BARTON COMMUNITY COLLEGE

FLEXIBLE BENEFIT PLAN

Summary Plan Description

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BARTON COMMUNITY COLLEGE FLEXIBLE BENEFIT PLAN

Barton Community College ("Employer") maintains the Barton Community College Flexible Benefit Plan (the "Plan" and/or "Flexible Benefit Plan") for the exclusive benefit of, and to provide benefits to, its Eligible Employees, their legal Spouses, and their eligible dependents.

This Summary Plan Description ("SPD") describes the basic features of the Plan, how the Plan operates, and the benefits that can be purchased through the Plan. This SPD is only a summary of the key parts of the Plan, and a brief description of your rights as a Participant. It is not a part of the official plan documents. ***If there is a conflict between the plan documents and this SPD, the plan documents will control.***

(1) General Information

(a) *Type of Plan.* The Plan is a cafeteria plan. The Employer has assigned number 501 as the Plan Number for the Plan.

(b) *Pre-Tax Benefits.* Participants in the Flexible Benefit Plan may reduce their salary on a pre-tax basis to pay for the cost of benefits provided by one or more of the following plans maintained by the Employer:

(i) Barton Community College Medical Plan ("Medical Plan")(The terms and conditions of this Pre-Tax Benefit, which also includes dental benefits, are set forth in the plan documents provided by BML.);

(ii) Barton Community College Health Flexible Spending Account Plan ("Health FSA");

(iii) Barton Community College Dependent Care Assistance Plan ("DCAP"); and/or

(iv) Barton Community College AFLAC Pre-Tax Plan ("AFLAC Pre-Tax Plan").

Each of the above Pre-Tax Benefits is governed by a plan document. Please refer to such document for information regarding specific terms and conditions associated with each plan. This SPD serves as the summary plan description for each of these Pre-Tax Benefits. A summary of each of these plans is provided later in this SPD.

The amount by which your salary is reduced to purchase benefits, and any benefits paid to you under these Pre-Tax Benefits, will not be included in your taxable income for federal income tax purposes and is not subject to FICA taxes.

(c) *After-Tax Benefits.* Participants in the Flexible Benefit Plan may reduce their salary on an after-tax basis to pay for the cost of benefits provided by one or more of the following plans maintained by the Employer:

(i) Barton Community College Medical Plan (includes dental benefits), but only if the Participant elects to pay the cost of such coverage on an after-tax basis;

(ii) Barton Community College Level II Preventive Health Benefits Plan;

(iii) Barton Community College Voluntary Life Plan ("Voluntary Group Life Plan"); and/or

(iv) Barton Community College AFLAC After-Tax Plan ("AFLAC After-Tax Plan").

This SPD serves as the summary plan description for each of these plans. A summary of each of these plans is provided later in this SPD.

(d) *Employer Paid Benefit.* The following Employer Paid Benefit is available through this Flexible Benefit Plan:

(i) Barton Community College Group Life Plan ("Group Life Plan").

This SPD serves as the summary plan description for the Plan. A summary of this plan is provided later in this SPD.

(e) *Employer.* The name, address, telephone number, and Federal tax identification number of the Employer are:

Barton County Community College
245 NE 30
Great Bend, KS 67530
(620) 792-9235
EIN: 48-0720175

(f) *Plan Administrator.* The Employer is the Plan Administrator. The Plan Administrator is responsible for providing you and other Participants with information regarding your rights and benefits under the Plan. The Plan Administrator must also file various reports, forms, and returns with the Department of Labor and the Internal Revenue Service. The Plan Administrator is vested with full discretionary authority to interpret, construe, and carry out the provisions of the Plan, and to render decisions on the administration of the Plan, including any factual and legal determinations as to whether an individual is eligible to participate in the Plan. The Plan Administrator has the authority to take such corrective action as it might consider to be appropriate in the event that an error in administering the Plan has taken place. For example, if there is a failure to deduct the correct amount of a Participant's election, the Plan Administrator has the authority to deduct an overpayment from future compensation payable to the Participant and/or otherwise recover the amount that is owed.

(g) *Service of Process.* The title of the person designated as the Agent for Service of Legal Process is Dean of Administration, whose address is the same as the Employer's address. Service of Legal Process may also be made upon a Plan trustee or the Plan Administrator.

(h) *Spouse.* When the word "Spouse" is used in this SPD, it means a person of the same or opposite sex to whom you are legally married under the laws of the jurisdiction in which the marriage was entered into (as such laws existed at the time of marriage), regardless of whether

the marriage would be recognized by the jurisdiction in which you currently reside. A common law marriage shall be considered to be a legal marriage if the common law marriage was validly entered into in a state that recognizes common law marriage. The Plan Administrator shall have the authority to determine whether a person is a Spouse, including the authority to request such documents as may be necessary, in its discretion, to establish the existence of a legal marriage (including the existence of a common law marriage). An individual will not be considered a "Spouse" for purposes of the Plan if (i) his/her marriage to you has been terminated by a court having jurisdiction over you or the individual or (ii) either party to the marriage is also lawfully married to another (third) person under the laws recognized by any state.

(i) *Plan Year.* The Plan Year is the twelve (12) month period beginning every November 1 and ending the subsequent October 31.

(2) Flexible Benefit Plan – Participation in the Plan

You will automatically become a Participant in the Flexible Benefit Plan on your plan entry date if you satisfy the eligibility conditions for the Plan. Once you become a Participant, you will continue to be a Participant until the eligibility conditions are no longer met. These requirements are explained in more detail below.

(a) *Eligibility Conditions.* To be eligible to participate in the Plan, the following conditions must be met:

(i) *Employee.* You must be an individual employed by the Employer;

(ii) *Regularly Scheduled Hours per Week.* Your regularly scheduled workweek must ordinarily equal or exceed nine hundred ten (910) hours per year. For purposes of the Plan, this is considered to be "full-time"; and

(iii) *Not Excluded from Participation.* You must not be excluded from participation. You are excluded from participation if you are (A) covered under a collective bargaining agreement; (B) classified as a temporary employee; (C) classified on the Employer's payroll records as a "leased" employee; or (D) for purposes of participating in this Flexible Benefit Plan (but not, unless otherwise provided, for purposes of participating on an after-tax basis in any underlying Benefit Package Option), an individual who is, with respect to the Employer, self-employed within the meaning of Section 401(c)(1) of the Code or is treated as a partner under Section 1372 of the Code.

(b) *Plan Entry Date – General Rule.* If all of the eligibility conditions have been met, you will enter the Plan on the first day of the month following or coincident with 30 days of active employment, even if you do not choose to purchase benefits under one or more of the Pre-Tax Benefits and/or After-Tax Benefits.

EXAMPLE #1: You begin working as a full-time employee on March 15. You complete thirty (30) days of employment with the Employer on April 14. You will become a Participant in the Plan on May 1.

(c) *Termination of Participation.* Once you become a Participant, you will continue to be a Participant as long as you continue to satisfy the conditions for being an Eligible Employee, as summarized above. If one or more of these conditions is not met, you will cease to be a Participant, unless a special rule applies. The special rules that might apply are summarized below.

(i) *Special Rule for Leaves of Absence.* If the number of hours that you are regularly scheduled to work each week falls below the minimum number required for you to participate in the Plan, you may still continue to participate in the Plan if you are on (A) a paid leave approved by the Employer; (B) unpaid leave under the Family and Medical Leave Act ("FMLA") if the FMLA is applicable to the Employer; provided, however, any period of unpaid leave shall run concurrently with any FMLA leave; or (C) unpaid leave of the three calendar month period that next follows the month in which the person last worked as an active employee.

(ii) *All Disability Leave.* Whether treated as unpaid or paid (i.e., taxable or non-taxable compensation) - all disability leave shall be treated as "unpaid leave" for purposes of plan eligibility. However, nothing in this subsection shall preclude you, if you are on FMLA leave from maintaining eligibility during such FMLA leave.

(iii) *Special Rule for Military Service.* If you enter active service in the armed forces of any country, you will not be eligible to participate in the Plan unless your service is temporary active service of two (2) weeks or less.

(iv) *Special Rule for Certain Pre-Tax Benefits.* If you are participating in a Pre-Tax Benefit and your employment is terminated before the end of a pay period or the end of the month, your participation in the Plan may continue through the end of the pay period and/or the month (depending on the underlying Pre-Tax Benefit).

(3) Pre-Tax Benefit Options - Participant Elections

To purchase benefits on a pre-tax basis through the Plan, you must elect to do so by completing and returning a Salary Reduction Agreement to the Plan Administrator. This is known as an "Election." Once you have made an Election, you will not be able to change that Election until the next Plan Year, unless an exception applies. These rules are discussed in more detail below.

(a) *How to make an Election.* To make an Election, you must complete a Salary Reduction Agreement and return the completed Agreement to the Plan Administrator. If you are changing an Election in the middle of a Plan Year, you may also be required to complete and return an Election Change form. The Plan Administrator may require the Salary Reduction Agreement or the Election Change form to be completed and submitted in electronic form through the use of the Internet, an Intranet, a telephone system, or such other system as the Plan Administrator may prescribe.

(b) *When to make an Election.*

(i) *General Rule.* An Election for the next Plan Year must be made during the Annual Enrollment Period for that Plan Year. The Annual Enrollment Period will be announced by the Plan Administrator each year.

(ii) *Initial Election by New Participants.* If you are a newly Eligible Employee, an Election will normally need to be made on or prior to the date you enter the Plan as a Participant.

(iii) *Election Changes.* An Election change during the middle of a Plan Year must be made no later than thirty (30) days after the event that allows an Election change to be made, except that an Election change made in connection with certain HIPAA special enrollment rights may be made within sixty (60) days after the event as further described in (3)(d)(ii) below.

(c) *Failure to make an Election.*

(i) *Failure to Make an Initial Election.* If you have never made an Election, you will not be able to purchase any benefits through the Plan on a pre-tax basis.

(ii) *Failure to Change Existing Election.* Once you have made an Election, a failure to complete a new Salary Reduction Agreement for a subsequent Plan Year will be treated as a decision on your part to retain your existing Elections for the new Plan Year. However, if you have elected to put money into the Health Flexible Spending Account Plan or Dependent Care Assistance Plan, your Election for those plans will be reduced to zero dollars for any subsequent Plan Years.

(d) *Election Changes.* An Election may not be changed in the middle of a Plan Year unless you qualify for one of the exceptions listed below. All Election changes must be approved by the Plan Administrator. In approving or denying an Election change, the Plan Administrator may rely on the terms of the Plan, Internal Revenue Service Regulations, and informal guidance from the Internal Revenue Service (the "IRS").

You may change an Election in the middle of a Plan Year in the following circumstances (and subject to the other rules of the Plan):

(i) *Change in Status.* If there is a "change in status" and the Election change is consistent with the "change in status." The following events may constitute a "change in status":

(A) A change in your marital status;

(B) A change in the number of your dependents;

(C) A change in the employment status of yourself, your Spouse, or your dependent. This may include starting a new job, leaving an old job, taking an unpaid leave of absence, or returning from an unpaid leave of absence. It may also include a change in the number of hours that you, your Spouse, or your dependent are regularly scheduled to work, but only if the change

in hours affects your eligibility for benefits under the Plan or any of the other Benefit Plans or your Spouse's or dependent's eligibility under a benefit plan of their employer;

(D) One of your dependents satisfies, or ceases to satisfy, the eligibility requirements for a dependent under a Benefit Plan;

(E) A change in residence for yourself, your Spouse, or your dependent if it affects that person's eligibility for benefits; and/or

(F) You enroll in a Qualified Health Plan through an Exchange / Health Insurance Marketplace (the "Marketplace") established pursuant to the Patient Protection & Affordable Care Act by virtue of having become eligible for a Special Enrollment Period in the Marketplace or by having enrolled during the Marketplace's annual open enrollment period. However, in order to make an election change on this basis, you (and any Spouse and/or dependents who are covered through you) must enroll in the Qualified Health Plan and have such coverage take effect no later than the day immediately following the day that your coverage under the Medical Plan is terminated.

Whether an Election change is consistent with the "change in status" will be determined by the Plan Administrator in accordance with IRS Regulations and prevailing IRS guidance.

(ii) *HIPAA Special Enrollment Rights.* Under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), group health plans must provide a "special enrollment" period for certain individuals. These individuals include individuals who were eligible for coverage but who did not enroll due to other coverage and individuals who have become dependents through marriage, birth, or adoption. These individuals also include individuals who become eligible for a state premium assistance subsidy under a group health plan of the Employer from either Medicaid or a state's children's health insurance program (SCHIP). Similarly, individuals who lose eligibility for Medicaid or SCHIP coverage have special enrollment rights in the Plan. If you exercise your "special enrollment" rights under HIPAA, you may make an Election change to pay the cost of covering the individuals you enrolled. Unlike with the other election change events, you have sixty (60) days to enroll an individual if the election change event is a HIPAA special enrollment right related to eligibility for a state premium assistance subsidy or a loss of eligibility for Medicaid or SCHIP.

(iii) *Change in Coverage of Your Spouse or Dependent.* If there is a change in the coverage of your Spouse or your dependent and that coverage is obtained through the cafeteria plan of another employer, you may make a "corresponding" Election change. For this exception to apply, one of the following conditions must be met: (A) The plan year of the other employer's cafeteria plan is different than the Plan Year of the Plan; or (B) the cafeteria plan of the other employer permits only those

Election changes that are authorized under IRS regulations. The Plan Administrator will decide in its discretion and in accordance with prevailing IRS guidance whether a requested change is on account of and corresponds with the change made under the plan of the other employer.

EXAMPLE: You have elected to provide medical coverage for your family under the Employer's Medical Plan. Your Spouse is employed by a different employer. During open enrollment for the cafeteria plan of that employer, your Spouse elects "family coverage" under the medical plan of that employer. The plan year of that employer is different than the plan year of your Employer. Under this exception, you may discontinue your Election to pay for family coverage on a pre-tax basis through the Plan.

(iv) *Loss of Governmental / Educational Institution Group Health Coverage (Does not apply to the Health FSA [or DCAP).* If you, your Spouse, or your dependent loses group health coverage and the coverage was sponsored by a governmental or educational institution, you may make an Election change to add coverage for the persons who are losing coverage. For purposes of this provision, group health coverage sponsored by a governmental or educational institution includes a state's children's health insurance program (SCHIP) under Title XXI of the Social Security Act, a medical care program of an Indian Tribal government or a tribal organization, a state health benefits risk pool, or a foreign government health plan.

(v) *"Significant" Curtailment in Coverage (Does not apply to the Health FSA).*

(A) *Without Loss of Coverage.* If coverage under a plan is "significantly curtailed," but not lost, you may change your Election to elect coverage under another benefit option that provides similar coverage. Coverage under a plan is "significantly curtailed" only if there is an overall reduction in the coverage provided to participants in the plan.

(B) *With Loss of Coverage.* If coverage under a plan is "significantly curtailed" and that curtailment constitutes a "loss of coverage" for you, your Spouse, or your dependent, you may change your Election to elect coverage under another benefit option that provides similar coverage. If no similar benefit option is available, you may elect to drop coverage. For purposes of this provision, a "loss of coverage" means a complete loss of coverage under the benefit option. This includes the elimination of a benefit option, the loss of coverage under an option due to an individual reaching an overall lifetime or annual coverage limit, a substantial decrease in the medical care providers available under the option, or a reduction in the benefits for a specific type of medical condition or treatment for which you, your Spouse, or your dependent is currently receiving treatment.

(C) *Determinations to be Made by the Plan Administrator.* The Plan Administrator will decide in its discretion, and in accordance with prevailing IRS guidance, whether a curtailment is "significant," whether a curtailment represents a "loss of coverage" with respect to a particular individual, and whether a substitute benefit option provides "similar coverage."

(vi) *Addition or Improvement of a Benefit Option (Does not apply to the Health FSA).* If a benefit option is added in the middle of a Plan Year or if coverage under an existing benefit option is significantly improved, you may make an Election change to add that option.

(vii) *FMLA Leave.* If you take a leave of absence under the FMLA, you may change your Election for coverage under a plan. You may also be able to change your Election under the "change in status" exception discussed above.

(viii) *To Comply with a Judgment, Decree or Order.* If you are required to provide medical coverage for a dependent child pursuant to a judgment, decree or order, you may change your Election to pay for the increased cost of the coverage. If you are already providing coverage and a judgment, decree or order requires someone else to provide coverage, you may change your Election to reflect the decreased cost of coverage. *However*, before you are allowed to drop coverage, you may be required to provide proof that other coverage for the child is actually being provided.

(ix) *Entitlement to Medicare/Medicaid.* If you, your Spouse, or your dependent becomes entitled to Medicare or Medicaid, you may change your Election to reflect the decreased cost of coverage under the employer's group health plan. If you, your Spouse, or your dependent loses your/their entitlement to Medicare or Medicaid, you may increase your Election to reflect the increased cost of coverage under the employer's group health plan.

(x) *Significant Change in Cost of Coverage (Does not apply to the Health FSA).* If your share of the premium for coverage under a benefit option increases by a significant amount, you may increase your Election to reflect the increased cost or you may elect to be covered under another benefit option (if any) providing similar coverage. If similar coverage is not available, you may drop your coverage all together.

If your share of the premium for coverage under a benefit option decreases by a significant amount, you may decrease your Election by a corresponding amount or, if you are not currently enrolled in that benefit option, you may elect to become covered under that benefit option.

Whether there has been a "significant" change in cost and whether another benefit option provides "similar coverage" will be decided by the Plan Administrator in its discretion and in accordance with prevailing IRS guidance.

(e) *Effective Date of Elections.*

(i) *Election Made During Annual Enrollment Period.* An Election made during the Annual Enrollment Period will be given effect as of the first day of the next Plan Year.

(ii) *Election Made in the Middle of a Plan Year.* An Election made in the middle of a Plan Year will be given effect as of the earliest administratively practicable date after a completed Election Change Form and Salary Reduction Agreement are received by the Plan Administrator. This includes both Election changes and the initial Elections made by new Participants. Under IRS regulations, Elections cannot be given retroactive effect. For example, although you can use pre-tax dollars to pay for future coverage, you cannot use pre-tax dollars to pay for coverage that has already been provided. The only exception to this prohibition is for newborn children and newly adopted dependents who are enrolled in a group health plan pursuant to HIPAA "special enrollment" rights. Coverage that is retroactive to the date of their birth or adoption may be paid for on a pre-tax basis.

(f) *Special Rule for Health FSAs.* You may *not* change your Election under the Health FSA in the middle of a Plan Year except as follows:

(i) You may begin to participate in the Health FSA if you are eligible, provided you are permitted to make an Election change under the rules summarized in Section 3(d) above;

(ii) You may increase your Election as long as you do not exceed the maximum election amount permitted under the Health FSA and provided you are permitted to make an Election change under the rules summarized in Section 3(d) above; or

(iii) You may decrease your Election, provided you are permitted to make an Election change under the rules summarized in Section 3(d) above; however, you may not reduce your election amount below the total amount you have already been reimbursed.

EXAMPLE: During the Annual Enrollment Period, you make an Election of $1,200 for your Health FSA for the Plan Year. To pay for this benefit, your salary is reduced by $100 per month. Suppose that after three months, you have contributed a total of $300 into your Health FSA, you have been reimbursed $400, and you experience a qualifying election change event. You may change your election for the Plan Year to any amount equal to or greater than $400.

Continuing with the above example, suppose you change your election amount to $600 instead of $1,200. Because you have already been reimbursed $400, only $200 will be available to you for reimbursement through the end of the Plan Year.

Except as set forth above, an Election with respect to the Health FSA may not be changed during the Plan Year once it has been made.

(4) After-Tax Benefit Option - Participant Elections

You may make and/or change your Elections with respect to an After-Tax Benefit at any time in accordance with the rules and procedures established by the Plan Administrator. Any such Election change will take effect on the earliest administratively practicable date after the request to change an after-tax Election is received by the Plan Administrator.

(5) Health Flexible Spending Account Plan

The Employer maintains a Health FSA that pays benefits out of the Employer's general assets.

(a) *Type of Plan.* The Health FSA is a self-funded group health plan. The Health FSA is administered by the Employer; however, benefit claims are processed by the Claims Administrator.

(b) *Eligibility / Plan Entry Date.* The eligibility conditions are the same as those for the Flexible Benefit Plan. The Health FSA entry date is the first day of the month following or coincident with thirty (30) days of employment.

(c) *Election to Participate in the Plan.* To become a Participant in the Health FSA, you must complete and return the form or forms provided by the Plan Administrator. **If you do not elect to participate in the Health FSA, the Employer will not provide you with any benefits under the Health FSA.**

(i) *Failure to Enroll When First Eligible.* As a general rule, if you fail to enroll when you are first eligible to do so, you will not be allowed to enroll in the Health FSA until the next Annual Enrollment Period, in which case your enrollment will not take effect until the first day of the next Plan Year. However, if you experience an event that would allow an Election change under the terms of the Flexible Benefit Plan (see Section 3(d) of this SPD), you may enroll in the Health FSA in the middle of the Plan Year.

(ii) *Election Changes Once Enrolled in the Health FSA.* Once you elect to participate in the Health FSA, you will be permitted to change your Election after the beginning of the Plan Year if you experience an event that would allow an Election change under the terms of the Flexible Benefit Plan (see Section 3(d) and (f) of this SPD). In general, you may begin participation or increase your Election amount for the remainder of the Plan Year. You are also permitted to decrease your Election amount provided, however, that the Election amount is not less than the amount you have already been reimbursed.

To determine the amount that you may be reimbursed for the remainder of the Plan Year, you should subtract the amount you have already been reimbursed from the new Election amount.

Example. During the Annual Enrollment Period, you elect $1,200 for the Plan Year. You make monthly contributions of $100 per month for 6 months (totaling $600) and you are reimbursed $900 during that 6 month period. Suppose you experience an election change event which would permit you to change your Election for the remaining 6 months of the Plan Year. You then request to *decrease* your election to $600. You will not be permitted to make this change in your Election amount. This is because your total reimbursements to date (i.e., $900) is greater than the new Election amount (i.e., $600). You could, however, decrease your Election to $1,000 for the remainder of the Plan Year. This is because your new Election amount is greater than the amount you have already been reimbursed (i.e., $900). In the remaining 6 months of the year, you will be able to receive $100 in future reimbursements.

(d) *Special Rules Relating to FMLA Leave.* If you are a Participant in the Health FSA and you are taking or returning from FMLA leave, the following special rules apply to your participation in the Health FSA:

(i) *Taking FMLA Leave.* You may continue to participate in the Health FSA after you begin your FMLA leave by continuing to pay the applicable premium while you are on leave or by making such other arrangements for the payment of the applicable premiums as may be permitted under the Flexible Benefit Plan (see Section 13(b) of this SPD). You may also choose to discontinue your participation in the Health FSA once you begin your FMLA leave.

(ii) *Returning From FMLA Leave.* If you discontinued your participation in the Health FSA when you began your FMLA leave, you may choose to participate again once you return to work from your FMLA leave. If you want to resume your participation at the same coverage level that was in effect before your FMLA leave, you will be required to pay the premiums that would have been due while you were on FMLA leave. If you do not want to make up the missed premiums, you may instead choose to resume coverage at a reduced level. In this event, the amount of coverage that you elected will be reduced by the percentage of the Plan Year that you were on FMLA leave. For example, if you had elected $1,200 for the Plan Year and were on FMLA for two months, your annual Election would be reduced to $1,000 under this alternative.

(e) *Effective Date of Election.* If you elect to participate in the Health FSA, your Election will take effect and you will become a Participant as follows:

(i) *Election Made During Annual Enrollment Period.* If you elect to participate during the Annual Enrollment Period for the Flexible Benefit Plan, your Election will take effect on the first day of the next Plan Year.

(ii) *Election Made by A Newly Eligible Employee.* If you are a newly Eligible Employee, your Election will take effect when you become a Participant in the Plan.

EXAMPLE: You begin working as a full-time employee on March 15. You complete thirty (30) days of employment with the Employer on April 14. You timely elect to participate in the Health FSA. Your Election takes effect on May 1.

(iii) *Election Made Following an Election Change Event.* If you elect to participate within thirty (30) days after an event that would allow you to make an Election change under the Flexible Benefit Plan (see Section 3(d) of this SPD), your Election will take effect on the first day of the month following the receipt of your completed Election form by the Plan Administrator. If your Election form is received on the first day of the month, you will become a Participant on that same day.

EXAMPLE: During the Annual Enrollment Period, you did not elect to participate in the Plan. On March 15, your child is born. This is a "change in status" which allows you to make an Election change under the Flexible Benefit Plan. You may elect to participate in the Plan if you do so within thirty (30) days after March 15, (that is, by April 14). If you do not elect to enter the Health FSA within thirty (30) days after this "change in status," you will not have a second opportunity to enter the Health FSA until the first day of the next Plan Year unless you experience a second Election change event.

(iv) *Required Affirmative Election if Carryover Amount Exists.* If you do not elect to participate in the Health FSA for the Plan Year by electing at the least the minimum dollar election established by the Employer, and you have a Carryover Amount (defined below) from a prior Plan Year, you will forfeit your Carryover Amount.

(f) *Plan Benefits.* If you elect to participate in the Health FSA, you must elect the amount by which you want the Employer to reduce your salary for the Plan Year. To determine how much you should reduce your salary for medical reimbursement benefits, you should estimate the amount of medical and dental expenses you expect to have for the Plan Year in which your health or dental insurance will not cover. When you incur uninsured medical or dental expenses, the Plan Administrator will reimburse you for those expenses. The amount of salary you reduce for these medical or dental expenses is not subject to income tax or FICA.

EXAMPLE: You elect to reduce your salary by $1,200 for the Plan Year. You have $300 in carryover funds from the prior Plan Year. Therefore, $1,500 is your maximum reimbursement for uninsured medical expenses incurred for that Plan Year.

If you do not incur uninsured medical expenses for the Plan Year equal to the maximum reimbursement amount, plus any amount allowed as a "carryover" from a prior year, you will lose the unused portion up to the maximum Carryover Amount (defined in (g)(i) below).

EXAMPLE: Assume you elect to reduce your salary by $1,200 for medical expenses and you have a Carryover Amount of $300 from the prior Plan Year, for a total of $1,500 in funds. You incur only $500 of uninsured expenses for the current Plan Year. Although you will be entitled to carryover $500 in funds to the subsequent Plan Year, you will forfeit the remaining $500, as required by IRS regulations. This example illustrates the importance of carefully estimating your uninsured medical expenses for the Plan Year.

If the Employer determines after the claims run-out period and after processing all pending claims and all Carryover Amounts that the total premiums paid by all participants in the Health FSA plan exceed the total reimbursements paid out, the Plan will have a surplus. Such surplus will be used to offset reasonable administrative costs. Any surplus remaining after such costs are paid will be used to reduce the required premiums in the following Plan Year. If you are a participant in the Health

FSA on the date of the first payroll following the date on which the amount of surplus has been determined, you will receive a reduction in the cost of your premium, known as a "premium holiday."

If the Health FSA is terminated by the Employer before or at the end of the Plan Year, then the Employer will determine whether or not there is a surplus. There is a surplus if the total contributions from all Participants exceed the total Health FSA reimbursements. This determination will not be made until after the claims run-out period and after all pending claims have been processed. The Employer will use the surplus, if any, to offset reasonable administrative costs. Any surplus remaining after reasonable administrative costs have been paid shall be distributed to all individuals who were participating in the Health FSA on the date of the Plan's termination. The amount of remaining surplus will be divided by the number of participants entitled to the distribution in order to determine each person's share. In no case will the surplus be allocated to you based directly or indirectly on your claims experience or on the amount of your annual election.

(g) *Maximum Benefit Amount.* Under the Health FSA, if you or your dependents incur a "qualified medical expense" for which you submit a timely claim for reimbursement, you will receive a reimbursement for the portion of that expense that is not covered by medical or dental insurance; however, your reimbursements may not exceed the maximum reimbursement amount.

(i) *Maximum Reimbursement Amount – General Rule.* The maximum reimbursement amount for a Plan Year may not exceed the total amount that you have elected to contribute to the Health FSA for that Plan Year.

(ii) *Limits on Contributions to a Health FSA.* The amount that you elect to contribute to the Health FSA for a Plan Year may not exceed or be less than the dollar limit that is established each year by the Employer. That dollar limit, in turn, may not exceed the statutory dollar limit established by Congress in the Code, as adjusted by the IRS for periodic cost-of-living increases. The dollar limit established by the Employer will be communicated in the enrollment materials for the Health FSA. The Plan Administrator will also provide information about this dollar limit upon request.

(iii) *Maximum Reimbursement Amount – Run-Out Periods.* A claim that is incurred during the previous Plan Year and which is submitted for reimbursement during the Plan's Run-Out Period will count against the maximum reimbursement amount for the previous Plan Year and not the Plan Year during which reimbursement is made.

(iv) *Special Carryover Rule.* The maximum reimbursement amount for the current Plan Year, as described above, may be increased by any Carryover Amount you might have. A Carryover Amount is the amount, if any, remaining in your Health FSA account from the previous Plan Year as determined on the last day of the Run-Out Period for that Plan Year. A Carryover Amount is limited to no more than $500. Any amount remaining in excess of the Carryover Amount must be forfeited in accordance with IRS rules. In addition, your entire Carryover Amount will be *forfeited* at the end of the Plan Year if you do not make at least the minimum dollar election established by the Employer for the immediately subsequent Plan Year.

(v) *Order of Reimbursement.* Reimbursements during the Run-Out Period for current-year claims will be made from current-year amounts in order to maximize the potential Carryover Amount, unless you specifically request otherwise and the Plan Administrator permits such alternative reimbursement ordering. The Carryover Amount will be reimbursed before any current Plan Year contributions. Any Carryover Amount for which medial expense reimbursement has not been sought by the end of the current Plan Year shall be forfeited.

Example: Participant carries over $200 from Year 1 to Year 2. In year 2, Participant elects to contribute $250 to the Health FSA. During Year 2, Participant seeks reimbursement for $125 in eligible medical expenses. The maximum amount that the Participant could carry over to Year 3 would be $250.

(h) *Qualified Medical Expenses.* The "qualified medical expenses" for which you (or your Spouse or "dependent," as defined in Section 105(b) of the Internal Revenue Code (except that non-disabled dependent children are only covered through the end of the month in which they turn age twenty-six (26))), are entitled to reimbursement under the Health FSA are generally those medical expenses that are tax deductible under Section 213(d) of the Internal Revenue Code and for which you have not otherwise been reimbursed through insurance or any other means. Typical expenses include, but are not limited to:

(i) Deductibles and copayment amounts you pay under your medical or dental or vision care coverage;

(ii) Medical, dental and/or vision care expenses in excess of usual, reasonable and customary rates; and

(iii) Any other Code § 213(d) medical, dental, or vision expenses not reimbursed by insurance; provided, however, over-the-counter drugs or medicine (other than insulin) that are not purchased pursuant to a prescription are not eligible for reimbursement as "qualified medical expenses."

The Health FSA does not reimburse for amounts paid to obtain other health insurance coverage. The Health FSA will only reimburse you for qualified medical expenses incurred while you are a Participant in the Health FSA. Under Internal Revenue Service rules, a qualified medical expense is generally considered to be "incurred" when the treatment is provided and not when you are billed for the treatment or when the treatment is paid for.

Typical expenses <u>not</u> eligible for reimbursement by the Health FSA include, but are not limited to:

(i) Those reimbursed through any other policy or plan, including Medicare or other Federal programs;

(ii) Those incurred before you enroll in the Health FSA;

(iii) Those incurred in any year other than the year for which Health FSA contributions are made;

(iv) Those claimed as a deduction or credit for Federal income tax purposes; and

(v) Those the IRS would not allow as deductions for Federal income tax purposes, except for certain over-the-counter drugs.

(i) *Ineligible Expenses.* The Health FSA does not reimburse "qualified medical expenses" for which you receive reimbursement through insurance or any other means. Moreover, it does not reimburse for amounts paid to obtain other health insurance coverage. The Health FSA will only reimburse you for qualified medical expenses incurred while you are a Participant in the Health FSA. Under Internal Revenue Service rules, a "qualified medical expense" is generally considered to be "incurred" when the treatment is provided and not when you are billed for the treatment or when the treatment is paid for.

Typical expenses <u>not</u> eligible for reimbursement by the Health FSA include, but are not limited to:

(i) Those reimbursed through any other policy or plan, including Medicare or other Federal programs;

(ii) Those incurred before you enroll in the Health FSA;

(iii) Those incurred in any year other than the year for which Health FSA contributions are made;

(iv) Those claimed as a deduction or credit for Federal income tax purposes; and

(v) Those the IRS would not allow as deductions for Federal income tax purposes, except for certain over-the-counter drugs.

(j) *Run-Out Period.* "Run-out period" means the period that begins at the close of the Plan Year and ends on the January 30th immediately following the close of the Plan Year. Eligible expenses must be submitted for reimbursement before the end of the "run-out period."

(k) *How to Submit a Claim.* In the event you have a claim for benefits under the Health FSA, you must submit a claim using the claims form that will be provided to you by the Plan Administrator and following the instructions on that form. The Claims Administrator may require you to provide such information as may reasonably be required to process the claims, including, but not limited to, the following:

(i) The amount, date incurred and nature of each expense;

(ii) The name of the person, organization or entity with whom the expense was incurred;

(iii) The name of the person for whom the expense was incurred;

(iv) The amount (if any) recovered under any insurance arrangement or other plan, with respect to the expense; and

(v) A statement that the expense (or portion thereof for which reimbursement is sought under the Plan) has not been reimbursed and is not reimbursable under any other health plan coverage.

(l) *Claims Administrator.* BML will act as Claims Administrator with respect to any claim for benefits under this Health FSA Plan. BML is acting on behalf of the Employer in a ministerial and administrative capacity. Unless specified otherwise in an Administrative Services Agreement between BML and the Employer, the Employer will retain full discretionary authority to make all determinations regarding the administration and payment of benefit claims.

(m) *Recoupment of Underwithheld Amounts.* In the event that not enough salary is withheld from your paycheck, resulting in insufficient funds in your Health FSA, the Employer will seek recoupment of the amount of the insufficient withholding.

(n) *Timing of Claims.* Subject to the Special Carryover Rule, you may submit your claim for benefits under the Health FSA Plan during the Plan Year in which the expenses are incurred or within the "run-out period" following the close of the Plan Year. If you terminate your participation in the Health FSA or if the Employer terminates the Health FSA Plan, you must submit your claim for reimbursement for that Plan Year no later than ninety (90) days after the date of your termination or no later than ninety (90) days after the date the Employer terminates the Health FSA Plan, respectively. For example, if you terminate employment with the Employer on July 1 of a particular Plan Year, you must submit your claim for reimbursement no later than September 29 of that Plan Year to receive reimbursement for expenses covered by the Plan which you incurred prior to that July 1.

(o) *Time Frame for Deciding Claims.* If any claim for benefits under this Health FSA is denied, in whole or in part, then the Claim Administrator will promptly furnish you, within thirty (30) days of receipt of the claim, written notice:

(i) Setting forth the reason for the denial;

(ii) Making reference to pertinent Health FSA provisions upon which the denial is based;

(iii) Describing any additional material or information which is necessary and why; and

(iv) Referencing any internal rule, guideline, or protocol, or similar criterion relied upon in making the adverse determination (if applicable).

(p) *Extension of Time Frame for Deciding Claims.* The Claim Administrator may seek one extension of up to fifteen (15) days in order to make the benefit determination. The extension must be sought due to matters beyond the control of the Plan. You will be notified of the extension prior to the expiration of the initial thirty (30) day period. If the extension is due to your failure to submit information necessary to decide the claim, the notice of extension shall specifically describe the required information and give you at least forty-five (45) days from receipt of the notice to provide the specified information. The period for making the benefit determination shall be tolled from the time the notification of extension is sent until the date on which you responds to the request for information.

(q) *Appealing a Claim Denial.* If your claim is denied, in whole or in part, you have one hundred eighty (180) days to submit an appeal. You may, upon request and free of charge, examine all pertinent documents and may submit issues and comments in writing.

(r) *Time Frame for Deciding Appeal.* The Plan Administrator shall render a decision on review no later than sixty (60) days after receipt of your request for review.

(s) *Decision on Appeal.* In conducting the review, no deference will be given to the initial adverse determination and a plan fiduciary, other than the one who originally decided the claim (or the person's subordinate), will make the determination upon appeal. The decision on review shall be in writing. If the claim is once again denied, in whole or in part, then the notification shall (i) state the reason for the decision, (ii) refer to the Health FSA provisions upon which it is based, (iii) state your right to receive (upon request and free of charge) reasonable access to, and copies of, all relevant information, and (iv) describe any voluntary appeals procedures.

(t) *Payment of Claims.* Approved claims will be paid directly to you. No claims will be paid to the provider of any services. Prior to making any payment of benefits under the Health FSA, BML (or the Plan Administrator) may require you to provide such information and complete appropriate documents or forms necessary for the proper administration of the Plan. BML and/or the Plan Administrator may rely upon all such information furnished to it, including your current mailing address. Furthermore, BML (or the Plan Administrator), prior to making payments under the Plan, may require you to file all appropriate claims and requests for payment from any other plan or plans maintained by the Employer, including requests for payment with any insurance carrier which has the responsibility for making any benefit payments under any plans maintained by the Employer.

(u) *Termination of Coverage.* Your participation in the Health FSA ends on whichever of the following dates occurs first:

(i) The date that you terminate your employment with the Employer;

(ii) The date in which your election to participate expires;

(iii) The end of a period in which you last paid a required contribution; or

(iv) The date the Employer terminates the Health FSA.

Your coverage for benefits under the Health FSA ends with the termination of your participation. However, you may, in some circumstances, be entitled to purchase COBRA continuation coverage. COBRA continuation coverage is discussed in a separate section of this SPD.

(6) Dependent Care Assistance Plan

The Employer maintains a DCAP that pays benefits out of the Employer's general assets.

(a) *Type of Plan.* The DCAP is a Code Section 129 dependent care assistance plan. The DCAP is administered by the Employer; however, benefit claims are processed by the Claims Administrator.

(b) *Eligibility / Plan Entry Date.* The eligibility conditions are the same as those for the Flexible Benefit Plan. The DCAP entry date is the first day of the month following or coincident with thirty (30) days of employment.

(c) *Election to Participate in the Plan.* To become a Participant in the DCAP, you must complete and return the form or forms provided by the Plan Administrator. **If you do not elect to participate in the DCAP, the Employer will not provide you with any benefits under the DCAP.**

(d) *Effective Date of Election.* If you elect to participate in the DCAP, your Election will take effect and you will become a Participant as follows:

(i) *Election Made During Annual Enrollment Period.* If you elect to participate during the Annual Enrollment Period for the Flexible Benefit Plan, your Election will take effect on the first day of the next Plan Year.

(ii) *Election Made by A Newly Eligible Employee.* If you are a newly eligible employee, your Election will take effect when you become a Participant in the Plan.

EXAMPLE: You begin working as a full-time employee on March 15. You complete thirty (30) days of employment with the Employer on April 14. You timely elect to participate in the DCAP Your Election takes effect on May 1.

(e) *Election Made Following an Election Change Event.* If you elect to participate within thirty (30) days after an event that would allow you to make an Election change under the Flexible Benefit Plan (see Section 3(d) of this SPD), your Election will take effect on the first day of the month following the receipt of your completed Election form by the Plan Administrator. If your Election form is received on the first day of the month, you will become a Participant on that same day.

EXAMPLE: During the Annual Enrollment Period, you did not elect to participate in the Plan. On March 15, your Spouse begins a full time job. This is a "change in status" which allows you to make an Election change under the Flexible Benefit Plan. You may elect to participate in the Plan if you do so within thirty (30) days after March 15, (that is, by April 14). If you do not elect to enter the DCAP within thirty (30) days after this "change in status," you will not have a second opportunity to enter the DCAP until the first day of the next Plan Year unless you experience a second Election change event.

(f) *Plan Benefits.* If you elect to participate in the DCAP, you must elect the amount by which you want the Employer to reduce your salary for the Plan Year. Under the DCAP, the maximum amount of reimbursement you may receive for a Plan Year is limited to the actual amount of your salary reduction for the Plan Year.

(g) *Maximum Benefit Amount.* The benefits you receive under this DCAP may not exceed the maximum amount specified in the Internal Revenue Code or be less than the minimum set by the employer. The maximum amount specified in the Internal Revenue Code is $5,000 (or $2,500 if you are a married person filing a separate return) *per calendar year* or, if less, your "earned income limitation." The maximum benefit amount *per plan year* is also $5,000 (or $2,500 if you are a married person filing a separate return) or, if less, your "earned income limitation." The "earned income limitation" is your earned income, if you are not married. If you are married, the earned income limitation is the lesser of your earned income or your Spouse's earned income.

(h) *IRS "Use It or Lose It" Requirement.* You should carefully evaluate the amount of your salary reduction for dependent care expenses. ***If your dependent care expenses are less than the amount by which you have reduced your salary for the Plan Year, you will forfeit the excess amount.*** This is an IRS requirement.

(i) *Election Changes.* Once you make an Election to participate in this DCAP, that Election may not be changed in the middle of the Plan Year, either as to your participation in the Plan or as to the dollar amount you elected, unless an Election change is permitted under the terms of the Flexible Benefit Plan (see Section 3(d) of this SPD).

(j) *Federal Income Tax Considerations.* You may be able to claim a Dependent Care Tax Credit on your federal income tax return for your dependent care expenses. The availability of this credit depends on the number of dependents you have and your gross income. More information about the federal Dependent Care Tax Credit may be found in IRS Publication No. 503. ***You may not claim a credit on your federal income tax return for any dependent care expenses for which you have been reimbursed by the DCAP.*** In many cases, you may save more money by receiving tax-free reimbursements under the Plan than by claiming the tax credit. ***Consult your own tax advisor if you are in doubt as to whether to obtain reimbursements under the Plan or to take the tax credit.***

(k) *Qualified Dependent Care Expenses.* A dependent care expense is an amount paid by you for the care of a qualified dependent, including related household services, which enables you to be gainfully employed. The "qualified" dependent care expenses for which you are entitled to reimbursement under the DCAP are generally those dependent care expenses that are permitted under Section 129 of the Internal Revenue Code.

(i) *Qualified Dependent.* A qualified dependent is:

(A) Your child (as defined in Internal Revenue Code § 152) who is under age 13 and is your "qualifying child" as defined in Code § 152(a)(1); or

(B) Your tax dependent as defined in Code § 152, but determined without regard to Code § 152(b)(1), (b)(2), and (d)(1)(B), who:

(1) Is physically or mentally incapable of caring for himself/herself; and

(2) Is living with you for more than one-half of the calendar year.

(C) Your Spouse who is physically or mentally incapable of self-care and who is living with you for more than one-half of the calendar year.

If you are divorced or separated and have a child whom you do not claim as a dependent for Federal income tax purposes, the child must be in your custody for at least six (6) months out of the year to be a qualified dependent.

(ii) *Types of Expenses Eligible For Reimbursement.* The following expenses are eligible for reimbursement:

(A) Payments for the care of a qualified dependent in your home. This includes care provided by a babysitter, nurse or housekeeper in your home, as long as part of their service benefits the qualified dependent.

(B) Payments for the care of a qualified dependent outside your home. If such expenses are incurred for services provided by a dependent care center (i.e., a facility that provides care for more than six (6) individuals not residing at the facility), the center must comply with all applicable state and local laws and regulations. If such expenses are incurred for services performed outside your home for an individual described in (k)(i)(B) above, then such individual must be living with you at least eight (8) hours a day.

(C) Pre-school care, before- and after-school care and day camp during school vacation.

(iii) *Types of Expenses Not Eligible For Reimbursement.* The following expenses are not eligible for reimbursement:

(A) Expenses paid through another policy or plan providing dependent care benefits to you or your Spouse.

(B) Amounts paid to your child who is age eighteen (18) or younger for babysitting or care of a qualified dependent.

(C) Expenses paid to a person whom you or your Spouse are entitled to claim as a dependent for Federal income tax purposes.

(D) Expenses incurred prior to becoming a Participant in the DCAP.

(E) Education expenses for a child in kindergarten or any higher grade.

(F) Overnight care at a convalescent nursing home for a dependent Spouse or relative.

(G) Overnight camp.

(H) Expenses for lessons, tutoring or certain types of transportation expenses.

(I) Forfeited deposits, but may include application fees, agency fees, and deposits if you are required to pay the expenses to obtain dependent care.

(l) *Run-Out Period.* "Run-out period" means the period that begins at the close of the Plan Year and ends on the January 30th immediately following the close of the Plan Year. Eligible expenses must be submitted for reimbursement before the end of the "run-out period."

(m) *Claims Procedures.* In the event you have a claim for benefits under the DCAP, you should submit a claim using the claim form that will be provided to you by the Claims Administrator and follow the instructions on that form.

(i) *Claims Administrator.* The Employer has designated BML to act as the Claims Administrator for the DCAP. As the Claims Administrator, BML shall have the sole authority to grant or deny any claims for benefits under the Plan. If the Claims Administrator denies a claim, it will state its denial in writing and will deliver or mail to the Participant a notice of denial of benefits, setting forth the specific reasons for the denial. In addition, the Claims Administrator will give any Participant whose claim for benefits has been denied a reasonable opportunity for a review of the decision denying the claim.

(ii) *When to Submit a Claim.* You may submit your claim for reimbursement for expenses you incurred during the Plan Year in which incurred or within the "run-out" period following the close of that Plan Year. If you terminate your participation in the DCAP or if the Employer terminates the DCAP, you must

submit your claim for reimbursement for that Plan Year no later than ninety (90) days after the date of your participation in the Plan terminates or the date the Employer terminates the Plan, respectively. For example, if you terminate employment with the Employer on July 1 of a particular Plan Year, you must submit your claim for reimbursement no later than September 29 of that Plan Year to receive reimbursement for expenses covered by the plan which you incurred prior to that July 1.

(iii) *Claims Decisions and the Right to Appeal.* Within a reasonable time, not exceeding ninety (90) days (unless the Claims Administrator notifies you of an extension of up to ninety (90) days), the Claims Administrator will inform you of its decision to approve or deny your claim. If the Claims Administrator denies your claim, in whole or in part, you may have a right to appeal the decision.

(iv) *Payment of Claims.* Approved claims will be paid directly to you. No claims will be paid to the provider of any services.

(v) *Information Regarding Claims.* Prior to making any payment of benefits under the DCAP, the Claims Administrator may require you to provide such information and complete appropriate documents or forms necessary for the proper administration of the Plan. The Claims Administrator may rely upon all such information furnished to it, including your current mailing address.

(n) *Termination of Coverage.* Your participation in the DCAP ends on whichever of the following dates occurs first:

(i) The date that you terminate your employment with the Employer;

(ii) The date in which your election to participate expires;

(iii) The end of a period in which you last paid a required contribution; or

(iv) The date the Employer terminates the DCAP.

(7) Group Life Plan

The Employer maintains a group life plan that pays benefits under an insurance contract with Hartford Life and Accident Insurance Company ("Hartford"), 200 Hopmeadow Street, Simsbury, CT 06089.

(a) *Type of Plan.* The Group Life Plan is administered by the Employer; however, benefit claims are processed by the Claims Administrator. The Group Life Plan is an employer paid benefit under the Flexible Benefit Plan.

(b) *Eligibility / Plan Entry Date.* The eligibility condition is regularly scheduled to work at least forty (40) hours per week. The Group Life Plan entry date is the first day of the month following or coincident with thirty (30) days of employment.

(c) *Enrollment in the Plan.* You will become a Participant in the Group Life Plan on the date that you become a Participant in the Flexible Benefit Plan. An election to participate in the Group Life Plan is neither necessary nor required.

(d) *Plan Benefits.* You will be insured under a group contract issued by Hartford. This group contract provides you with life insurance. Hartford has prepared materials which explain the benefits of the group contract in detail. Hartford will provide these materials to you. If you do not receive a copy of these materials, you should request a copy from the Plan Administrator. These materials are an additional part of this SPD.

(e) *Obligation to Pay Benefits.* Hartford is solely obligated to pay for the benefits provided under the Hartford group contract. The Employer makes no promise and will have no obligation to provide or pay for benefits under the group contract.

(f) *Premiums.* The monthly premiums for insurance coverage under the Group Life Plan are determined by Hartford and may change from time to time. The Employer will pay 100% of the monthly premium cost.

(g) *Claims Procedures.* In the event you have a claim for benefits under the Group Life Plan, you should follow the procedures outlined in the materials prepared by Hartford as applicable. The Plan Administrator, upon your request, will assist you in making these claims. Hartford has been delegated full discretionary authority to make all determinations regarding the administration and payment of such benefit claims, in accordance with the terms of the group contract.

(h) *Termination of Coverage.* Your participation in the Group Life Plan ends on whichever of the following dates occurs first:

(i) The last day of the month in which you terminate your employment with the Employer;

(ii) The date on which your election to participate expires;

(iii) The last day of the month in which you cease to be an Eligible Employee; or

(iv) The date the Employer terminates the Group Life Plan.

Your coverage for benefits under the Group Life Plan ends with the termination of your participation. However, you may be eligible for a conversion contract offered by Hartford. Please refer to the group contract for further details.

(8) Voluntary Group Life Plan

The Employer maintains a Voluntary Group Life Plan that pays benefits under an insurance contract with Hartford Life and Accident Insurance Company ("Hartford"), 200 Hopmeadow Street, Simsbury, CT 06089.

(a) *Type of Plan.* The Voluntary Group Life Plan is administered by the Employer; however, benefit claims are processed by the Claims Administrator.

(b) *Eligibility / Plan Entry Date.* The eligibility condition is regularly scheduled to work at least forty (40) hours per week. The Voluntary Life Plan entry date is the first day of the month following or coincident with thirty (30) days of employment.

(c) *Enrollment in the Plan.* **To become a Participant in the** Voluntary **Group Life Plan, you must enroll using the form or forms provided by the Plan Administrator.** These forms must be completed and returned to the Plan Administrator on or before your Voluntary Group Life Plan entry date. **If you do not elect to participate in the** Voluntary **Group Life Plan, you will not receive any benefits under the** Voluntary **Group Life Plan.**

(i) *Failure to Enroll When First Eligible.* If you fail to enroll when you are first eligible to do so, you may be required to pass medical underwriting before you may enroll in the Voluntary Group Life Plan.

(d) *Plan Benefits.* If you elect to participate in the Voluntary Group Life Plan, you will be insured under a group contract issued by Hartford. This group contract provides you with life insurance. Hartford has prepared materials which explain the benefits of the group contract in detail. Hartford will provide these materials to you. If you do not receive a copy of these materials, you should request a copy from the Plan Administrator. These materials are an additional part of this SPD.

(e) *Obligation to Pay Benefits.* Hartford is solely obligated to pay for the benefits provided under the Hartford group contract. The Employer makes no promise and will have no obligation to provide or pay for benefits under the group contract.

(f) *Premiums.* The monthly premiums for insurance coverage under the Voluntary Group Life Plan are determined by Hartford and may change from time to time. You may obtain current premium rates by contacting the Plan Administrator. The Employer will communicate the portion of the premium which you must pay each year. Premiums must be paid on an after-tax basis through the Flexible Benefit Plan.

(g) *Claims Procedures.* In the event you have a claim for benefits under the Voluntary Group Life Plan, you should follow the procedures outlined in the materials prepared by Hartford as applicable. The Plan Administrator, upon your request, will assist you in making these claims. Hartford has been delegated full discretionary authority to make all determinations regarding the administration and payment of such benefit claims, in accordance with the terms of the group contract.

(h) *Termination of Coverage.* Your participation in the Voluntary Group Life Plan ends on whichever of the following dates occurs first:

(i) The last day of the month in which you terminate your employment with the Employer;

(ii) The date on which your election to participate expires;

(iii) The end of a period in which you last paid a required contribution, taking into account any grace periods required by law;

(iv) The last day of the month in which you cease to be an Eligible Employee; or

(v) The date the Employer terminates the Voluntary Group Life Plan.

Your coverage for benefits under the Voluntary Group Life Plan ends with the termination of your participation. However, you may be eligible for a conversion contract offered by Hartford. Please refer to the group contract for further details.

(9) AFLAC Pre-Tax Plan

The Employer maintains the AFLAC Pre-Tax Plan that permits Participants to elect to receive benefits under one or more individual policies of insurance issued by American Family Life Assurance of Columbus ("AFLAC"), 1932 Wynnton Road, Columbus, Georgia 31999.

(a) *Type of Plan.* The AFLAC Pre-Tax Plan is administered by the Employer; however, benefit claims are processed by the Claims Administrator.

(b) *Eligibility / Plan Entry Date.* The eligibility condition is regularly scheduled to work at least forty (40) hours per week. The AFLAC Pre-Tax Plan entry date is the first day of the month following or coincident with thirty (30) days of employment.

(c) *Enrollment in the Plan.* **To become a Participant in the AFLAC Pre-Tax Plan, you must enroll using the form or forms provided by the Plan Administrator.** These forms must be completed and returned to the Plan Administrator on or before your AFLAC Pre-Tax Plan entry date. **If you do not elect to participate in the AFLAC Pre-Tax Plan, you will not receive any benefits under the AFLAC Pre-Tax Plan.**

(d) *Plan Benefits.* If you elect to participate in the AFLAC Pre-Tax Plan, you will be able to select from the following individual policies of insurance which are issued by AFLAC:

(i) Cancer Plan; and/or

(ii) Accident Plan.

These individual policies provide you (and your dependents, if family coverage is selected) with various types of insurance. AFLAC has prepared materials which explain the benefits of each individual policy in detail. AFLAC will provide these materials to you. If you do not receive a copy of these materials, you should request a copy from the Plan Administrator. These materials are an additional part of this Summary Plan Description.

(e) *Obligation to Pay Benefits.* AFLAC is solely obligated to pay for the benefits provided under the AFLAC Pre-Tax Plan. The Employer makes no promise and will have no obligation to provide or pay for benefits under the AFLAC Pre-Tax Plan.

(f) *Premiums.* The monthly premiums for insurance coverage under the various individual policies listed in (d) above are determined by AFLAC and may change from time to time. You may obtain current premium rates by contacting the Plan Administrator. You are required to pay 100% of the monthly premium cost. Premiums may be paid on a pre-tax basis through the Flexible Benefit Plan.

(g) *Claims Procedures.* In the event you have a claim for benefits under the AFLAC Pre-Tax Plan, you should follow the procedures outlined in the materials prepared by AFLAC as applicable. The Plan Administrator, upon your request, will assist you in making these claims. AFLAC is hereby delegated full discretionary authority to make all determinations regarding the administration and payment of such benefit claims, in accordance with the terms of the group contract.

(h) *Termination of Coverage.* Your participation in the AFLAC Pre-Tax Plan ends on whichever of the following dates occurs first:

(i) The last day of the month in which you terminate your employment with the Employer;

(ii) The date on which your election to participate expires for the applicable policy or policies;

(iii) The end of a period in which you last paid a required contribution, taking into account any grace periods required by law;

(iv) The last day of the month in which you cease to be an Eligible Employee; or

(v) The date the Employer terminates the AFLAC Pre-Tax Plan.

Your coverage for benefits under the AFLAC Pre-Tax Plan ends with the termination of your participation. However, you may be eligible for a conversion contract offered by AFLAC. Please refer to the individual policies for further details.

(10) AFLAC After-Tax Plan

The Employer maintains the AFLAC After-Tax Plan that permits Participants to elect to receive benefits under one or more individual policies of insurance issued by American Family Life Assurance of Columbus ("AFLAC"), 1932 Wynnton Road, Columbus, Georgia 31999.

(a) *Type of Plan.* The AFLAC After-Tax Plan is administered by the Employer; however, benefit claims are processed by the Claims Administrator.

(b) *Eligibility / Plan Entry Date.* The eligibility condition is regularly scheduled to work at least forty (40) hours per week. The AFLAC After-Tax Plan entry date is the first day of the month following or coincident with thirty (30) days of employment.

(c) *Enrollment in the Plan.* **To become a Participant in the AFLAC After-Tax Plan, you must enroll using the form or forms provided by the Plan Administrator.** These forms must be completed and returned to the Plan Administrator on or before your AFLAC After-Tax Plan entry date. **If you do not elect to participate in the AFLAC After-Tax Plan, you will not receive any benefits under the AFLAC After-Tax Plan.**

(d) *Plan Benefits.* If you elect to participate in the AFLAC After-Tax Plan, you will be able to select from the following individual policies of insurance which are issued by AFLAC:

(i) Cancer Plan;

(ii) Accident Plan;

(iii) Critical Illness Plan; and/or

(iv) Short Term Disability Plan.

You will be insured under individual contracts issued by AFLAC. The contracts provides you (and/or your dependents, if family coverage or riders are available and chosen) with one or more of the above types of insurance. AFLAC has prepared materials which explain the benefits of the contracts in detail. AFLAC will provide these materials to you. If you do not receive a copy of these materials, you should request a copy from the Plan Administrator. These materials are an additional part of this Summary Plan Description.

(e) *Obligation to Pay Benefits.* AFLAC is solely obligated to pay for the benefits provided under the AFLAC individual policies of insurance. The Employer makes no promise and will have no obligation to provide or pay for benefits under the policy.

(f) *Premiums.* The monthly premiums for insurance coverage under the AFLAC After-Tax Plan are determined by AFLAC and may change from time to time. You may obtain current premium rates by contacting the Plan Administrator. You are required to pay 100% of the monthly premium cost on an after-tax basis.

(g) *Claims Procedures.* In the event you have a claim for benefits under the AFLAC After-Tax Plan, you should follow the procedures outlined in the materials prepared by AFLAC as applicable. The Plan Administrator, upon your request, will assist you in making these claims. AFLAC is hereby delegated full discretionary authority to make all determinations regarding the administration and payment of such benefit claims, in accordance with the terms of the group contract.

(h) *Termination of Coverage.* Your participation in the AFLAC After-Tax Plan ends on whichever of the following dates occurs first:

(i) The last day of the month in which you terminate your employment with the Employer;

(ii) The date on which your election to participate expires for the applicable policy or policies;

(iii) The end of a period in which you last paid a required contribution, taking into account any grace periods required by law;

(iv) The last day of the month in which you cease to be an Eligible Employee; or

(v) The date the Employer terminates the AFLAC After-Tax Plan.

Your coverage for benefits under the AFLAC After-Tax Plan ends with the termination of your participation. However, you may be eligible for a conversion contract offered by AFLAC. Please refer to the individual policies for further details.

(11) COBRA Coverage for Group Health Plans

Your Employer is required to offer COBRA continuation coverage. This Section applies to all employees covered under group health plans sponsored by the Employer and to such employee's covered Spouse and/or covered dependents.

COBRA coverage is a temporary extension of coverage under group health plans under certain circumstances when coverage would otherwise end. The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). COBRA continuation coverage can become available to you and to other members of your family who are covered under the group health plans when group health coverage would otherwise be lost. **This section generally explains COBRA coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.**

The group health components of the Plan in which you may be enrolled are the Medical Plan, the Level II Preventive Health Benefits Plan, and the Health FSA. COBRA (and the description of COBRA coverage contained in this SPD) applies only to the group health plan benefits offered under the Plan and not to any other benefits offered under the Plan. The Plan provides no greater COBRA rights than what COBRA requires and nothing in this SPD is intended to expand your rights beyond COBRA's requirements.

(a) *Qualified Beneficiary.* After a qualifying event (described below) occurs and any required notice of that event is properly provided to the Plan Administrator, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your Spouse, and your dependent children may become qualified beneficiaries and may be entitled to elect COBRA if coverage under a group health plan is lost because of the qualifying event. (Certain newborns, newly-adopted children, and alternate recipients under NMSNs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.)

(b) *Continuation Coverage.* Continuation coverage is the same coverage that the group health plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will

have the same rights under the group health plan as other participants or beneficiaries covered under the plan, including open enrollment and special enrollment rights. Qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

(c) *Qualifying Events.* COBRA continuation coverage is a continuation of group health coverage when coverage would otherwise end because of an event known as a "qualifying event." Specific qualifying events with respect to each type of qualified beneficiary are as follows:

(i) *Employee.* If you are an employee, you will become a qualified beneficiary if you lose (or will lose) your group health coverage under the Plan because either one of the following qualifying events happens:

(A) Your hours of employment are reduced; or

(B) Your employment ends for any reason other than for gross misconduct.

(ii) *Spouse.* If you are the covered Spouse of an employee, you will become a qualified beneficiary if you lose your group health coverage under the Plan because any of the following qualifying events happens:

(A) Your Spouse dies;

(B) Your Spouse's hours of employment are reduced;

(C) Your Spouse's employment ends for any reason other than for gross misconduct;

(D) Your Spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or

(E) You become divorced or legally separated from your Spouse. If your Spouse (the employee) reduces or eliminates coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a qualifying event for you even though your coverage was reduced or eliminated before the divorce or separation.

(iii) *Dependents.* If you are the covered dependent child of an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because any of the following qualifying events happens:

(A) Your parent-employee dies;

(B) Your parent-employee's hours of employment are reduced;

(C) Your parent-employee's employment ends for any reason other than for gross misconduct;

(D) Your parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);

(E) Your parents become divorced or legally separated; or

(F) You stop being eligible for coverage under the plan as a "dependent child."

In addition to the above qualifying events, filing a proceeding in bankruptcy under Title 11 of the United States Code can sometimes be a qualifying event. If a proceeding in bankruptcy is filed with respect to the Employer, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee is a qualified beneficiary with respect to the bankruptcy. The retired employee's Spouse, surviving Spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

(d) *FMLA Leave.* If you take FMLA leave and do not return to work at the end of the leave, you (and your Spouse and dependent children, if any) will be entitled to elect COBRA if you, your Spouse and dependent children, if any, (i) were covered under the Plan on the day before the FMLA leave began (or became covered during the FMLA leave), and (ii) will lose Plan coverage within eighteen (18) months because of your failure to return to work at the end of the leave. (This means that some individuals may be entitled to elect COBRA at the end of an FMLA leave even if they were not covered under the group health plan during the leave.) COBRA coverage elected in these circumstances will begin on the last day of the FMLA leave, with the same 18-month maximum coverage period (subject to extension or early termination) generally applicable to the COBRA qualifying events of termination of employment and reduction of hours.

(e) *Special Rule for Health FSAs.* COBRA coverage under a Health FSA will be offered only to qualified beneficiaries who have underspent accounts. A qualified beneficiary has an underspent account if he/she has been reimbursed less money than he/she has contributed.

(i) *COBRA Coverage.* COBRA coverage will consist of the Health FSA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by expenses reimbursed up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year.

(ii) *Qualified Beneficiaries.* Unless otherwise elected, all qualified beneficiaries who were covered under the Health FSA will be covered together for Health FSA COBRA coverage. Each beneficiary, however, has separate election rights, and each could alternatively elect separate COBRA coverage to cover that beneficiary only, with a separate Health FSA annual limit and a separate premium. If you are interested in this alternative, you should contact the Plan Administrator for more information.

(f) *COBRA Notice Procedures.* When the qualifying event is the end of employment, reduction of hours of employment, or death of the employee, the Plan will offer COBRA coverage to qualified beneficiaries. You need not notify the Employer of any of these three qualifying events. **For all other qualifying events, you must notify the Plan Administrator in writing within sixty (60) days after the date on which the qualifying beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the qualifying event and in accordance with these Notice Procedures. The Plan will not provide you with an Election form to begin or extend COBRA coverage if it does not receive proper notice from you regarding such qualifying events.**

Warning: If your notice is late or if you do not follow these Notice Procedures, you and all related qualified beneficiaries will lose the right to elect COBRA (or will lose the right to an extension of COBRA coverage, as applicable). If COBRA coverage should have been terminated but was not, due to a lack of notice from a qualified beneficiary, the Employer will immediately terminate coverage and require payment to the Plan of all benefits paid after what should have been the termination date.

(i) *Notices Must Be In Writing And Submitted On Plan Forms.* Any notice that you provide must be in writing and must be submitted on the Plan's required form. (You the may obtain copies of required forms from the Plan Administrator). Oral notice, including notice by telephone, is not acceptable. Electronic (including e-mailed or faxed) notices are not acceptable.

(ii) *How, When, And Where To Send Notices.* You must mail or hand-deliver your notice to the Plan Administrator, whose address is provided on the first page of this SPD.

If mailed, your notice must be postmarked no later than the last day of the applicable notice period. If hand-delivered, your notice must be received by the Plan Administrator individual at the address specified above no later than the last day of the applicable notice period. (The applicable notice periods are described above in this Section of the SPD.)

(iii) *Information Required For All Notices.* Any notice you provide must include: (A) the name of the Plan; (B) the name and address of the employee who is (or was) covered under the Plan; (C) the name(s) and address(es) of all qualified beneficiary(ies) who lost coverage as a result of the qualifying event; (D) the qualifying event and the date it happened; and (E) the certification, signature, name, address, and telephone number of the person providing the notice.

(iv) *Additional Information Required For Notice of Divorce Or Legal Separation.* If the qualifying event is a divorce or legal separation, your notice must include a copy of the decree of divorce or legal separation. If your coverage is reduced or eliminated and later a divorce or legal separation occurs, and if you are notifying the Plan Administrator that your Plan coverage was reduced or eliminated in anticipation of the divorce or legal separation, your notice must include evidence satisfactory to the Plan Administrator that your coverage was reduced or eliminated in anticipation of the divorce or legal separation.

(v) *Additional Information Required For Notice Of Disability.* Any notice of disability must include: (A) the name and address of the disabled qualified beneficiary; (B) the date that the qualified beneficiary became disabled; (C) the names and addresses of all qualified beneficiaries who are still receiving COBRA coverage; (D) the date that the Social Security Administration made its determination; (E) a copy of the Social Security Administration's determination; and (F) a statement whether the Social Security Administration has subsequently determined that the disabled qualified beneficiary is no longer disabled.

(vi) *Additional Information Required For Notice Of Second Qualifying Event.* Any notice of a second qualifying event must include: (A) the names and addresses of all qualified beneficiaries who are still receiving COBRA coverage; (B) the second qualifying event and the date that it happened; and (C) if the second qualifying event is a divorce or legal separation, a copy of the decree of divorce or legal separation.

(vii) *Who May Provide Notices.* The covered employee (i.e., the employee or former employee who is or was covered under the Plan), a qualified beneficiary who lost coverage due to the qualifying event described in the notice of the qualifying event, or a representative acting on behalf of either may provide notices. A notice provided by any of these individuals will satisfy any responsibility to provide notice on behalf of all qualified beneficiaries who lost coverage due to the qualifying event described in the notice.

(g) *Electing COBRA Coverage.* Once the Plan Administrator receives *timely* notice that a qualifying event has occurred, COBRA coverage will be offered to each qualified beneficiary. Each qualified beneficiary will have an independent right to elect continuation coverage. For example, the covered employee's Spouse may elect COBRA even if the employee does not. COBRA may be elected for one, several, or for all dependent children who are qualified beneficiaries. Covered employees and Spouses (if the Spouse of a qualified beneficiary) may elect COBRA on behalf of all of the qualified beneficiaries, and parents may elect COBRA on behalf of their children. For each qualified beneficiary who timely elects COBRA coverage, COBRA coverage will begin on the date that Plan coverage would otherwise have been lost.

(h) *Sixty-Day Election Period.* A qualified beneficiary must elect coverage in writing within sixty (60) days of losing coverage under the Plan (or, if later, within sixty (60) days of being provided a COBRA election notice), using the Plan's Election Form and following the procedures specified on the Election Form. (A copy of the Plan's Election Form may be obtained from the Plan Administrator.) The Election Form must be mailed or hand delivered to the address indicated at the beginning of this SPD and as indicated on the Plan's Election Form. If you mail your election, it must be postmarked no later than the last day of the 60-day election period. The following are not acceptable as COBRA elections and will not preserve COBRA rights: oral communications regarding COBRA coverage, including in-person or telephone statements about an individual's COBRA coverage; and electronic communications, including e-mail and faxed communications.

(i) *Failure to Return Election Form.* **If you or your covered Spouse or covered dependent children do not elect continuation coverage within the 60-day election period, you will lose your right to elect continuation coverage.**

(ii) *Rejection of COBRA Rights.* If a qualified beneficiary rejects COBRA before the due date, he/she may change his or her mind as long as a completed Election Form is furnished before the due date.

(iii) *Elections Under More-Than-One Group Health Plan.* Qualified beneficiaries may be enrolled in one or more group health benefits under the Plan at the time of a qualifying event. If a qualified beneficiary is entitled to a COBRA election as the result of a qualifying event, he/she may elect COBRA under any or all of the group health benefits under of the Plan under which he/she was covered on the day before the qualifying event.

(i) *Length of COBRA Coverage.* The COBRA coverage periods described below are *maximum* coverage periods for each type of qualified event. COBRA coverage can end before the end of the maximum coverage periods for several reasons outlined in subsection (k) below.

(i) *Employee's Termination of Employment.* COBRA continuation coverage may last for up to 18 months for the former employee, the Spouse and any dependents who are qualified beneficiaries. The 18-month period for the Spouse and/or dependent child may be extended if a qualified beneficiary is disabled or if there is a "second qualifying event" as described in subsection (j) below.

(ii) *Employee's Reduction of Hours.* COBRA continuation coverage may last for up to 18 months for the employee, Spouse and any dependents who are qualified beneficiaries. The 18-month period for the Spouse and/or dependent child may be extended if a qualified beneficiary is disabled or if there is a "second qualifying event" as described in subsection (j) below.

(iii) *Death of Employee.* COBRA continuation coverage may last for up to 36 months for the Spouse and any dependents who are qualified beneficiaries.

(iv) *Employee Entitlement to Medicare.* COBRA continuation coverage may last for up to 36 months for the Spouse and any dependents who are qualified beneficiaries.

(v) *Divorce or Legal Separation.* COBRA continuation coverage may last for up to 36 months for the Spouse and any dependents who are qualified beneficiaries.

(vi) *Loss of Dependent Status.* COBRA continuation coverage may last for up to 36 months for the dependent who is a qualified beneficiary.

(vii) *Special Rule for Health FSAs.* Regardless of which of the above qualifying events occurs, COBRA coverage under the Health FSA may not be continued beyond the end of the plan year in which the qualifying event occurred.

(j) *Extension of Maximum Coverage Period (Not applicable to Health FSA).* If the qualifying event that resulted in your COBRA election was the employee's termination of employment or reduction in hours, the 18-month maximum period may be extended if a qualified beneficiary who has elected COBRA coverage becomes disabled, if a "second qualifying event" occurs, or if the employee became entitled to Medicare in the 18-month period preceding his or her termination of employment or reduction of hours. (These extension opportunities do not apply to a period of COBRA coverage resulting from a covered employee's death, divorce or legal separation, or a dependent child's loss of eligibility.)

(i) *Disability Extension.* If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify the Employer in a timely fashion, all of the qualified beneficiaries in your family may be entitled to receive up to an additional eleven (11) months of COBRA coverage, for a total maximum of twenty-nine (29) months. This extension is available only for qualified beneficiaries who are receiving COBRA coverage because of a qualifying event that was the covered employee's termination of employment or reduction in hours. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction in hours and must last at least until the end of the period of COBRA coverage that would be available without the disability extension (generally eighteen (18) months). Each qualified beneficiary will be entitled to the disability extension if one of them qualifies.

(ii) *Extension Due to a Second Qualifying Event.* An extension of coverage will be available to Spouses and dependent children who are receiving COBRA coverage if a second qualifying event occurs during the eighteen (18) months (or, in the case of a disability, the twenty-nine (29) months) following the covered employee's termination of employment or reduction of hours. The maximum amount of COBRA coverage available when a second qualifying event occurs is thirty-six (36) months. Such second qualifying events include the death of a covered employee, divorce or legal separation from the covered employee, the covered employee's becoming entitled to Medicare benefits, or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan if the first qualifying event had not occurred.

(iii) *Medicare Extension for Spouse and Dependents.* If a qualifying event that is a termination of employment or reduction of hours occurs within eighteen (18) months after the covered employee becomes entitled to Medicare, then the maximum coverage period for the Spouse and dependent children will end three years from the date the employee became entitled to Medicare (but the covered employee's maximum coverage period will be eighteen (18) months).

These extensions are available only if you timely notify the Employer in writing of the Social Security Administration's determination of disability and the second qualifying event within the 60-day notice period and the entitlement to Medicare within 30-days of entitlement in accordance with the Plan's Notice Procedures found in Section (e) above.

(iv) *Special Rule for Health FSAs.* Regardless of which of the above qualifying events occurs, COBRA coverage under the Health FSA will not be extended and will only continue until the end of the plan year in which the initial qualifying event occurred.

(k) *Termination of COBRA Coverage before End of Maximum Period.* Continuation coverage will be terminated before the end of the maximum period if:

(i) Any required premium is not paid before the end of the grace period;

(ii) After electing COBRA coverage, a qualified beneficiary becomes covered under another group health plan (but only after any preexisting condition exclusions of that other plan have been exhausted or satisfied for a preexisting condition of the qualified beneficiary);

(iii) After electing COBRA coverage, a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both);

(iv) The employer ceases to provide any group health plan for its employees;

(v) During a disability extension period, the disabled qualified beneficiary is determined by the Social Security Administration to be no longer disabled; or

(vi) Coverage would have been terminated under the same circumstances for a participant or beneficiary not receiving continuation coverage, for example, if a participant or beneficiary engages in fraudulent activities against the Plan.

(l) *Cost of COBRA Coverage.* Each qualified beneficiary is required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102% (or, in the case of an extension of continuation coverage due to a disability, 150%) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly-situated plan participant or beneficiary who is not receiving COBRA coverage. The amount of your COBRA premiums may change from time to time during your period of COBRA coverage and will most likely increase over time. You will be notified of COBRA premium changes.

(m) *First Payment.* All COBRA premiums must be paid by check or money order. If you elect continuation coverage, you do not have to send any payment for continuation coverage with the Election Form. However, you must make your first payment for COBRA coverage within forty-five (45) days after the date of your election. (This is the date the Election Notice is post-marked, if mailed, or the date your Election Form is received by the individual at the address specified for delivery of the Election Form, if hand-delivered.) Your first payment and all monthly payments for COBRA coverage must be mailed or hand-delivered to the address indicated on the Election Notice. You will not be considered to have made any payment by mailing or hand delivering a check if your check is returned due to insufficient funds or otherwise. **If you do not make your first payment for continuation coverage within that forty-five (45) days, you will lose all continuation coverage rights under the Plan.**

Your first payment must cover the cost of COBRA coverage from the time your coverage under the Plan would have otherwise terminated up through the end of the month before the month in which you make your first payment.

EXAMPLE: You terminate employment on September 30 and lose coverage on September 30. You elect COBRA on November 15. Your initial payment equals the premiums for October and November and is due on or before December 30, which is the 45th day after the date of your COBRA election. You are responsible for making sure that the amount of your first payment is correct. You may contact the Employer to confirm the correct amount of your first payment.

Claims for reimbursement will not be processed and paid until you have elected COBRA and made the first payment for it.

(n) *Monthly Payments for COBRA Coverage.* After you make your first payment for COBRA coverage, you will be required to make monthly payments for each subsequent month of COBRA coverage. The amount due for each month for each qualified beneficiary will be disclosed in the Election Notice provided to you at the time of your qualifying event. Under the Plan, each of these monthly payments for COBRA coverage is due on the first day of the month for that month's COBRA coverage.

EXAMPLE: You terminate employment on September 30 and lose coverage on September 30. You elect COBRA on October 15. Your initial payment is due on or before November 29th and should equal the premium for October. You will be required to make monthly premiums, starting with the month of November, by the first of each month. This means that the premium for November is due by the first of November.

(o) *Grace Periods.* Although periodic payments are due on the first day of each month of COBRA coverage, you will be given a grace period of thirty (30) days to make each monthly payment. Your COBRA coverage will be provided for each coverage period so long as payment for that coverage period is made before the end of the grace period for that payment. If you pay a monthly payment later than its due date but during its grace period, your coverage under the Plan may be suspended as of the due date and then retroactively reinstated (going back to the due date) when the periodic payment is made. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a monthly payment before the end of the grace period for that payment/month, you will lose all rights to COBRA coverage under the Plan.

(p) *Children Born to or Placed for Adoption.* A child born to, adopted by or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected continuation coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as

COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements (for example, regarding age).

(q) *Alternate Recipients Under NMSNs.* A child of the covered employee who is receiving benefits under the Plan pursuant to a qualified National Medical Support Notice ("NMSN") received by the Employer during the covered employee's period of employment with the Employer is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

(r) *Address Changes.* In order to protect your family's rights, you should keep the Employer informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Employer.

(s) *Questions.* Questions concerning your Plan or your COBRA rights should be addressed to the Plan Administrator. For more information about your rights, including COBRA, HIPAA and other laws affecting group health plans, contact the nearest regional or district office the U.S. Department of Labor's Employee Benefits Security Administration ("EBSA") or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of regional and district EBSA offices are available through this website.)

(12) USERRA Continuation Rights

If you are absent from employment as a result of military service, you will have the right to elect continuation coverage for a period of up to twenty-four (24) months if such coverage would otherwise be lost as a result of such military service. Your right to continue coverage is subject to the following:

(a) *Payment of Premium.* You must pay the applicable premium for any USERRA continuation coverage. For a leave of absence for less than thirty-one (31) days, you may not be required to pay more than you would have paid had you not been on leave. For a leave of absence of more than thirty (30) days, you must pay the entire cost of coverage plus an additional 2%.

(b) *Failure to Apply for Reemployment.* Following completion of your military service, your right to continue coverage under USERRA will end if you do not apply for reemployment within the applicable time period set forth in USERRA (43 U.S.C. § 4312(c)).

Even if you do not elect to continue coverage during your military service, you have the right to be reinstated in your Employer's group health plan when you are reemployed, generally without any waiting periods or exclusions except for service-connected illnesses or injuries.

(13) Miscellaneous

(a) *National Medical Support Notice.* Participants in a group health plan and their beneficiaries may obtain from the Plan Administrator, without charge, a copy of the plan's procedures governing the determination of whether an order is a "national medical support notice" ("NMSN").

(b) *Family and Medical Leave Act.* If you take an unpaid leave under the FMLA, the Employer will, to the extent required by the FMLA, continue to maintain your benefits under a Group Health Plan on the same terms and conditions as though you were still an active Employee.

If you choose to continue your coverage while you are on a FMLA leave, the Employer will continue to pay its share (if any) of the premiums. You will be required, if you choose to continue your coverage, to pay your share of the premiums in one or more of the following ways:

(i) You may pay your share of the premiums with after-tax dollars while you are on FMLA leave (or with pre-tax dollars to the extent you receive compensation from the Employer during your leave).

(ii) You may pay your share of the premium pursuant to such other arrangement as may be agreed upon between you and the Plan Administrator.

If your coverage ceases while you are on FMLA leave, you will be permitted to reenter the Plan immediately upon your return from FMLA leave on the same basis that you were participating in the Plan prior to your leave, or as otherwise required by the FMLA. If you fail to remit your premium payments within thirty (30) days after the premium payment is due, then the Employer – following any requisite notice mandated by FMLA regulations – may terminate your coverage retroactive to the date the unpaid premium payment was due.

(c) *Return of Premium.* If money is returned in any form by an insurance company that provided or is providing benefits under the Plan, including, but not limited to, a rebate of premiums previously paid or proceeds from demutualization, or rebates resulting from an insufficient "medical loss ratio" (MLR), the Plan Administrator shall have the discretion to apply such amounts to the payment of Plan expenses and/or the reduction of premiums, and/or benefit enhancements. The Plan Administrator shall further have the discretion to allocate such funds in any manner deemed appropriate.

(d) *Returns of Benefit Payments Made in Error.* The Plan shall have the right to reimbursement from you, your covered Dependents, or assignees for any benefit overpayments attributable to mistake, clerical error, fraud, or any other reason contributing to benefit payments to which the you, your covered Dependents, or assignees were not entitled.

(14) Notice of Hospital Rights for Newborns and Mothers

HIPAA requires this SPD to include the following explanation of your rights under the Health Insurance Portability and Accountability Act of 1996. Please note that this statement is made to you by the Federal government. Therefore, the Employer and the Plan Administrator are not responsible for the accuracy or completeness of the explanation, and some of the provisions may not apply to the Plan.

Group health plans and health insurance issuers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a caesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

(15) Notice of Rights under the Women's Health and Cancer Rights Act of 1998

The Employer is required by federal law to provide the following notice:

If a group medical plan provides medical and surgical benefits for mastectomies, that plan must also provide coverage for the following, if they are agreed upon by a participant or beneficiary who is receiving benefits in connection with a mastectomy and that person's attending physician:

(a) Reconstruction of the breast on which the mastectomy has been performed;

(b) Reconstruction of the other breast to produce a symmetrical appearance; and

(c) Prostheses and physical complications of mastectomies, including lymph edemas.

This coverage must be the same as for any other benefit under the plan and is subject to the plan's annual deductibles and co-payment requirements.

(16) Grandfathered Status Notice for the Medical Plan

The Medical Plan believes it is a "grandfathered health plan" under the Patient Protection and Affordable Care Act ("PPACA"). As permitted by PPACA, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your Plan may not include certain consumer protections under PPACA that apply to other plans. For example, PPACA requires that preventive health services be provided by *non-grandfathered* plans without any cost sharing. Grandfathered health plans, however, do not have to provide preventive health services without any cost sharing. Grandfathered plans do have to comply with certain other consumer protections under PPACA, such as the following:

- the elimination of lifetime limits on essential health care benefits; and
- the prohibition on pre-existing condition exclusions (generally effective for plan years beginning on or after January 1, 2014, but effective for plan years beginning on or after September 23, 2010 for enrolled individuals under the age of nineteen (19)).

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at the address provided at the beginning of

this SPD. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans. You may also contact the U.S. Department of Health and Human Services at www.healthcare.gov.

(17) Right of Employer to Amend or Terminate

The Employer may at any time amend or terminate the Plan, including any of the plans that are summarized in this SPD by a written instrument signed by the Dean of Administration of the Employer, as provided for in each of the respective plan documents. Any amendment to any plan will be added to the Plan in writing and communicated to Participants.

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