

Leidos Benefits Summary Plan Description

Flexible Spending Accounts

Leidos offers eligible participants the opportunity to save money by paying for eligible health care and/or dependent daycare expenses on a pre-tax basis through the **Health Care Flexible Spending Account** and the **Dependent (Day) Care Flexible Spending Account**. A participant may make contributions to one or both Flexible Spending Accounts, which can reduce his or her tax liability. Participation in a Flexible Spending Account program is voluntary.

The Leidos Flexible Spending Accounts are administered by HealthEquity. Participants may log on to HealthEquity to submit verification, order additional health care debit cards, file a claim, check claim status or account balance information.

Health Care Flexible Spending Account

Leidos offers two types of Health Care FSAs:

- Limited Purpose Health Care FSA (HSA Compatible)
- Health Care FSA

Limited Purpose Health Care FSA (HSA-Compatible)	Health Care FSA
<ul style="list-style-type: none">• Use it for eligible dental and vision expenses when you have an HSA	<ul style="list-style-type: none">• Use it when you are not enrolled in a Healthy Focus plan with an HSA or are not enrolled in any other High Deductible Medical Plan with an HSA
<ul style="list-style-type: none">• For medical and prescription drug expenses after you meet your medical plan annual deductible (Contact HealthEquity if you meet the deductible to find out what you will need to provide to begin using your account for eligible medical and prescription drug expenses)	<ul style="list-style-type: none">• For eligible medical, prescription drug, dental and vision expenses

A participant can set aside between \$100 and \$3,050 for the 2024 Plan Year— on a pre-tax basis— to pay for eligible medical, dental and vision care expenses, including:

- Eligible services not covered by a medical, dental or vision plan (except for cosmetic procedures);
- Annual deductibles;
- Copayments; and
- Out-of-pocket expenses.

See a sample list of **eligible** and **ineligible** health care expenses later in this document.

Once enrolled in the Health Care Flexible Spending Account, a participant may not change the amount he or she contributes to the account, unless the participant experiences a qualified status change. See "**Changing Coverage (Qualified Status Changes)**" in the [Participating in the Plans](#) section for more information about qualified status changes.

Important: Participants must make an annual election each year. Health Care Flexible Spending Account elections do not automatically roll over into the next plan year.

Carry-Over Feature

For the 2024 Plan Year, employees are able to carry-over up to \$610 of unused Limited Purpose Health Care FSA or Health Care FSA balance remaining at the end of the year into the next Plan Year. These funds will be added to the Participant's Health Care FSA or Limited Purpose Health Care FSA balance after the claims runout period (April 30) in the subsequent Plan Year. Any remaining balances in excess of the \$610 carry-over feature at the end of the year will be forfeited.

Participants who elect to contribute to a Health Savings Account (HSA) for the next Plan Year, may carry over up to \$610 of unused FSA funds into a Limited Purpose Health Care FSA account in the subsequent Plan Year. Any remaining balances in excess of the \$610 carry-over feature at the end of the year will be forfeited.

Eligible Health Care Expenses

Generally, any health care expense that the IRS allows as a deduction on income tax returns is eligible for reimbursement, provided it is not reimbursed from any other source. Only expenses incurred while you are participating in the Health Care FSA are eligible for reimbursement.

You may be reimbursed for your own expenses as well as those for your qualified dependents. This includes expenses incurred for anyone a participant is entitled to claim as a dependent on his or her tax return, regardless of whether that dependent is covered under Leidos' medical, dental or vision plans. This generally includes your spouse and your children up to age 26. For this purpose, "children" means your natural children, your stepchildren, your legally adopted children, and children placed with you for adoption. **Please note that neither participant insurance premiums nor expenses for registered domestic partners or children of a domestic partners are eligible for reimbursement under the Health Care Flexible Spending Account.**

Health-related expenses that qualify for reimbursement are defined by the IRS (details can be found in IRS Publication 502, which provides general guidance as to whether expenses qualify as medical care under Section 213). Keep in mind that eligible expenses may change if the tax laws are revised. The health care expenses below are examples of covered expenses when not reimbursed by another plan, insurance policy or Medicare. This list is meant to provide only a summary of eligible expenses. For a more comprehensive list, visit the [HealthEquity](#) website:

- Acupuncture;
- Alcohol/substance abuse treatments or rehab;
- Ambulance services;
- Artificial limbs;
- Artificial teeth;
- Assisted Living
- Birth control pills and devices prescribed by a physician;
- Contact lenses/eyeglasses;
- Braces
- Breast Pump
- Copayments & Coinsurance (under insurance plan);
- Crutches and canes(prescribed);
- Deductibles (under insurance plan);
- Dental treatments
- Dentures
- Fees for physical and mental health services provided by:
 - Chiroprodists;
 - Chiropractors;
 - Christian Science practitioners;
 - Dentists;
 - Ophthalmologists;
 - Optometrists;
 - Osteopaths;
 - Podiatrists;
 - Psychiatrists;
 - Psychologists;
 - Surgeons
- Fertility Treatment
- Flu Shot
- Glucose Monitor

- Hospital services;
- In Vitro Fertilization
- Laboratory fees;
- Laser eye surgery;
- Long-term care expenses
- Medical equipment (prescribed);
- Nursing home
- Nursing services;
- Operations/surgery
- Orthodontia
- Over-the-counter medications
- Oxygen Equipment;
- Physical Therapy
- Pregnancy Tests
- Prenatal Vitamins
- Prescription drugs;
- Routine physical exams and immunizations;
- Smoking cessation programs;
- Special schools for the mentally and/or physically handicapped;
- Speech Therapy
- Sterilization/vasectomy;
- Therapy (physical, psychiatric, occupational);
- Transplants;
- Wheelchair; and
- X-rays.

Ineligible Health Care Expenses

Some expenses are not eligible for reimbursement from the HealthCare Flexible Spending Account. Below are examples of ineligible health care expenses. This list is meant to provide only a summary of ineligible expenses:

- Bottled water;
- Baby Formula
- Care of a normal and healthy baby by a nurse;
- Cosmetic dentistry, including teeth bleaching or whitening;
- Elective cosmetic medical procedures;

- Electric toothbrushes, even if recommended by a dentist;
- Electrolysis or hair removal;
- Funeral and burial expenses;
- Hair transplants;
- Health club dues;
- Insurance premiums other than those explicitly included;
- International medicines;
- Special foods, even if required for allergies;
- Toothpaste and other sundries;
- Vitamins, supplements or tonics (unless specifically directed to use by a medical provider to treat a specific medical condition)

Flexible Spending Account Reimbursement

Participants have three options in which to receive reimbursement from their **flexible spending account**:

- **Health Care Debit Card (not available for dependent daycare)**—Participants can use their HealthEquity health care debit card at select pharmacies, healthcare providers and general merchandise stores that have an IRS-approved inventory and checkout system. In most instances, the card transaction will be automatically verified at checkout. With this verification, participants may have to submit a receipt to HealthEquity after the transaction. Participant is required to keep each receipt for tax purposes and in the event it is needed for verification.
- **Request Reimbursement** — Participants will be able to claim funds from their flexible spending account by requesting reimbursement on the HealthEquity website. As part of the online process, they can upload the backup documentation and associate them directly to the claim. Most claims are processed within a few days after they are received, and payments are sent shortly thereafter. Participants will receive a check in the mail if they do not set up their direct deposit information with HealthEquity.

The participant can fax or mail their claim form, by downloading the Health Care Flexible Spending Account claim form to 1-801-999-7829 or mailing it to:

HealthEquity
Attn: HealthEquity Claims
15 W. Scenic Pointe Dr.
Suite 100
Draper, UT 84020

- **Pay Provider Online**— Participants can pay many of their eligible healthcare expenses directly from their flexible spending account without filling out paper claims forms. Just enter the provider's name and other requested information with the backup documentation and payment will be sent directly to the provider.

Participants in the Health Care Flexible Spending Account can be reimbursed for the full amount they contribute during the year at any time during the year, even if they do not currently have that much money in their account.

If participants have concerns about how a claim has been administered or wish to appeal a claims decision, information on relevant procedures is available in the Plan Information section.

If You Leave Leidos

If you leave the Company during the year, any contributions you are making will stop and you have until April 30 of the following plan year to submit claims for reimbursement for any remaining balance. You will not be reimbursed for any expenses incurred after your date of termination (or end of plan participation, if later). However, you may be able to continue your Health Care Flexible Spending Account coverage under COBRA on an after-tax basis.

Electing COBRA Coverage

When your participation in your Health Care Flexible Spending Account ends due to one of the qualifying events listed below, you may have limited rights under the Consolidated Omnibus Budget Reconciliation Act (COBRA) to continue your account until the end of the calendar year in which your participation ends.

- You leave the Company (for reasons other than gross misconduct);
- Your coverage stops because you no longer meet the eligibility requirements;
- You die (in this case, you dependent(s) may be eligible to continue coverage for the remainder of the calendar year);
- You fail to return to work at the end of your leave under FMLA

If you have funds remaining in your Health Care Flexible Spending Account, the COBRA administrator will provide you with a COBRA election form for continued coverage. To elect COBRA continuation coverage, you must complete and return the form to the COBRA administrator within 60 days after your coverage ends or within 60 days after you receive the form (whichever is later). If you elect COBRA coverage, the effective date of the coverage is the date of the qualifying event. You will have an additional 45 days following your election of COBRA coverage to pay any outstanding



premiums.

You can continue the coverage until the end of the calendar year, as long as:

- You continue to make contributions for coverage within 30 days of the due date, and
- The Company is still offering the Plan to its employees.

You will have to pay 100% of the monthly contribution plus a 2% administrative charge for coverage under COBRA. Your contributions will be made on an after-tax basis.

Dependent (Day) Care Flexible Spending Account

A participant can set aside money on a pre-tax basis to pay for eligible dependent day care expenses for qualified dependents. These expenses must be necessary in order for a participant (and spouse, if married) to work. The amount that can be set aside each year is a minimum of \$100 up to:

- \$5,000* if the participant is single, or married and filing tax returns jointly;
- A total amount of \$5,000* together if the participant's spouse has a Dependent Care Flexible Spending Account through his or her company; or
- \$2,500* if the participant is married but files separate tax returns

* These are the maximum contributions allowed for dependent care expenses under current IRS rules.

Important: Participants must make an annual election each year. Dependent (Day) Care Flexible Spending Account elections do not automatically roll over into the next plan year.

If a participant or spouse earns less than \$5,000, the combined amount that the participant and spouse can contribute may not exceed the amount of the lower salary.

Under the Dependent (Day) Care Flexible Spending Account, a qualified dependent is:

- A child under age 13 whom the participant claims as a dependent on his or her federal income tax return;
- A participant's spouse who is physically or mentally incapable of self-care; or
- Any other dependent that is physically or mentally incapable of self-care, whom the participant claims as a dependent on his or her federal income tax return, and who normally spends at least eight hours in the participant's home each day.

Once enrolled in the Dependent (Day) Care Flexible Spending Account, a participant generally may not change the amount he or she contributes to the account, unless the participant experiences a qualified status change. See "Changing Coverage (Qualified Status Changes)" in the [Participating in the Plan](#) section for more information about qualified status changes.

However, a participant may change the amount he or she contributes when there is a change in providers, a change in childcare or adult care costs or a general change in his or her care situation.

Eligible Dependent (Day) Care Expenses

Generally, any dependent care expense that the IRS allows as a deduction on income tax returns is eligible for reimbursement, provided it is not reimbursed from any other source. This includes



expenses incurred for anyone a participant is entitled to claim as a dependent on his or her tax return, regardless of whether that dependent is covered under Leidos' medical, dental or vision plans. **Please note that expenses for dependent children of registered domestic partners are not eligible for reimbursement under the Dependent (Day) Care Flexible Spending Account.**

Below are examples of eligible dependent care expenses. This list is meant to **provide only a summary of eligible expenses:**

- Care at a licensed nursery school, day camp, or day care center;
- Services from individuals who provide dependent care in or outside a participant's home, unless the provider is the participant's spouse, own child under age 19, or any other dependent;
- After-school care for children under age 13;
- Household services related to the care of an elderly or disabled adult who lives with a participant; and
- Any other services that qualify as dependent care expenses under IRS regulations.

Important: For a detailed list of eligible dependent care expenses, please refer to IRS publication 503, (called "Child and Dependent Care Expenses") available from your local IRS office or go to the [IRS web site](http://www.irs.gov) (www.irs.gov).

Ineligible Dependent (Day) Care Expenses

Below are examples of ineligible dependent care expenses. This list is meant to **provide only a summary of eligible expenses:**

- Expenses for food, clothing or education (unless incidental to the care);
- Expenses for overnight camp;
- Expenses for transportation between a participant's house and the place that provides day care services, or the cost of transportation for a care provider;
- Expenses for dependent care when either the participant or his or her spouse is not working or is not looking for work;
- Charges for convalescent or nursing home care for a parent or a disabled spouse;
- Expenses paid to the spouse, a participant's own children under age 19, or any other dependents; and
- Expenses for which a federal child-care tax credit would be taken.

Important: For a detailed list of eligible dependent care expenses, please refer to IRS publication 503, (called "Child and Dependent Care Expenses") available from your local IRS office or go to the **IRS web site** (www.irs.gov).

Child Care Credit

Another way to reduce dependent care expenses is to take a tax credit when filing an income tax return. However, a participant may not contribute to a Dependent (Day) Care Flexible Spending Account and take the tax credit for any expenses reimbursed through the Dependent (Day) Care Flexible Spending Account.

With the tax credit, a participant can claim a deduction for a percentage of eligible dependent care expenses (the same expenses as defined for the Dependent (Day) Care Flexible Spending Account). The tax credit may be taken only on expenses up to \$3,000 for one dependent and up to \$6,000 for two or more dependents.

The tax credit percentage applied to eligible expenses decreases as a participant's adjusted gross income rises. Generally, if a participant's family income is greater than \$24,000 per year, the Dependent (Day) Care Flexible Spending Account will save more in taxes than the Child Care Income Tax Credit. However, the advantages of the Flexible Spending Account or the tax credit depend on a participant's overall tax situation and should be discussed with a tax adviser.

Dependent (Day) Care Flexible Spending Account Reimbursement

Participants must pay for eligible dependent day care expenses, save the receipts, and then file a claim for reimbursement from their accounts.

- **Request Reimbursement** — Participants will be able to claim funds from their flexible spending account by requesting reimbursement on the HealthEquity website. As part of the online process, they can upload the backup documentation and associate them directly to the claim. Most claims are processed within a few days after they are received, and payments are sent shortly thereafter. Participant will receive a check in the mail if they do not set up their direct deposit information with HealthEquity.

The participant can fax or mail their claim form, by downloading the Dependent Care Flexible Spending claim form and faxing the completed form to 1-801-999-7829 or mailing it to:

HealthEquity
Attn: HealthEquity Claims
15 W. Scenic Pointe Dr.
Suite 100
Draper, UT 84020

- **Pay Provider Online** — Participants can pay many of their eligible dependent daycare expenses directly from their flexible spending account without filling out paper claims forms. Just enter the provider's name and other requested information with the backup documentation and payment will be sent directly to the provider.

Unlike with the Health Care Flexible Spending Account, a participant may receive reimbursement only up to the balance available in his or her account at the time the claim is filed.

If participants have concerns about how a claim has been administered, or wish to appeal a claims decision, information on relevant procedures is available in the [Plan Information](#) section of the complete SPD.

If You Leave the Company

If you leave the Company during the year, any contributions you are making will stop and you have until April 30 of the following plan year to submit claims for reimbursement for any remaining balance. However, you will not be reimbursed for any eligible expenses incurred after your date of termination.

Important Rules About Flexible Spending Accounts

- **Must enroll annually** — Participants must enroll during each Open Enrollment period in order to participate each calendar year.
- **Use it or lose it** — Estimate annual dependent (day) care expenses carefully! Any money put aside in a Dependent (Day) Care Flexible Spending Account must be used for eligible dependent care expenses incurred between January 1 and December 31 (or during the period of plan participation). The deadline to submit claims for the previous year's expenses is April 30th of the following year. Any money left in the account after April 30th may be forfeited.
- **Carry-Over Provision** – IRS regulations specify that an employer may choose to allow a carry-over of unused healthcare FSA funds to the next plan year. For the 2024 Plan Year, Leidos allows active participants to carry-over up to \$610 of unused funds to be reimbursed for qualified medical expenses incurred in the following Plan Year (2025). Any unused funds in excess of the carryover will be forfeited after the April 30th deadline to submit claims for the previous Plan Year.
- **No double dipping** — Healthcare expenses reimbursed through the Health Care Flexible Spending Account and dependent care expenses reimbursed through the Dependent (Day) Care Flexible Spending Account cannot also be deducted on federal income tax returns.

- **Notransferring of funds** — Transfers of funds from the Health Care Flexible Spending Account to the Dependent (Day) Care Flexible Spending Account and vice versa are not permitted per the IRS.
- **Credit Balance at End of Coverage Period** – Claims received by the Plan Administrator on or after the earlier of (a) 90 days after termination of employment, or (b) April 30 following the end of the Plan Year for expenses incurred during the prior Plan Year, will be considered untimely and not eligible for reimbursement under the Plan. If any balance remains credited to the Participant’s Health Care FSA after all reimbursements are made for that Plan Year, such balance is not carried over to reimburse the Participant for Qualifying Medical Care Expenses incurred during the subsequent Plan Year and is not available to the Participant in any other form or manner. Instead, such balance remains the property of Leidos, and the Participant forfeits all rights with respect to such balance.
- **Continuation of Coverage** —Participants who would lose coverage under the Health Care FSA as a result of a qualifying life event can elect, within a stated election period, continuation of coverage of benefits previously received under the Health Care FSA. If a participant timely elects continuation of coverage under COBRA, the benefits elected will be available for the time period prescribed by law (i.e., the end of the Plan Year).