the ConnectOne main menu, choose the “health and welfare” benefits option.

## Transportation Reimbursement Incentive Program (TRIP)

TRIP allows you to purchase transit and parking passes online with pretax, and if needed, after-tax dollars. These passes are used so you can commute to and from work; they are not to be used on business travel, for example, to use public transportation to attend a business meeting. By enrolling in TRIP, you lower your taxable income and, as a result, pay less in federal and FICA taxes, and, in most locations, state and local taxes.

You can set up or change your online purchase at any time. Your enrollment or change will be effective as soon as administratively possible.

## How the program works

### Are you eligible to enroll in TRIP?

You are eligible to enroll in TRIP if:

- You commute to work by public transportation (bus, subway, train, ferry, or van pool) or you commute to work by car and have out-of-pocket parking expenses.
- You do *not* participate in a Company-sponsored parking or mass transportation program.

If you enroll in TRIP and later begin participating in a Company-sponsored parking or mass transportation program, you must cancel the purchase of your online transit or parking pass.

TRIP is made up of two accounts:

- **A Transit Account** to pay for eligible transit expenses. The Code defines transit expenses as those for bus, subway, train, metro passes, ferry, and van pooling. A van must be a “licensed commuter highway vehicle” with seating capacity of six or more adults, excluding the driver.

- **A Parking Account** to pay for parking on or near Citi’s business premises or near a location from which you commute to work by mass transit, van pool, or car pool.

You can enroll to purchase both transit and/or parking passes online, depending on what is required for your commute to and from work. When enrolling, you can set up a recurring purchase or you can arrange to purchase your pass each month. The pass will be mailed to your home in time for use beginning the first of the following month.

The deadline to enroll or change your TRIP participation is the 10<sup>th</sup> of every month for participation the first of the following month. If you miss the deadline, your enrollment/change will be effective the following month.

Once enrolled, you can cancel or suspend your online purchase at any time. If you cancel or suspend your purchase by the 10<sup>th</sup> of any month (the monthly purchase deadline), a pass will not be purchased for you for the following month.

The first \$230 of the cost of your transit and/or parking pass will be deducted from your pay before taxes are withheld. Any amount of your pass(es) that exceeds \$230 will be deducted from your pay after taxes are withheld.

If you:	Order:	Receive:
Enroll to purchase a transit and/or parking pass on the Your Spending Account™ (YSA) website, available as link from Your Benefits Resources™.	No later than the 10 <sup>th</sup> of any month <b>Note:</b> The YSA website will first be available beginning January 11, 2010, for the purchase in February of March passes.	Your pass will be purchased and mailed to your home address on Citi records so you have it before the first of the following month.

**Important reminder:** Claims for eligible TRIP expenses incurred through February 28, 2010, must be submitted to ADP, the TRIP administrator through early 2010, no later than March 31, 2010. After that time, you can no longer submit any paper claims for TRIP expenses. Any claims that are postmarked after March 31, 2010, will be denied.



## Spending Accounts

### EXAMPLES OF ELIGIBLE EXPENSES

#### Parking Account

Parking at or near your work location and Parking at or near a location from which you commute to work by mass transportation, car pool, or other means

#### Transit Account

- Transportation passes;
- Any pass, token, fare card, ticket, or similar item that entitles you to ride public transportation to and from work;
- Transportation between work and your residence in a "commuter highway vehicle" that:
  - Seats six or more adults excluding the driver;
  - Is used 80% or more (based on mileage) for transporting employees between work and home; and
  - Includes at least three commuters, excluding the driver, on each trip.

### EXAMPLES OF INELIGIBLE EXPENSES

#### Parking Account

- Non-work-related parking expenses;
- Parking at or near your residence;
- Parking for which you receive a pretax benefit;
- Parking paid for by your employer;
- Parking expenses incurred by family members; and
- Expenses eligible to be reimbursed from the Transit Account.

#### Transit Account

- Car pooling and/or van pooling in a vehicle seating fewer than six passengers, excluding the driver;
- Taxi fares;
- Highway, bridge, or tunnel tolls;
- Expenses incurred for business travel (such as traveling from the office to a business or client meeting);
- Gas or mileage expenses;
- Transit expenses incurred by family members; and
- Expenses eligible to be reimbursed from the Parking Account.

To enroll in TRIP or to change your election once enrolled, visit the Your Spending Account (YSA) website through the Your Benefits Resources™. Visit Total Comp @ Citi at [www.totalcomponline.com](http://www.totalcomponline.com). From the "Quick Links" page, click on "Your Benefits Resources™." From the "Manage your spending accounts" section, click on the link for "Your Spending Accounts."

## Tax exemptions

TRIP accounts are exempt from all federal income and employment taxes and most state and local taxes. If you live in a state that does not exempt TRIP contributions from state or local tax, you will be taxed on the benefit. The amount reported as "state wages" on your Form W-2 Wage and Tax Statement for the year of the contribution will be higher than the amount reported for federal wages.

## If your employment is terminated

If your employment is terminated, your payroll deductions will stop and your account will be closed as of your termination or transfer date. You will forfeit any balance in your account.

## Filing a claim

You can file a claim for eligible transit and/or parking expenses incurred through February 28, 2010, no later than March 31, 2010. Your claim must include itemized receipts or your claim will be denied. Beginning March 1, 2010, when the new online purchase process begins, no claims can be filed.

## For more information

Call the Citi Benefits Center through ConnectOne at 1-800-881-3938. From the ConnectOne main menu, choose the "health and welfare benefits" option. Representatives are available from 8 a.m. to 8 p.m. Eastern time on weekdays.

## Changing your TRIP pass election

Once enrolled, you can change your online purchase at any time; the change will be effective as soon as administratively possible. For example, you are enrolled to purchase a parking pass and a train pass. Then you relocate so you require a bus pass only. If, by May 10 (for example), you cancel the train and parking pass purchase and enroll for a bus pass, your new bus pass will be mailed to your home address on Citi records for use as of June 1.



## Claims and appeals for the HCSA/LPSA

If you are denied a benefit under the HCSA/LPSA, you should proceed in accordance with the following procedures.

**Step 1:** Denial Notice is received from the Citi Benefits Center. If your claim is denied, you will receive written notice from the Citi Benefits Center that your claim is denied as soon as reasonably possible but no later than 30 days after receipt of the claim. For reasons beyond the control of the Citi Benefits Center, it may take up to an additional 15 days to review your claim. You will be provided written notice of the need for additional time prior to the end of the 30-day period. If the reason for the additional time is that you need to provide additional information, you will have 45 days from the notice of the extension to obtain that information. The time period during which the Citi Benefits Center must make a decision will be suspended until the earlier of the date that you provide the information or the end of the 45-day period.

**Step 2:** Once you have received your notice from the Citi Benefits Center, review it carefully. The notice will contain:

- The reason(s) for the denial and the Plan provisions on which the denial is based;
- A description of any additional information necessary for you to perfect your claim, why the information is necessary, and your time limit for submitting the information;
- A description of the Plan's appeal procedures and the time limits applicable to such procedures;
- A right to request all documentation relevant to your claim; and
- A statement explaining your rights to bring civil action under Section 502(a) of ERISA after an adverse benefit determination upon review.

**Step 3:** If you disagree with the processing of your claim, contact the Citi Benefits Center for assistance. If you are still unable to resolve your issue and have your claim approved, you may file a Level 1 appeal. You may obtain a Level 1 appeal form from the Citi Benefit Center spending account team. Complete and return the form along with any additional supporting documentation on why you believe your claim should be approved to the address shown on the first page of the form.

You should file your appeal no later than 180 days after receipt of the notice described in Step 1. You should file your appeal with the Citi Benefits Center at the address provided below. You should submit all information identified in the notice of denial as necessary to perfect your claim and any additional information that you believe would support your claim.

Your Spending Account BDRT  
P.O. Box 1444  
Lincolnshire, IL 60069-1444

**Step 4:** Notice of Denial is received from claims reviewer. If the claim is again denied, you will be notified in writing. The notice will be sent no later than 30 days after receipt of the appeal by the Citi Benefits Center.

**Step 5:** Review your notice carefully. You should take the same action that you take in Step 2 described above. The notice will contain the same type of information that is provided in the first notice of denial provided by the third-party administrator.

**Step 6:** If you still do not agree with the Citi Benefits Center's decision, you may file a written appeal with Citi at the address listed below within 60 days after receiving the latest denial notice from the Citi Benefits Center. You should gather any additional information that is identified in the notice as necessary to perfect your claim and any other information that you believe would support your claim.

If Citi denies your appeal, you will receive notice within 30 days after the Citi receives your claim. The notice will contain the same type of information that was referenced in Step 1 above.

Citigroup Inc.  
Plans Administration Committee of Citigroup Inc.  
1 Court Square, 46<sup>th</sup> Floor  
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