

**REFORMED BENEFITS ASSOCIATION  
MASTER  
FLEXIBLE BENEFITS PLAN**

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**Article 1**

**Establishment of the Plan**

The Reformed Benefits Association adopts this Reformed Benefits Association Master Flexible Benefits Plan for the purpose of providing a vehicle to consistories of local churches and governing bodies of other assemblies, agencies or institutions of the Reformed Church in America, the Christian Reformed Church in North America and other members of the Reformed Benefits Association to establish their own Flexible Benefits Plan under which eligible Employees may be provided with a choice between cash and certain tax-free benefits. The Plan is intended to qualify as a cafeteria plan under Section 125 of the Code and is to be interpreted in a manner consistent with the requirements of Section 125.

An eligible Employer may establish its own Flexible Benefits Plan by completing and executing the Adoption Agreement in connection with the Master Plan. The Employer's Plan shall be governed by this Master Plan and the Employer's Adoption Agreement.

**Article 2**

**Definitions**

The following terms used in the Master Plan, Plan and other related documents shall have the meanings described in this Article unless the context clearly indicates another meaning. All references to specific Articles or Sections shall refer to Articles or Sections of the Master Plan unless otherwise stated.

**2.1 Adoption Agreement**

"Adoption Agreement" means the document executed by an Employer in order to establish its own Flexible Benefits Plan for the benefit of its Employees. The Adoption Agreement, coupled with this Master Plan, shall constitute the terms and the conditions of the Employer's Plan.

**2.2 Calendar Year**

"Calendar Year" means the 12-consecutive month period beginning January 1 through December 31.

**2.3 Christian Reformed Church in North America**

"Christian Reformed Church in North America" means the Christian Reformed Church in North America.

## **2.4 Code**

“Code” means the Internal Revenue Code of 1986, as amended, including any applicable regulations.

## **2.5 Compensation**

“Compensation” means salary, hourly wages, overtime pay, bonuses, severance pay and other amounts which are paid to a Participant by Employer during a Plan Year for personal services provided by the Participant.

## **2.6 Compensation Reductions**

“Compensation Reductions” means the amount by which a Participant reduces his or her Compensation to purchase benefits under the Plan (i.e., pre-tax contributions to the Plan). Compensation Reductions shall be periodically deducted from a Participant’s paychecks during payroll periods during the Plan Year.

## **2.7 Covered Employment**

“Covered Employment” means employment in a job classification that is eligible to participate in the Plan under Section 3.1.

## **2.8 Election Form**

“Election Form” means the agreement entered into between Employer and a Participant, as provided in Section 4.3. The election process may be carried out in writing or electronically (such as through an online computer system or telephone system). All references to an Election Form in the Plan shall be interpreted accordingly. Employees shall be notified of the election procedures.

## **2.9 Eligible Individual**

“Eligible Individual” means an individual described in Section 223(c)(1) of the Code who is:

- (a) Covered under a High Deductible Health Plan; and
- (b) Not covered under any health plan:
  - (1) Which is not a High Deductible Health Plan; and
  - (2) Which provides coverage for any benefit which is covered under the High Deductible Health Plan.

## **2.10 Employee**

“Employee” means any person who is on Employer’s payroll and, for tax purposes, is considered by Employer to be a common-law employee of Employer. A person who

is treated by Employer as an independent contractor or a leased employee for tax purposes is not an Employee.

**2.11 Employer**

“Employer” means the assembly, agency or institution of the Reformed Church in America or of the Christian Reformed Church in North America or another member of the Reformed Benefits Association, as set forth in the Adoption Agreement.

**2.12 Flexible Benefits Plan**

“Flexible Benefits Plan” means the plan established by an eligible Employer executing an Adoption Agreement. The Adoption Agreement, coupled with this Master Plan, shall constitute the terms and conditions of the Employer’s Flexible Benefits Plan.

**2.13 Health Benefit Plan**

“Health Benefit Plan” means a health benefit plan made available through the Reformed Benefits Association.

**2.14 Health Care Reform**

“Health Care Reform” means the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act.

**2.15 Health Savings Account**

“Health Savings Account” means a health savings account as defined in Section 223 of the Code.

**2.16 High Deductible Health Plan**

“High Deductible Health Plan” means a high deductible health plan as defined in Section 223 of the Code.

**2.17 Highly Compensated Employee**

“Highly Compensated Employee” means a highly compensated employee under Section 414(q) of the Code.

**2.18 Highly Compensated Participant**

“Highly Compensated Participant” means a Participant who is:

- (a) An officer of Employer;
- (b) A Highly Compensated Employee; or
- (c) A spouse or dependent of an individual described in subsections (a) or (b) of this Section.

## **2.19 HIPAA**

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended, including any applicable regulations.

## **2.20 Key Employee**

“Key Employee” means any Employee or former Employee who, at any time during the preceding Plan Year, is an officer of Employer having annual Compensation exceeding the dollar amount specified in Section 416(i)(1)(A)(i) of the Code, as that dollar amount is adjusted in subsequent Plan Years as set forth in Section 416(i)(1)(A) of the Code. For purposes of determining whether an individual is a Key Employee by reason of being an officer, Compensation from each entity required to be aggregated under Sections 414(b), (c), (m) and (o) of the Code is taken into account.

## **2.21 Master Plan**

“Master Plan” means this document. Employer may establish its own Flexible Benefits Plan by entering into an Adoption Agreement. The Adoption Agreement, coupled with this Master Plan, shall constitute the terms and conditions of the Employer’s Flexible Benefits Plan.

## **2.22 Open Enrollment Period**

“Open Enrollment Period” means, with respect to each Plan Year, the time period established by Employer for a Participant to make his or her elections regarding the Plan for that Plan Year. The Open Enrollment Period shall be determined by Employer and communicated to Participants before the beginning of each Plan Year. The elections made during the Open Enrollment Period shall become effective the first day of the following Plan Year.

## **2.23 Participant**

“Participant” means a current or former Employee who has satisfied the participation requirements under Article 3 and who is enrolled in the Plan or who is specifically authorized to participate in the Plan.

## **2.24 Plan**

“Plan” means the flexible benefits plan established by an eligible Employer executing an Adoption Agreement. The Adoption Agreement, coupled with this Master Plan, shall constitute the terms and conditions of the Employer’s Plan.

## **2.25 Plan Administrator**

“Plan Administrator” means the named fiduciary responsible for the operation and administration of the Plan. Employer shall be the Plan Administrator of its Plan. (The Reformed Benefits Association is the plan administrator of the Health Benefit Plan.)

## **2.26 Plan Year**

“Plan Year” means the 12-consecutive-month period beginning on January 1 and ending on the following December 31. If Employer establishes its Plan on a day other than January 1, the initial Plan Year shall be a short Plan Year beginning on the effective date of the Plan and ending the following December 31.

## **2.27 Reformed Benefits Association**

“Reformed Benefits Association” means the Reformed Benefits Association of the Reformed Church in America and the Christian Reformed Church in North America.

## **2.28 Reformed Church in America**

“Reformed Church in America” means the Reformed Church in America.

# **Article 3**

## **Participation**

### **3.1 Eligibility**

Each Employee of Employer who is eligible to participate in the Health Benefit Plan shall be eligible to participate in the Plan, except as follows:

(a) Any self-employed person (including a self-employed minister) shall be ineligible to participate in the Plan.

(b) Any person who is treated for purposes of income tax withholding as the common-law employee of a leasing organization shall be ineligible to participate in the Plan.

(c) Any person who is treated as an independent contractor for purposes of income tax withholding by Employer shall be ineligible to participate in the Plan.

If a person described above subsequently becomes a common-law employee or characterized as a common-law employee of Employer, the person shall not be eligible to participate in the Plan for any time period before the date on which the person is determined to be a common-law employee.

Only eligible Employees who are also Eligible Individuals enrolled in the High Deductible Health Plan option under the Health Benefit Plan are eligible to participate in the Health Savings Account portion of the Plan.

All Participants in the Plan must be current or former Employees. An Employee who is eligible under this Section shall be considered to work in Covered Employment and shall become a Participant on the date specified in Section 3.2.

### **3.2 Participation**

Each Employee who works in Covered Employment shall become a Participant as follows:

(a) **Health Benefit Plan** For purposes of Section 4.2(a), an Employee shall be eligible to participate on the later of the effective date of the Plan and the date the Employee becomes eligible to participate in the Health Benefit Plan.

(b) **Health Savings Account** For purposes of Section 4.2(b), each eligible Participant who is an Eligible Individual enrolled in the High Deductible Health Plan option under the Health Benefit Plan shall be eligible to participate on the first day of the month on or after the later of the effective date of the Plan and the date the Participant has established a Health Savings Account.

### **3.3 Termination of Participation**

(a) **When Termination Occurs** An individual's participation in the Plan shall terminate on the earliest of the following dates:

(1) The date on which the individual revokes an election to participate in the Plan during the Plan Year pursuant to Section 4.4, Section 4.5 or Section 4.6. This revocation of participation may apply to the individual's entire participation in the Plan or only a portion of the individual's participation in the Plan.

(2) The date on which the individual terminates employment with Employer or otherwise ceases to work in Covered Employment, except when continued participation is expressly provided by the Plan.

(3) The date as of which Employer terminates the individual's participation in the Plan for cause, which includes a termination for fraud and misrepresentation in an application for enrollment or a claim for benefits.

(4) The first day of the first Plan Year during which the individual elects not to participate. This termination of participation rule may apply to the individual's entire participation in the Plan or only a portion of the individual's participation in the Plan.

(5) The date the Plan is terminated by Employer.

(b) **Effect of Termination** Upon termination of participation, the following rules shall then apply:

(1) The individual's continued participation and coverage under the Health Benefit Plan shall be determined under the terms and conditions of that plan.

(2) A Participant shall be ineligible to have additional amounts contributed to his or her Health Savings Account as of the last day of the month in which the earlier of the following occurs:

(A) The last day the individual works in Covered Employment; or

(B) The date the Participant ceases to be an Eligible Individual enrolled in Employer's High Deductible Health Plan.

However, this rule shall not preclude a Health Savings Account contribution to be made on the individual's behalf under the Plan after the date as of which the individual's participation terminated if the contribution relates back to the period while participation was still in effect.

### **3.4 Participation After Reemployment**

Notwithstanding any other provision of the Plan, a special participation rule applies if the Participant:

- (a) Elects benefits under the Plan as provided in Article 4;
- (b) Separates from service with Employer; and
- (c) Is rehired and again becomes eligible for coverage within 30 days of separation from service and during the same Plan Year.

In that event, the Participant may reinstate his or her prior elections under the Health Benefit Plan and make payment by Compensation Reductions. The Participant may not use Compensation Reductions to pay his or her cost for elections under the Health Benefit Plan which are not identical to his or her prior elections until the first day of the first Plan Year following the Plan Year in which he or she terminated employment with Employer. However, the Participant may make payment for such latter coverage by after-tax contributions.

If such a Participant is rehired and again becomes eligible for coverage more than 30 days after separation from service, the Participant shall be treated as a newly-hired Employee.

## **Article 4**

### **Benefits**

#### **4.1 This Article Generally**

This Article describes the benefit choices which are available to a Participant under the Plan and the procedures for the Participant to make his or her elections.

## 4.2 **Benefit Choices**

A Participant may choose to receive one or more of the following benefits, as provided in the Adoption Agreement:

### (a) **Health Benefit Plan**

(1) **Elect Coverage** A Participant may elect medical and/or dental coverage under the Health Benefit Plan for himself or herself and his or her eligible dependents subject to the following:

(A) The Participant may be required to pay all or part of the cost of coverage under the Health Benefit Plan. The Participant shall pay such cost with his or her Compensation Reductions. Employer shall inform the Participant of the applicable Compensation Reductions required to pay a Participant's cost of coverage. The cost of coverage depends on various factors, such as whether the Participant is a minister vs. a staff Employee, whether coverage is elected for the Participant only or for the Participant and one or more of his or her dependents, the Participant's geographic location, which option(s) are elected, or whether the Participant satisfies the requirements of any wellness program offered by Employer, if applicable.

(B) The actual payment of benefits under the Health Benefit Plan is subject to the terms and conditions of that plan.

(C) A Participant may pay for the cost of coverage of a dependent under the Health Benefit Plan on a pre-tax basis. For this purpose, a dependent includes a spouse or an individual defined in accordance with Section 152 of the Code but determined without regard to Sections 152(b)(1), (b)(2) and (d)(1)(B) of the Code. However, pursuant to Health Care Reform and IRS Notice 2010-38, notwithstanding any other provision of Section 152 of the Code, a dependent shall also include a Participant's child within the meaning of Section 152(f)(1) of the Code until at least the child's 26<sup>th</sup> birthday or, if so provided in the Health Benefit Plan, until the end of the month or end of the Calendar Year during which the child attains age 26 (whichever time period is consistent with the Health Benefit Plan). If a Participant seeks to pay the cost of coverage for a dependent who does not come within this definition, the Participant may still pay for the cost of the dependent's coverage under the Health Benefit Plan on a pre-tax basis provided that the fair market value of the coverage is includible in the participating Employee's gross income.

(2) **Waive Coverage** A Participant may elect to waive coverage under the Health Benefit Plan for himself or herself and his or her dependents.

(3) **Participation After Waiver** If participation under the Health Benefit Plan is waived for any person, and that person desires to be covered by the Health Benefit Plan at a later date, any applicable pre-existing condition provisions in the Health Benefit Plan may apply. However, no pre-existing condition limitation or exclusion may apply to a Participant for whom coverage is reinstated following an FMLA leave (see Section 4.6).

(b) **Health Savings Account** A Participant who is an Eligible Individual enrolled in the High Deductible Health Plan option under the Health Benefit Plan may voluntarily elect to have Compensation Reductions in an amount permitted by the Code contributed to the Participant's Health Savings Account. Employer may also make Health Savings Account contributions on behalf of Participants who are Eligible Individuals enrolled in Employer's High Deductible Health Plan who have not terminated employment. The amount provided by Employer, if any, to each Participant shall be based on a formula determined by Employer which is permissible under the Code. The Participant may choose the trustee or custodian of the Participant's Health Savings Account, subject to any rules or limitations imposed by Employer. The Reformed Benefits Association may make arrangements with a trustee or custodian for Health Savings Accounts for this purpose.

#### **4.3 Election of Benefits**

(a) **Initial Election** Each Employee shall complete and return an Election Form to Employer before the date he becomes a Participant. However, if an Employee is eligible to participate in the Plan on his or her date of hire and completes and returns an Election Form within the next 60 days, the election shall be effective retroactively as of the Employee's date of hire. The election shall remain in effect through the last day of the Plan Year unless changed as provided in Section 4.4. If an Employee does not deliver a completed Election Form to Employer before the date described above, the following rules shall apply for the Employee's initial Plan Year of participation:

(1) The Employee shall be ineligible to purchase coverage under the Health Benefit Plan on a before-tax basis for the balance of the Plan Year, except as otherwise provided in Section 4.4.

(2) No Compensation Reductions shall be contributed to the Employee's Health Savings Account as of his or her initial date of participation. However, Compensation Reductions may be contributed to the Employee's Health Savings Account as of a subsequent date in accordance with Section 4.4(1).

(b) **Subsequent Election** Each Participant who has previously completed an Election Form shall have the election made in that Election Form continue for all subsequent Plan Years unless:

(1) The Participant completes a new Election Form and delivers it to Employer during the Open Enrollment Period; or

- (2) The Participant's election is changed as provided in Section 4.4.

A Participant who is required to pay all or part of the cost of coverage in the Health Benefit Plan shall be considered to have agreed to Compensation Reductions for the subsequent Plan Year equal to the Participant's share of the cost of coverage for that Plan Year, regardless of whether the Participant completes a new Election Form. If the Participant doesn't complete a new Election Form and the Participant's current election(s) under the Health Benefit Plan are not being offered during a subsequent Plan Year, the Participant shall be enrolled in the most similar option(s).

#### **4.4 Changes in Benefit Election During the Plan Year**

A Participant's election of benefits, including the amount of any Compensation Reductions or an Employee's election not to participate in the Plan, shall not be changed during a Plan Year, except as follows:

(a) A Participant's election of benefits may be changed due to a "change in status," in accordance with Section 4.5.

(b) A Participant's election may be changed if the Participant goes on an FMLA leave and changes his or her election as permitted by Sections 4.6.

(c) A Participant's election may be changed to satisfy any nondiscrimination rule in the Code, as described in Section 4.7.

(d) A Participant's Compensation Reductions may be automatically changed, on a prospective and reasonable and consistent basis, to reflect any increase or decrease in the cost of coverage under the Health Benefit Plan in which the Participant or the Participant's spouse or dependent is enrolled. However, if the cost increase or decrease is significant, the Participant may make one of the following election changes:

(1) If the cost decrease for an option is significant, the Participant may elect a corresponding decrease in the amount of the Participant's Compensation Reductions. Subject to the special enrollment rights rules of HIPAA, where the cost decrease for an option is significant, the Participant may also elect to commence participation in the option even though the Participant had not previously elected that option for the Plan Year.

(2) If the cost increase for an option is significant, the Participant has the following choices:

(A) Elect a corresponding increase in the amount of the Participant's Compensation Reductions;

(B) Revoke the Participant's current election and elect other similar coverage on a prospective basis; or

(C) Drop coverage if another option providing similar coverage is not available.

A cost increase or decrease may include a situation where the change is caused by an action taken by the Participant (such as switching from full-time to part-time status, or vice-versa, or changing job classifications) or an action taken by Employer (such as changing the amount of Compensation Reductions for a class of Employees).

(e) A Participant's election may be changed if coverage under any Health Benefit Plan in which the Participant or the Participant's spouse or dependent is enrolled is significantly curtailed. The Participant may elect to receive prospective coverage under another Health Benefit Plan which provides similar coverage. In addition, if the significant curtailment is a loss of coverage, the Participant also may elect to drop coverage if no similar alternative coverage is available. The Plan Administrator shall determine whether the Participant has experienced a loss of coverage in accordance with regulations and other guidance issued by the U.S. Department of Treasury.

(f) A Participant's election may be changed if Employer offers a new or significantly improved benefit or coverage option. If Employer offers a new or significantly improved option, the Participant may prospectively elect the new or significantly improved option.

(g) A Participant's election may be prospectively changed if it is on account of and corresponds with a change under another group health plan (either of Employer or another employer) ("Other Plan") where:

(1) The Other Plan permits an election change that would be permitted under this Section; or

(2) The Plan Year under this Plan is different from the plan year (for election purposes) under the Other Plan.

(h) A Participant's election regarding health coverage may be changed in order to exercise special enrollment rights under HIPAA, even if the change in election would not be permitted under Section 4.5. Further, if the special enrollment rights situation is the addition of a new dependent, a Participant's election to enroll previously-existing dependent children shall also be allowed. Such an election change may be funded through Compensation Reductions only on a prospective basis, except in the case of a permitted retroactive election made within 60 days of a birth, adoption or placement for adoption.

(i) A Participant's election with respect to accident or health coverage may be changed because of a judgment, decree or order ("Order") resulting from divorce, legal separation, annulment or change in legal custody (including a qualified medical child support order) that requires accident or health coverage for a Participant's child or for a foster child who is a dependent of the Participant. Specifically, the Participant may:

(1) Elect coverage for the child if the Order requires accident or health coverage under the Employer plan(s) in which the Participant is enrolled; or

(2) Cancel coverage for the child if the Order requires the spouse, former spouse or other individual to provide accident or health coverage for the child and the other coverage is actually provided.

(j) If a Participant or a Participant's spouse or dependent becomes entitled to coverage under Medicare or Medicaid (other than Medicaid coverage consisting solely of pediatric vaccine benefits), the Participant may prospectively elect to cancel or reduce Employer-provided accident or health coverage for the individual. In addition, if a Participant or a Participant's spouse or dependent who has been entitled to coverage under Medicare or Medicaid (other than Medicaid coverage consisting solely of pediatric vaccine benefits) loses eligibility for such coverage, the Participant may elect to prospectively commence or increase Employer-provided accident or health coverage for the individual.

(k) If a Participant or a Participant's spouse or dependent loses coverage under any group health coverage sponsored by a governmental or educational institution, the Participant may prospectively add Employer-provided accident or health coverage for the individual. This subsection does not apply to a Participant's Medical Spending Account.

(l) A Participant may change the amount of Compensation Reductions contributed to the Participant's Health Savings Account on at least a monthly basis as of a prospective date, in accordance with the procedures established by the Plan Administrator.

(m) Notwithstanding Section 4.5(a)(3), if a Participant has a change in employment status so that the Participant's hours of service will be reasonably expected to be reduced to an average of less than 30 hours of service per week, the Participant may elect to cancel Employer-provided health coverage even if the reduction in hours does not result in the Participant ceasing to be eligible for the health coverage. This revocation election is permissible provided that it corresponds to the intended enrollment of the Participant and the Participant's Spouse and Dependent(s), if applicable, in another plan that provides minimum essential coverage (as that term is defined under Health Care Reform), which is effective no later than the first day of the second month following the month that includes the date Employer-provided health coverage is revoked.

(n) If a Participant is eligible to enroll in a qualified health plan (as that term is defined under Health Care Reform) through an exchange during a special enrollment period or annual open enrollment period, the Participant may elect to cancel Employer-provided health coverage. This revocation election is permissible provided that it corresponds to the intended enrollment of the Participant and the Participant's Spouse and Dependent(s), if applicable, in a qualified health plan which is effective no later than the day immediately following the date Employer-provided health coverage is revoked.

#### 4.5 Change in Status

A Participant may change his or her election of health benefits during a Plan Year due to a change in status that satisfies the requirements of this Section.

(a) **Events** The following events are changes in status for purposes of this Section:

(1) **Legal Marital Status** An event that changes the Participant's legal marital status, including marriage, death of the Participant's spouse, divorce, legal separation and annulment.

(2) **Number of Dependents** An event that changes the number of a Participant's dependents, including birth, adoption, placement for adoption and death of a dependent.

(3) **Employment Status** An event affecting the employment status of the Participant or the Participant's spouse or dependent, including a termination or commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, a change in work site, and any other change in employment status which affects an individual's eligibility for benefits.

(4) **Ineligible Dependent** An event that causes a Participant's dependent to satisfy or cease to satisfy the requirements for coverage due to the attainment of a specified age or any similar circumstance.

(5) **Residence** A change in the place of residence of the Participant or the Participant's spouse or dependent that affects the Participant's previous election.

(b) **Consistency Requirement** If a Participant has a change in status under subsection (a), a Participant may change his or her election in accordance with subsection (c) if the applicable consistency requirement is satisfied. To satisfy the consistency requirement with respect to Employer-provided accident or health coverage, the election change must be on account of, and correspond with, a change in status that affects eligibility for coverage. If a Participant seeks to decrease or cancel accident or health coverage because the Participant becomes eligible for coverage under the plan of the employer of the Participant's spouse or dependent due to a legal marital or employment change in status, the change shall only be permitted if coverage is or shall be actually obtained under the Other Plan, as defined in Section 4.4(g).

(c) **Procedural Requirements** A Participant who has a change in status which satisfies the requirements of subsections (a) and (b) must submit a new Election Form to the Plan Administrator no later than 60 days after the change in status occurs. Any new election under this Section shall be effective at the time prescribed by the Plan Administrator. Further, any new election involving an independent, third-party

provider shall only be approved to the extent permitted by the independent, third-party provider.

#### **4.6 Special Rules for Participants Taking FMLA Leave**

This Section only applies where the Employer is subject to FMLA (i.e., has 50 or more Employees). Notwithstanding any other provision of the Plan, the following special rules apply to a Participant who takes an FMLA leave:

(a) The maximum period of an FMLA leave is generally 12 weeks per 12-month period (as that 12-month period is defined by Employer). However, if a Participant takes a leave under the FMLA to care for a qualifying military service member injured in the line of active duty, the maximum period of FMLA leave is 26 weeks per 12-month period.

(b) If the Participant had elected health coverage under the Health Benefit Plan, the Participant may revoke that election upon taking the FMLA leave for the remainder of the Plan Year.

(c) If the Participant does not revoke an election to receive health coverage under the Health Benefit Plan upon the taking of an FMLA leave, the election to receive health coverage shall continue and the Participant shall continue to be responsible to pay the required cost of health coverage during the FMLA leave. The Participant's required cost of health coverage shall be payable as follows:

(1) **Paid Portion of FMLA Leave** With respect to the paid portion of the FMLA leave, the Participant shall continue to pay the required cost of health coverage in the same manner as immediately before the taking of the FMLA leave -- on a before-tax Compensation Reduction basis under the Plan. For this purpose, a leave is "paid" during any portion of the leave during which the Participant is receiving continued salary or hourly wages, payment for unused vacation or sick time, or any self-insured short-term disability income benefits from Employer.

(2) **Unpaid Portion of FMLA Leave** With respect to the unpaid portion of an FMLA leave, the Participant has the following options:

(A) **Pre-Pay** The Participant may prepay the required cost of health coverage prior to the commencement of the FMLA leave. Prepayment may be made on a before-tax Compensation Reduction basis under the Plan to the extent the Participant shall receive Compensation prior to the taking of the FMLA leave. However, prepayment on a before-tax Compensation Reduction basis may only be made for the period ending on the last day of the FMLA leave or the last day of the Plan Year during the FMLA leave, if earlier. Alternatively, the Participant may prepay on an after-tax basis.

(B) **Pay-As-You-Go** The Participant may pay the required cost of health coverage on an ongoing after-tax basis with payments being due on the same schedule as payments are required for qualified beneficiaries under COBRA.

(C) **Catch-Up** Employer and the Participant may agree in advance that Employer shall advance the Participant's required contributions during the FMLA leave. If this occurs, the Participant must repay the advanced amounts when the Participant returns from the FMLA leave. The repayment may be made using before-tax Compensation Reductions and/or after-tax payments. When a Participant fails to pay the required cost of health coverage while on an FMLA leave, Employer may recoup the shortfall upon the Participant's return from the FMLA leave under this catch-up option even if Employer and the Participant do not agree in advance.

(d) If the Participant fails to timely pay the required cost of health coverage in accordance with U.S. Department of Labor Regulations issued pursuant to FMLA and Employer's FMLA policy, the Participant's health coverage under the Health Benefit Plan may be terminated in accordance with U.S. Department of Labor regulations issued pursuant to FMLA and Employer's FMLA policy. If Employer chooses to continue health coverage for a Participant who fails to make the required payments while on an FMLA leave, Employer shall be entitled to recoup those payments from the Participant after the FMLA leave to the extent permitted by U.S. Department of Labor regulations issued pursuant to FMLA and Employer's FMLA policy.

(e) Upon return from the FMLA leave, a Participant may elect to be reinstated for health coverage under the Health Benefit Plan if health coverage terminated while on the FMLA leave either by revocation or nonpayment of required cost. However, reinstatement shall be automatic if Employer requires automatic reinstatement for Employees who return from non-FMLA unpaid leaves of absence. Upon reinstatement, the Participant's health coverage shall be on the same basis as immediately prior to the taking of the FMLA leave. Thus, for example, the reinstatement must be made immediately, with no waiting period or pre-existing condition limitation or exclusion.

(f) A Participant on an FMLA leave has the same election rights as an actively working Participant during an Open Enrollment Period and in the event a new or significantly improved benefit or coverage option is offered during a Plan Year.

(g) If the Participant does not return to work at the end of the FMLA leave, his or her participation shall terminate.

#### **4.7 Nondiscrimination Rules**

For each Plan Year, the following nondiscrimination rules shall be satisfied:

(a) The Plan shall be made available to a nondiscriminatory classification of Employees, as described in Section 410(b)(2)(A)(i) of the Code;

(b) The Plan shall not discriminate in favor of Highly Compensated Participants with regard to contributions or benefits, except as permitted under Section 125 of the Code; and

(c) The nontaxable benefits provided to Key Employees shall not exceed 25% of the aggregate nontaxable benefits provided to all Participants in the Plan.

If the Plan Administrator determines at any time that the Plan may not satisfy the nondiscrimination rules in the Code, the Plan Administrator may take whatever action it considers appropriate to assure compliance with the rules. Any action shall be taken uniformly with respect to similarly situated Participants. The action may include the modification of Participants' elections, with or without the consent of the Participants.

The Plan may be disaggregated into sub-plans for purposes of the nondiscrimination rules described in subsections (a) and (b).

#### **4.8 Maximum Compensation Reductions and Maximum Employer Contributions**

Subject to Section 4.7, a Participant's maximum Compensation Reductions in a Plan Year shall be the sum of the following:

(a) The Participant's Compensation Reductions to pay required contributions for the most expensive coverages under the Health Benefit Plan. The Participant's maximum Compensation Reductions may depend on whether the Participant participates in a wellness, disease-management, or similar program sponsored by Employer.

(b) The Participant's maximum Compensation Reductions permitted to the Participant's Health Savings Account.

Subject to Section 4.7, a Participant's maximum Employer contribution for a Plan Year shall be the maximum cost of benefits provided by Employer under the Plan and the maximum contribution permitted to the Participant's Health Savings Account.

### **Article 5**

#### **Funding**

##### **5.1 Funding of Health Benefit Plan**

Employer shall pay all contributions for any self-insured benefits and premiums for any fully-insured benefits under the Health Benefit Plan from its general assets. Nothing in the Plan shall be construed to require Employer or the Plan Administrator to maintain any fund or segregate any amount for the benefit of any Participant.

## **5.2 Funding of Health Savings Accounts**

Employer shall pay all its Employer contributions and/or any Compensation Reduction contributions from its general assets to the Health Savings Accounts of the participating Eligible Individuals.

### **Article 6**

#### **Administration**

##### **6.1 Powers of Plan Administrator**

The Plan Administrator shall have the discretionary authority and power necessary to administer and meet its obligations under the Plan, including, without limitation, the following:

- (a) Interpret the terms and provisions of the Plan.
- (b) Decide all questions of eligibility for participation in the Plan.
- (c) Decide all questions of eligibility for benefit payments (e.g., contributions for coverage under the Health Benefit Plan and Health Savings Account contributions) and determine the amount and manner of the payment of benefits.
- (d) Make and enforce rules and regulations it deems necessary for the efficient administration of the Plan.
- (e) Pay contributions and premiums under the Plan in a timely manner for all Participants entitled to payment under the Plan and pay expenses incident to the administration of the Plan.
- (f) Delegate specific responsibilities for the operation and administration of the Plan to any Employees or agents.
- (g) Maintain records and accounts pertaining to the Plan.
- (h) Correct administrative and operational errors and omissions.

##### **6.2 Claims for Benefits**

Benefits under the Health Benefit Plan shall be paid in accordance with procedures for the submission of claims for benefits established under that plan. Benefits under any Health Savings Account or High Deductible Health Plan option of the Health Benefit Plan shall be paid in accordance with procedures for the submission of claims for benefits established under the Health Savings Account or High Deductible Health Plan option of the Health Benefit Plan.

### **6.3 Standard of Care**

The Plan Administrator shall administer the Plan in accordance with the terms of the Plan solely in the interest of the Participants and for the exclusive purposes of providing benefits to Participants and defraying the reasonable expenses of administration of the Plan. The Plan Administrator shall administer the Plan with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims.

The Plan Administrator shall not be liable for any act or omission relating to its duties under the Plan, unless the act or omission violates the standard of care described in this Section. The Plan Administrator shall not be liable for any act or omission by another relating to the Plan.

## **Article 7**

### **Rights of Participants**

#### **7.1 Employment Rights**

The existence of the Plan shall not grant a Participant any legal right to continue as an Employee, or affect the right of Employer to discharge a Participant.

#### **7.2 Participants' Rights**

The Plan shall be maintained for the exclusive benefit of the Participants and their dependents. However, the existence of the Plan, shall not give any Participant or dependent any equity or other interest in the assets, business or affairs of Employer. Similarly, the existence of the Plan does not give any Participant or dependent the right to challenge any action taken by Employer, or any policy adopted or followed by Employer or the right to examine any of the books and records of Employer.

#### **7.3 Spendthrift Provision**

No interest under the Plan is subject to assignment or alienation, whether voluntary or involuntary. Any attempt to assign or alienate any interest shall be void. No interest shall be liable for or subject to the debts or liabilities of any Participant.

## **Article 8**

### **Plan Amendment and Termination**

#### **8.1 Amendment of Plan**

The Reformed Benefits Association may amend this Master Plan at any time. Any such amendment shall apply to the Plans of all adopting Employers. Employer may amend its Plan at any time by completing and executing a new Adoption Agreement. Any amendment shall be subject to the following:

(a) No amendment shall reduce or eliminate a Participant's right to have his or her premiums under the Health Benefit Plan paid in accordance with the provisions of the Plan to the extent a Participant has used Compensation Reductions to pay the premiums.

(b) Each amendment shall be in writing.

Any amendment may be made retroactively effective to the extent permitted by the Code.

## **8.2 Termination of Plan**

The Reformed Benefits Association reserves the right to terminate or partially terminate the Master Plan at any time by board action. Any such termination shall apply to the Plans of all adopting Employers. Similarly, Employer reserves the right to terminate or partially terminate its individual Plan at any time by action of its governing body. If the Master Plan or a Plan is terminated or partially terminated for any reason, the amount of a Participant's prior Compensation Reductions shall continue to be applied for the exclusive benefit of the Participant and his or her dependents.

## **Article 9**

### **Miscellaneous Provisions**

#### **9.1 Age**

Any reference in the Plan to age shall mean the age of the individual as of the individual's last birthday.

#### **9.2 Uniformity of Treatment**

Any action taken under the Plan by the Plan Administrator shall be uniform in its application to similarly situated persons.

#### **9.3 Effect Upon Other Compensation-Related Plans**

Participation in the Plan is not intended to affect any other Compensation-related employee benefit plan maintained or sponsored by Employer. Any contributions or benefits under any other Compensation-related employee benefit plan with respect to a Participant shall, to the extent permitted by law and not otherwise provided for in the other plan, include any amounts by which the Participant's Compensation is reduced pursuant to the provisions of the Plan.

#### **9.4 Construction**

Words used in the masculine shall apply to the feminine where applicable. Wherever the context of the Plan dictates, the plural shall be read as the singular and the singular as the plural.

**9.5 Governing Law**

The provisions of the Plan shall be governed by the laws of the state where Employer is located.

**Signature**

The Reformed Benefits Association has adopted the Reformed Benefits Association Master Flexible Benefits Plan this \_18th\_ day of \_\_\_November\_\_\_, 2014.

**REFORMED BENEFITS ASSOCIATION**



\_\_\_\_\_  
Signature

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Michelle De Bie, Managing Director  
Printed Name and Title