FLEXIBLE SPENDING ACCOUNTS

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ELIGIBLE EMPLOYEES

For the purposes of this summary, the term “Company” means FirstEnergy Corp. and any of its operating companies to which the FirstEnergy Flexible Spending Account Plan (the Plan) has been extended (see section entitled “Participating Employers”).

All full-time regular employees of the Company are eligible to participate in the Plan. Full-time regular employees represented by a labor union as indicated in the section entitled “Participating Unions” may participate to the extent provided by their respective collective bargaining agreement with the Company.

The following description of the Plan has been prepared to help you gain a better understanding of the terms and conditions of the Plan. Each employee’s benefits and rights under the Plans are governed at all times by the Plan documents and official contract with FlexSave and are in no way altered or modified by the contents of this summary.

If you have questions after reviewing this material, contact FlexSave at 1-800-525-9252 for assistance.

INTRODUCTION

The Flexible Spending Account Plan is offered as part of the FirstEnergy Corp. Flexible Benefit Plan. These Accounts offer you a convenient, tax-effective way to pay for qualified health and dependent care expenses. Contributions to a Flexible Spending Account are taken out of your pay before taxes are withheld, which reduces the amount of taxes you pay.

There are three separate Flexible Spending Accounts:

♦ **The Health Care Flexible Spending Account** – helps you save taxes on certain medical, dental, vision and prescription drug expenses that you or your dependents have incurred which may not be covered by the FirstEnergy Health Care Plans or any other coverage you may have.

♦ **The Limited Health Care Flexible Spending Account** – helps you save taxes on qualified dental and vision expenses that you or your dependents have incurred – which may not be covered by your health care plan.

♦ **The Dependent Care Flexible Spending Account** - helps you save taxes on qualified dependent care expenses, such as daycare and elder care, which allows you and your spouse, if you are married, to work or attend school full time.

Enrollment

You can elect to participate in a Flexible Spending Account during the annual open enrollment period by completing the appropriate section of your Flexible Benefits enrollment on [www.myfirstrewards.com](http://www.myfirstrewards.com). When you enroll during the annual open enrollment period, your participation begins on January 1 of the following year.

You may also elect to participate in a Flexible Spending Account if you have a qualified status change that will permit new enrollment during times other than the annual open enrollment period.

New employees begin participation on the first day of the month following their hire date.
How The Account Works

Your participation in the plan is voluntary. However, continued participation each year is not automatic. **You must designate a contribution amount each year during the flexible benefits enrollment period to continue participation in any of the flexible spending accounts.**

You decide how much you want to contribute each year when you enroll in a flexible spending account. Your contribution is taken out of your pay before federal and Social Security taxes have been calculated and withheld. Contributing on a before-tax basis rather than paying for these expenses from your pay after taxes have been taken out reduces the amount of taxes you pay.

Here’s an example of the tax savings the Flexible Spending Accounts can provide for you. Suppose you are married with two dependent children. You have an annual income of $50,000 and you put $1,000 into the Health Care Flexible Spending Account and $2,000 into the Dependent Care Flexible Spending Account. The following chart compares your taxes using the Health Care and Dependent Care Flexible Spending Accounts with what they would be if you paid the same expenses out of your pocket.

<table>
<thead>
<tr>
<th></th>
<th>WITHOUT A FLEXIBLE SPENDING ACCOUNT</th>
<th>WITH A FLEXIBLE SPENDING ACCOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Pay</strong></td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>Annual Flexible Spending Account Contribution</strong> (Health Care and Dependent Care combined)</td>
<td>0</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Taxable Income</strong></td>
<td>50,000</td>
<td>47,000</td>
</tr>
<tr>
<td><strong>Federal Income Tax (20%)</strong></td>
<td>10,000</td>
<td>9,400</td>
</tr>
<tr>
<td><em><em>State Income Tax</em> (3%)</em>*</td>
<td>1,500</td>
<td>1,410</td>
</tr>
<tr>
<td><strong>FICA Tax (7.65%)</strong></td>
<td>3,825</td>
<td>3,595</td>
</tr>
<tr>
<td><strong>Take Home Pay</strong></td>
<td>34,675</td>
<td>32,595</td>
</tr>
<tr>
<td><strong>After-tax Health and Dependent Care expenses</strong></td>
<td>3,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>$31,675</td>
<td>$32,595</td>
</tr>
<tr>
<td><strong>Annual Tax Savings</strong></td>
<td>0</td>
<td>$920</td>
</tr>
</tbody>
</table>

*OH and PA only

By using the Flexible Spending Accounts, you save $920 — that’s almost a 31 percent savings on your $3,000 in expenses. In addition, if you live in Ohio, you would not pay state income taxes which would further increase your savings. If you live in Pennsylvania, however, only your contribution to the Dependent Flexible Spending Account would be subject to state income taxes.

The deductions for Flexible Spending Accounts will be taken in equal amounts from your bi-weekly, or weekly payroll.

Your pre-tax contribution is placed in a special account in your name. Depending on the type of account you choose, you submit eligible medical or dependent care expenses for reimbursement from your account. You do not pay taxes on the money taken out of your account that is used to reimburse
expenses.

Because of the tax advantages offered by the Flexible Spending Account, the Internal Revenue Service (IRS) imposes several restrictions on these accounts. They will be explained more thoroughly later in this document.

**Changing Your Election**
Generally, you are not permitted to stop your participation or the amount of your contribution to either of the Flexible Spending Accounts during the year. However, the IRS does permit limited changes under special circumstances related to your family status. As shown below, certain changes in your employment status may also impact your participation in the Flexible Spending Accounts.

The chart below summarizes what changes are available for each account.

<table>
<thead>
<tr>
<th>Status Change</th>
<th>Limited and Health Care Flexible Spending Account</th>
<th>Dependent Care Flexible Spending Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birth, adoption of a child or court order appointed guardian</td>
<td>May enroll or increase contribution amount</td>
<td>May enroll or increase contribution amount</td>
</tr>
<tr>
<td>Marriage</td>
<td>May enroll, cancel or change contribution amount</td>
<td>May enroll, cancel, increase or decrease to minimum/maximum contribution amount</td>
</tr>
<tr>
<td>Divorce</td>
<td>May decrease or cancel contribution amount</td>
<td>May enroll, cancel, increase or decrease to minimum/maximum contribution amounts</td>
</tr>
<tr>
<td>Spouse loses coverage due to change in employment that affects benefits</td>
<td>May enroll or increase contribution amount</td>
<td>May enroll, cancel, increase or decrease to minimum/maximum contribution amounts</td>
</tr>
<tr>
<td>Spouse gains coverage due to change in employment that affects benefits</td>
<td>May cancel or decrease contribution amount</td>
<td>May enroll, cancel, increase or decrease to minimum/maximum contribution amounts</td>
</tr>
<tr>
<td>Death of a spouse or dependent</td>
<td>May decrease or cancel contribution amount</td>
<td>May enroll, cancel, increase or decrease to minimum/maximum contribution amounts</td>
</tr>
<tr>
<td>Change in your employment from part-time to full-time</td>
<td>May begin participation</td>
<td>May begin participation</td>
</tr>
<tr>
<td>Change in your employment from full-time to part-time</td>
<td>Eligible to continue coverage under COBRA through end of calendar year</td>
<td>Ineligible - Participation ends at the end of the month that employee was full-time.</td>
</tr>
<tr>
<td>Go on Leave of Absence</td>
<td>May continue or cancel contributions</td>
<td>Must cancel contributions</td>
</tr>
<tr>
<td>Return from Leave of Absence</td>
<td>Can participate and change contribution amount</td>
<td>Can participate and increase or decrease to minimum/maximum contribution amounts</td>
</tr>
</tbody>
</table>
Planning Ahead
One of the most important things to do if you’re considering opening a Flexible Spending Account is to plan ahead. The IRS requires that any money you contribute to a Flexible Spending Account must be used for expenses incurred during the year. Any unused amounts remaining in your account at the end of the year will be forfeited. For example, if you contribute $600 to your Health Care Flexible Spending Account but only incur eligible expenses totaling $550 by March 15 of the following plan year, you will forfeit $50.

CLAIMS SUBMISSION DEADLINE

**Claims need to be incurred**: January 1, 2014 through March 15, 2015
**Claims need to be submitted for reimbursement**: by June 30, 2015

You have until March 15 of the following plan year to incur expenses and until June 30 of the following year to submit for reimbursement from the prior year. Remember, the claims you submit must be for eligible services provided during the year. Because contributions can be forfeited, you should plan carefully and try to estimate expenses that may be reimbursed through your Flexible Spending Accounts.

Account Balances Must Be Kept Separate
The IRS requires that the money contributed to the Flexible Spending Accounts must be kept separate. You may not use the funds in one Flexible Spending Account to reimburse expenses that are eligible for reimbursement from the other account. For example, you may not use money in your Dependent Care Flexible Spending Account to pay health care expenses for you or your dependents.

FLEXIBLE SPENDING ACCOUNTS
There are 3 Flexible Spending Accounts in this Plan.
1. Health Care Flexible Spending Account
2. Limited Health Care Flexible Spending Account
3. Dependent Care Flexible Spending Account

1. THE HEALTH CARE FLEXIBLE SPENDING ACCOUNT
The Health Care Flexible Spending Account is for eligible medical, dental, prescription or vision care expenses for you and your dependents that are not reimbursed or only partially covered by any health coverage you or your dependents may have. For the Health Care Flexible Spending Account, dependents are defined to be anyone you can claim as a dependent for tax purposes.

Annual Contribution Limit
The amount you can contribute to your Health Care Flexible Spending Account is shown in the table below:

<table>
<thead>
<tr>
<th>Annual Contribution Limit: Health Care Flexible Spending Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Contribution</td>
</tr>
<tr>
<td>Maximum Contribution</td>
</tr>
</tbody>
</table>
**Requesting Reimbursement**

*In order to be reimbursed for an eligible expense, you must submit to the Administrator an itemized bill from the service provider. The Claims Administrator will also provide you with a debit/credit card to use for eligible expenses. The Claims Administrator will provide you with further details after you enroll in the plan. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the plan are processed daily.*

You may be reimbursed up to the amount of your annual election at any time. For example, if you elect to contribute $500 to the Health Care Flexible Spending Account, you could be reimbursed for the entire $500 amount in February, even though you have not yet made the full $500 contribution to your account. The Plan will advance the reimbursement which would be made up with later contributions to your account throughout the year.

Before you request reimbursement from your Health Care Flexible Spending Account, you and your dependents should submit all medical, dental, prescription or vision claims to the benefit plans under which you are covered — your health care plan and the plan of your spouse. When you submit your Reimbursement Claim Form, you must:

- certify that the expense was incurred by you or a dependent and was not reimbursed by any health plan;
- attach a copy of the Explanation of Benefits (EOB) statement(s) for expenses payable by any health plan; and
- attach a copy of the paid, itemized receipt to your reimbursement request form for expenses not covered by a health care plan.

Your Reimbursement Claim Form may include more than one reimbursable expense, even if the expenses are unrelated or for more than one individual.

You will then be paid back from your account on a tax-free basis for that expense. Reimbursements are processed daily.

**Eligible Expenses**

The Health Care Flexible Spending Account can be used for eligible medical, dental, prescription and vision expenses that are not covered, or are covered only in part, by your Health Care Plan or your spouse’s plan. In general, eligible expenses must meet the IRS guidelines for tax deductible expenses. The claims administrator can answer any questions you may have regarding what an eligible expense is.

Examples of eligible health care expenses include:

- Deductibles, copayments, and coinsurance under our Health Care Plan or that of your spouse.
- Charges in excess of what is determined to be reasonable and customary.
- Orthodontic expenses not covered by our Dental Plan or the dental plan of your spouse.
- Prescribed orthopedic shoes.
Eye exams, eyeglasses/contact lenses, radial keratotomy.

Hearing aids and batteries.

Smoking cessation program and weight-loss program with a statement of medical necessity.

**Ineligible Expenses**
The following are a few examples of ineligible health-related expenses:

- Expenses which are paid by a health insurance plan
- Premiums or contributions for health insurance
- Expenses which you claim on your Federal income tax return
- Expenses for which you do not have a receipt
- Expenses you incur before you start to participate in the account
- Expenses for general wellness programs even if recommended by your doctor, such as weight-loss programs for general health or appearance.
- Cosmetic surgery
- Illegal operations and drugs

It is your responsibility to determine what the IRS may consider an eligible expense, to submit only eligible claims, and to keep a copy of documentation for all of your claims. You may be required to substantiate your claims to the IRS.

IRS Publication 502 provides detailed information about eligible and ineligible health care expenses. You may call 1-800-829-3676 to request a copy of this publication or retrieve it from the internet. If you have detailed questions about eligible health care expenses, you may call 1-800-829-1040 to speak with an IRS representative directly.

**Leave of Absence**
During a leave of absence, you may revoke participation in your Health Care Flexible Spending Account. Upon return from leave, you may elect to reinstate participation, but may not change your original election unless a family status change has also occurred. Your initial election for contributions to your Health Care Flexible Spending Account will be prorated for the period in which no contributions were made less any prior reimbursements. You would not be entitled to receive reimbursements for any claims incurred during the period when coverage was suspended.

**Advantages of The Health Care Flexible Spending Account Over Income Tax Deductions**
The Health Care Flexible Spending Account is generally more tax-effective because you can be reimbursed from the first dollar of eligible medical expenses. Only health care expenses over 7.5% of your adjusted gross income may be deducted from income on your annual tax return. In addition, you save taxes immediately when you make deposits to your Health Care Flexible Spending Account rather
than waiting until you file your tax return.

Remember, you may not claim an expense through the Health Care Flexible Spending Account if you have claimed that expense on your federal tax return (or vice versa).

2. **THE LIMITED HEALTH CARE FLEXIBLE SPENDING ACCOUNT**

The Limited Health Care Flexible Spending Account is for eligible dental and vision care expenses for you and your dependents that are not reimbursed or only partially covered by any health coverage you or your dependents may have. For the Limited Health Care Flexible Spending Account, dependents are defined to be anyone you can claim as a dependent for tax purposes. You are only eligible for the Limited Health Care Flexible Spending Account if you are enrolled in a High Deductible Health Plan (HDHP).

**Annual Contribution Limit**
The amount you can contribute to your Health Care Flexible Spending Account is shown in the table below:

<table>
<thead>
<tr>
<th>Annual Contribution Limit - Limited Health Care Flexible Spending Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Contribution</td>
</tr>
<tr>
<td>Maximum Contribution</td>
</tr>
</tbody>
</table>

**Requesting Reimbursement**

*In order to be reimbursed for an eligible dental and vision expense, you must submit an itemized bill from the service provider to the Administrator. The Claims Administrator will also provide you with a debit/credit card to pay qualified expenses. The Claims Administrator will provide you with further details after you enroll in the plan. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the plan are processed daily.*

You may be reimbursed up to the amount of your annual election at any time. For example, if you elect to contribute $500 to the Health Care Flexible Spending Account, you could be reimbursed for the entire $500 amount in February, even though you have not yet made the full $500 contribution to your account. The Plan will advance the reimbursement which would be made up with later contributions to your account throughout the year.

Before you request reimbursement from your Limited Health Care Flexible Spending Account, you and your dependents should submit all dental and vision claims to the benefit plans under which you are covered — your plan and the plan of your spouse. When you submit your Reimbursement Claim Form, you must:

- certify that the expense was incurred by you or a dependent and was not reimbursed by any dental or vision plan;
- attach a copy of the Explanation of Benefits (EOB) statement(s) for expenses payable by any health plan; and
- attach a copy of the paid, itemized receipt to your reimbursement request form for expenses not covered by a dental or vision plan.

Your Reimbursement Claim Form may include more than one reimbursable expense, even if the expenses are unrelated or for more than one individual.
You will then be paid back from your account on a tax-free basis for that expense. Reimbursements are processed daily.

**Eligible Expenses**
The Limited Health Care Flexible Spending Account can be used for eligible dental and vision expenses that are not covered, or are covered only in part, by your dental or vision plan or your spouse’s plan. In general, eligible expenses must meet the IRS guidelines for tax deductible expenses.

Examples of eligible expenses include:

- Deductibles, copayments, and coinsurance amounts under the dental and vision plan or that of your spouse.
- Charges in excess of what is determined to be reasonable and customary.
- Orthodontic expenses not covered by your Dental Plan or the dental plan of your spouse.
- Eye exams, eyeglasses/contact lenses, radial keratotomy.

**Ineligible Expenses**
The following are a few examples of ineligible expenses:

- Expenses for medical and prescription drug
- Expenses which are paid by a dental or vision plan
- Premium or contributions for dental or vision insurance
- Expenses which you claim on your Federal income tax return
- Expenses for which you do not have a receipt
- Expenses you incur before you start to participate in the account

It is your responsibility to determine what the IRS may consider an eligible expense, to submit only eligible claims, and to keep a copy of documentation for all of your claims. You may be required to substantiate your claims to the IRS.

IRS Publication 502 provides detailed information about eligible and ineligible health care expenses. You may call 1-800-829-3676 to request a copy of this publication or retrieve a copy off the internet. If you have detailed questions about eligible health care expenses, you may call 1-800-829-1040 to speak with an IRS representative directly.

**Leave of Absence**
During a leave of absence, you may revoke participation in your Limited Health Care Flexible Spending Account. Upon return from leave, you may elect to reinstate participation, but may not change your original election unless a family status change has also occurred. Your initial election for contributions to your Limited Health Care Flexible Spending Account will be prorated for the period in which no contributions were made less any prior reimbursements. You would not be entitled to receive
reimbursements for any claims incurred during the period when coverage was suspended.

**Advantages of The Limited Health Care Flexible Flexible Spending Account Over Income Tax Deductions**

The Limited Health Care Flexible Spending Account is generally more tax-effective because you can be reimbursed from the first dollar of eligible expenses. Only expenses over 7.5% of your adjusted gross income may be deducted from income on your annual tax return. In addition, you save taxes immediately when you make deposits to your Flexible Spending Account rather than waiting until you file your tax return.

Remember, you may not claim an expense through the Flexible Spending Account if you have claimed that expense on your federal tax return (or vice versa).

### 3. THE DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT

The Dependent Care Flexible Spending Account was developed in recognition of the many changes that have taken place in family life over the years. For example, working couples and single parents now make up a large portion of the work force.

You may save on taxes by using the Dependent Care Flexible Spending Account to pay for qualified dependent care expenses that enable you or, if you are married, you and your spouse, to be gainfully employed. You may also qualify if your spouse is incapacitated or a full-time student.

**Annual Contribution Limit**

The amount you can contribute to your Dependent Care Flexible Spending Account is shown in the table below:

<table>
<thead>
<tr>
<th>Annual Contribution Limit: Dependent Care Flexible Spending Account</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Contribution</td>
</tr>
<tr>
<td>Maximum Contribution</td>
</tr>
</tbody>
</table>

If your spouse’s employer also offers a Dependent Care Account, you and your spouse must make sure that your combined contributions to both plans do not exceed the above maximum limit.

In addition, according to the IRS, your maximum contribution cannot be more than the lesser of your or your spouse’s earned income. Earned income generally includes wages, salaries, tips, and other employee compensation. If your spouse is a full-time student for at least five months of the year, or is incapacitated, your spouse’s income is assumed to be $2,400 a year if you have one eligible dependent or $4,800 a year if you have two or more eligible dependents.

**Requesting Reimbursement**

_In order to be reimbursed for a dependent care expense, you must submit an itemized bill from the service provider to the Claims Administrator. The Claims Administrator will also provide you with a debit/credit card to pay for qualified dependent care expenses. You will be provided with further details after you enroll in the plan. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the Plan are processed daily. Be certain that the dependent care expenses you are currently paying for qualify under the Plan._
When planning for your dependent care expenses, keep in mind the amount you can be reimbursed from your Dependent Care Flexible Spending Account is limited by the amount of your year-to-date contributions. For example, let’s assume you have contributed $200 to your account by the end of January, but you have eligible child care expenses of $250. You will be reimbursed only $200 at that time. You would be reimbursed for the additional amount after you had contributed another $50 to your account.

You must submit a bill or a receipt signed by your caregiver along with your Flexible Spending Account Claim Form. A canceled check is not acceptable documentation of your expense. The bill must include the caregiver’s Social Security number or Employer Identification number (EIN).

You will then be paid back from your account on a tax-free basis for that expense. Reimbursements are processed daily. Your claim form may include more than one reimbursable expense, even if the expenses are unrelated or for more than one individual.

**Eligible Expenses**

To be eligible, expenses must be for dependent care so that you, or your spouse, can work or attend school on a full-time basis. Expenses for dependent care while you and your spouse go out for a social event are not eligible for reimbursement.

Expenses also must be for your dependent child under age 13 or dependent parent who lives with you and for whom you would be entitled to claim as a dependent on your federal tax return. You may also be reimbursed for dependent care for a child over age 13 if they are physically or mentally incapable of self care.

Examples of eligible dependent care expenses include:

- Care at licensed nursery schools, day camps (not overnight camps), and day care centers for children. To qualify, the school or center must comply with state and local laws and receive a fee for its services.

- Dependent care provided in your home by individuals who may be relatives but who cannot be your children under age 19, or any other dependent claimed on your tax return.

- Adult day care provided in your home or at an adult day care center.

- Dependent care in another person’s home, if fewer than seven non-residents are receiving care there.

- Household services related to the care of eligible dependents who live with you.

- Transportation Expenses – If for transporting a qualifying individual to or from place where care is provided and transportation is provided by a dependent care provider.

- Any other qualified dependent care expense as defined by the IRS code.
Comparing the Dependent Care Flexible Spending Account and the Dependent Care Tax Credit

You may also save on taxes for your eligible dependent care expenses by using a federal tax credit. The tax credit works by reducing the amount of tax you pay by a percentage of your dependent care expenses when you file your federal income taxes.

If you decide to use the Dependent Care Flexible Spending Account, you cannot receive a tax credit for any expenses paid through your account. In addition, whatever you contribute to the Dependent Care Flexible Spending Account reduces dollar-for-dollar the amount of your dependent care expenses for the tax credit.

In deciding between the Dependent Care Flexible Spending Account and the tax credit, you should estimate your taxes using both methods and determine which is more beneficial. Generally, if you are married, filing jointly, and your combined adjusted gross income is greater than $25,000, the Dependent Care Flexible Spending Account offers more tax savings. This rule may not apply if you are single or married, and filing separately. You may wish to consult your tax advisor to help you determine which approach is best for you.

IRS Publication 503 provides detailed information about Dependent Care Flexible Spending Accounts and the federal dependent care tax credit. You may call 1-800-829-3676 to request a copy of this publication. You also may call 1-800-829-1040 to speak with an IRS representative.

Reporting Your Dependent Care Account Contributions

Current IRS rules affect how your taxes are reported if you use pre-tax Flexible Spending Account money to pay for dependent care expenses. The IRS rules require the following:

- For the year in which you participated in the Dependent Care Flexible Spending Account, the Company must report on your W-2 statement any pre-tax amounts you contributed from your salary to the account; and
- You must file the name, address, and taxpayer identification or Social Security number of your dependent care provider with your federal tax return.

GENERAL INFORMATION

Account Statements

If you elect to participate in a Flexible Spending Account, you will have access to the participant website www.MyFlexOnline.com. Any forms and information you need to manage your Flexible Spending Account(s) will be available on the website.

Eligible Expenses

Only expenses that were incurred during the year while you are an active participant are eligible for reimbursement from your Flexible Spending Account. For example, you cannot use funds in the 2014 account(s) to pay for expenses incurred before January 1, 2014. In addition, you cannot use the funds in one Flexible Spending account to reimburse expenses which are eligible for reimbursement from the other account.
Expenses are considered to be incurred on the date the service is rendered, the supply is obtained, or the treatment is provided and not when the employee/dependent is billed; or charged for; or pays for the health or dependent care.

**How Pre-tax Contributions Affect Your Other Benefits**
The pre-tax amounts you contribute to a Flexible Spending Account do not affect your other salary-based benefits. For example, if your salary is $40,000 and you put $2,000 into your Flexible Spending Account, your other salary-based benefits such as pension, Savings Plan, long-term disability, and life insurance coverages, are based on your annual base pay of $40,000. In exchange for the advantages of making contributions on a before-tax basis, the IRS limits the amount that an employee can contribute to the Savings Plan to 25% of the “employee’s 415 compensation” or $30,000 whichever is less. An “employee’s 415 compensation” is defined as W-2 gross wages less pre-tax salary deferrals into the Savings Plan and pre-tax contributions under the Flexible Benefits Plan, which include the Limited Health Care, Health Care and Dependent Care Flexible Spending Accounts. If you are affected by these limitations, you will be notified.

**Social Security**
Since your contribution may reduce the amount of Social Security taxes you pay, participation in a Flexible Spending Account may have a small impact on your future Social Security retirement benefits.

**When Your Participation Ends**
Your participation in either Flexible Spending Account will end the day your active employment ends. Your pre-tax Flexible Spending Account contributions will continue while you are receiving short-term disability benefits or are on a paid leave of absence. You may continue contributions to your Flexible Spending Account on an after-tax basis during unpaid leave.

After your participation ends, you may be reimbursed from the accounts as follows:

- If you have a Health Care Flexible Spending Account, you may receive reimbursement up to your total annual amount less any reimbursement you may have already received for expenses incurred before your plan participation ended.
- If you have a Dependent Care Flexible Spending Account, you may receive reimbursement up to your remaining balance for expenses incurred before your plan participation ended.

When your participation in the Health Care Flexible Spending Account ends, you or a qualified beneficiary may elect to continue your coverage on an after-tax basis through COBRA – until the end of that calendar year. Your rights to COBRA coverage for the Health Care Flexible Spending Account are explained in the section entitled “Your Rights to Continued Health Care Coverage” in the Health Care summary in this employee benefits handbook.

If you cease to participate in the Flexible Spending Account for any reason except death, expenses incurred after your participation ends cannot be reimbursed through the Flexible Spending Accounts.
CLAIMS AND APPEALS PROCEDURE

Filing a Request for Reimbursement
To receive reimbursement from your Flexible Spending accounts, you must submit an itemized receipt for qualified services along with a Flexible Spending Account Claim Form to FlexSave. These forms are available on www.myfirstrewards.com, www.myflexonline.com or by calling FlexSave at (800) 525-9252 from Monday through Friday from 8:00 – 5:00 p.m. EST.

You should submit your reimbursement claim forms to:

Via U.S. Mail:
FlexSave
MZ: 04-2W-8317
2060 East Ninth St
Cleveland, OH 44115-1355

Via Fax:
(440) 878-4890

When you submit a Reimbursement Claim Form, you should follow these guidelines:

♦ Reimbursements are processed daily.

♦ You have until June 30th of the following year to request Flexible Spending Account reimbursements, as long as the expense is for eligible services you received during the prior year.

♦ Any amounts not used by the end of the year will be forfeited.

You will receive an explanation of benefits each time you are reimbursed from your Flexible Spending account(s).

If you are denied a benefit under this Plan, you should proceed in accordance with the following claims review procedures.

Step 1: Notice is received from FlexSave  If your claim for a benefit is denied, you will receive written notice from FlexSave 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 FlexSave, 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 FlexSave 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**: Review your notice carefully. Once you have received your notice from Flexsave, 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; and
- A right to request all documentation relevant to your claim.

**Step 3**: If you disagree with the decision of FlexSave, file an appeal. If you do not agree with the decision of FlexSave, you may file a written appeal. You should file your appeal with the FirstEnergy Corp. Employee Benefits Claims & Appeals Committee (“Appeals Committee”) no later than 180 days after receipt of the notice described in Step 1. 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. The Appeal should be sent to:

FirstEnergy Corp. Employee Benefits Claims & Appeals Committee  
Attention: Human Resources, 7th Floor  
76 S. Main Street  
Akron, Ohio 44308.

**Step 4**: FirstEnergy Corp. Employee Benefits Claims & Appeals Committee The Appeals Committee will review and make its decision on appeal at its next regularly scheduled meeting, or it may defer its decision to the second regularly scheduled meeting following the date the appeal is received. An extension to the third regularly scheduled meeting following the date the appeal is received may be taken by the Committee due to extenuating circumstances. If such an extension is required, the claimant will be notified in writing of the extension. If the Appeals Committee denies your appeal, you will receive notice within 5 working days after the decision is made. The notice will contain the same type of information that was referenced in Step 1 above.

**Important Information**

Other important information regarding your claims and appeals:

- Each level of review is independent from the previous level (i.e., the same person(s) or subordinates of the same person(s) involved in a prior level of appeal would not be involved in the appeal).
- On each level of claims or appeal, the reviewer will review relevant information that you submit even if it is new information.
- The Appeals Committee is required to give you notice of any internal rules, guidelines, protocols or similar criteria used as a basis for the adverse determination.
- You cannot file suit in federal court until you have exhausted these appeals procedures, however, you have the right to file suit under ERISA Section 502 following an adverse appeal decision.
- Each Participant has the right to request and obtain documents, records and other information as it pertains to their Benefit Plan(s).
OTHER FACTS AND INFORMATION

Participant’s Rights
As a participant in a Flexible Spending Account, you are entitled to:

- Examine, without charge, at the Plan Administrator’s office and plant or area human resource office, a copy of the Plan, the latest annual report and the Plan description;

- Obtain copies of Plan documents and other Plan information upon written request to the Plan Administrator. The Administrator may make a reasonable charge for the copies;

- Receive a summary of the Plan’s annual financial report; and

- Expect that the people who operate your Plan, called “fiduciaries” of the Plan, will do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one — the Company, your union, or any other person — may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Flexible Spending Account benefit or exercising your rights under the Employee Retirement Income Security Act of 1974 (ERISA). Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials and do not receive them for 30 days, you may file suit in a federal court. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court.

If you are successful, the court may order the person you have sued to pay court costs and legal fees; if you lose, the court may order you to pay these costs and fees. If you have any questions about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administrator, Department of Labor.

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest area office of the Employee Benefits Administration listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration; U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C. 20210.

Plan is Not an Employment Contract The Plan shall not be deemed to constitute a contract between the Company and any employee nor shall anything herein contained be deemed to give any employee any right to be retained in the employ of the Company or to interfere with the right of the Company to discharge any employee at any time and to treat the employee without regard to the effect which such treatment might have upon the employee as a participant in the Plan.

Right to Amend Plan The Plan may be amended or terminated by the Chief Executive Officer of FirstEnergy Corp. or his appointed designee at any time or for employees represented by a labor union in accordance with the applicable collective bargaining agreements.
**Administration**  The Plan Administrator has the authority to control and manage the operation and administration of the Plan with benefits provided in accordance with the provisions of the contract. Inquiries should be made to the appointed Plan Administrator:

FlexSave  
Medical Mutual Services (MMS)/FlexSave  
MZ:  04-2W-8317  
2060 East Ninth Street  
Cleveland, OH  44115-1355

Phone:  (800) 525-9252  Monday through Friday from 8:00 – 5:00 p.m. EST  
Email:  FlexSpending@medmutual.com

Websites:  
[www.mytakecareplan.com](http://www.mytakecareplan.com) – Educational FSA site  
[www.myflexonline.com](http://www.myflexonline.com) – Site for members to manage their own account online

General Inquires about Flexible Spending Accounts may also be directed to the Plan Sponsor:

FirstEnergy Corp.  
Attn:  FirstEnergy Benefits Department  
76 South Main Street  
Akron, OH  44308  
1-800-543-4654

**Type of Plan**

The Plan is a welfare benefit plan.

**Participating Employers and Identification Numbers**

<table>
<thead>
<tr>
<th>Participating Employer</th>
<th>EIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>FirstEnergy Service Company</td>
<td>34-1968288</td>
</tr>
<tr>
<td>FirstEnergy Solutions Corp.</td>
<td>31-1560186</td>
</tr>
<tr>
<td>Cleveland Electric Illuminating Company</td>
<td>34-0150020</td>
</tr>
<tr>
<td>Jersey Central Power &amp; Light Company</td>
<td>21-0485010</td>
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<tr>
<td>Metropolitan Edison Company</td>
<td>23-0870160</td>
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<tr>
<td>Ohio Edison Company</td>
<td>34-0437786</td>
</tr>
<tr>
<td>Pennsylvania Power Company</td>
<td>25-0718810</td>
</tr>
<tr>
<td>Pennsylvania Electric Company</td>
<td>25-0718085</td>
</tr>
<tr>
<td>Toledo Edison Company</td>
<td>34-4375005</td>
</tr>
<tr>
<td>FirstEnergy Nuclear Operating Company</td>
<td>34-1881483</td>
</tr>
<tr>
<td>FirstEnergy Generation, LLC</td>
<td>34-1940561</td>
</tr>
<tr>
<td>Potomac Edison Company</td>
<td>13-5323955</td>
</tr>
</tbody>
</table>
Additions or deletions to the list of Participating Employers may be made at any time at the sole discretion of the Program Sponsor. An up-to-date listing of Participating Employers may be obtained from the Plan Administrator.

**Plan Number**

507

**Agent for Service of Legal Process**

C T Corporation System  
1300 East 9th Street  
Suite 1010  
Cleveland, Ohio 44114

**Fiscal Year**

The last day of the Plan’s fiscal year is December 31

**PARTICIPATING UNIONS:**

Participating Unions in accordance with labor agreement between The Toledo Edison Company, FirstEnergy Nuclear Operating Company and FirstEnergy Generation, LLC and:

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 245

Participating Unions in accordance with the labor agreements between FirstEnergy Generation, LLC and:

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 272

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 459 – Seneca

Participating Unions in accordance with the labor agreements between Ohio Edison Company and:

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.  
Local Union No. 1194

Utility Workers Union of America, A.F.L.-C.I.O.
Local Union Nos. 118/126

**Participating Unions in accordance with the labor agreement between The Toledo Edison Company and FirstEnergy Nuclear Operating Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.
Local Union No. 1413

**Participating Unions in accordance with the labor agreement between The Toledo Edison Company, FirstEnergy Service Company, FirstEnergy Nuclear Operating Company, FirstEnergy Generation, LLC and:**

Office & Professional Employees International Union, A.F.L.-C.I.O.
Local Union No. 19

**Participating Unions in accordance with the labor agreement between Pennsylvania Power Company and:**

Utility Workers Union of America, A.F.L.-C.I.O.
Local Union No. 140

**Participating Unions in accordance with the labor agreement between Pennsylvania Electric Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.
Local Union No. 459

Utility Workers Union of America, A.F.L.-C.I.O.
Local Union No. 180

**Participating Unions in accordance with the labor agreement between The Cleveland Electric Illuminating Company, FirstEnergy Nuclear Operating Company and FirstEnergy Generation, LLC and:**

Utility Workers Union of America, A.F.L.-C.I.O.
Local Union No. 270

**Participating Unions in accordance with the labor agreements between FirstEnergy Generation, LLC and:**

Utility Workers Union of America, A.F.L.-C.I.O.
Local Union Nos. 350/351

Utility Workers Union of America, A.F.L.-C.I.O.
Local Union No. 457

**Participating Unions in accordance with the labor agreement between Metropolitan Edison Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.
Local Union No. 777

**Participating Unions in accordance with the labor agreement between Jersey Central Power & Light Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.
System Council U-3

**Participating Unions in accordance with the labor agreement between FirstEnergy Nuclear Operating Company and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.
Local Union No. 29

Utility Workers Union of America, A.F.L.-C.I.O.
Local Union No. 270

**Participating Unions in accordance with the labor agreement between Monongahela Power Company and:**

Utility Workers Union of America, A.F.L.-C.I.O.
Local Union No. 102

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.
Local Union No. 2357

**Participating Unions in accordance with the labor agreement between FirstEnergy Service Company on behalf of Allegheny Energy Supply, LLC and the Potomac Edison Company and West Penn Power Company doing business as Allegheny Energy:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.
Local Union No. 50

**Participating Unions in accordance with the labor agreement FirstEnergy Service Company on behalf of Allegheny Energy Supply, and FirstEnergy Generation, LLC and:**

International Brotherhood of Electrical Workers, A.F.L.-C.I.O.
Local Union No. 307