

SEVENTH AMENDED AND RESTATED
COUNTY OF ORANGE
SECTION 125 PLAN
Plan Document

Amended and Restated
Effective December 7, 2021

TABLE OF CONTENTS

COUNTY OF ORANGE SECTION 125 PLAN

PREAMBLE	1
SECTION 1 – DEFINITIONS	2
1.1 Administrator	2
1.2 Benefit	2
1.3 Claims Administrator	2
1.4 Compensation	2
1.5 Contribution Period	2
1.6 Court Employee	2
1.7 Dependent	2
1.8 Dependent Care Reimbursement Account	2
1.9 Dependent Care Reimbursement Account Plan	3
1.10 Domestic Partner	3
1.11 Effective Date	3
1.12 Eligible Employee	3
1.13 Employer	3
1.14 Employment-Related Dependent Care Expenses	3
1.15 Enrollment Documentation	4
1.16 General Employee	4
1.17 Health Care Expenses	4
1.18 Health Care Reimbursement Account	4
1.19 Health Care Reimbursement Account Plan	4
1.20 Insurance Contract	4
1.21 Insurer	4
1.22 IUOE Employee	4
1.23 Leased Employee	4
1.24 Open Enrollment	5
1.25 Optional Benefits Program (OBP)	5
1.26 OBP Eligible Employee	5
1.27 OBP Dollars	5
1.28 Participant	5
1.29 Part-time Ineligible Employee	5
1.30 Plan	5
1.31 Plan Year	5
1.32 Premium Only Plan Benefits	5
1.33 Qualifying Dependent	5
1.34 Salary Redirection	6
1.35 Salary Redirection Agreement	6
1.36 Self-Funded Plan	6
1.37 Spouse	6
SECTION 2 – PARTICIPATION	7
2.1 Eligibility	7

2.2	Application to Participate	7
2.3	Change of Status as Eligible Employee	8
2.4	Continuing Benefits During Unpaid Leaves of Absences	8
2.5	Termination of Participation	9
2.6	Death of the Participant	9
SECTION 3 – CONTRIBUTIONS		10
3.1	Salary Redirection and Allocation of OBP Dollars	10
3.2	Limitation on Use of Salary Redirection/OBP Dollars to Fund Health Care Reimbursement Account	10
3.3	Limitation on Use of Salary Redirection to Fund Dependent Care Reimbursement Account	10
3.4	Allocation of Salary Redirection/OBP Dollars	10
3.5	Benefits Paid Solely from General Assets	11
3.6	Limitation of Liability	11
SECTION 4 – ELECTION OF BENEFITS		12
4.1	Benefit Options	12
4.2	OBP Dollars	12
4.3	Taxable Cash Benefits	12
4.4	Annual Elections	13
4.5	Elections by New Employees	13
4.6	Change of Elections	13
4.7	Failure to Elect	16
4.8	Adjusting Election of Highly Paid Participants to Pass Nondiscrimination Requirements	16
SECTION 5 – HEALTH CARE REIMBURSEMENT ACCOUNT		17
5.1	Health Care Reimbursement Account	17
5.2	Increases in Health Care Reimbursement Account	17
5.3	Decreases in Health Care Reimbursement Account	17
5.4	Allowable Health Care Reimbursement Account Reimbursements	17
5.5	Rollover of Funds	18
5.6	Forfeitures	18
SECTION 6 – DEPENDENT CARE REIMBURSEMENT ACCOUNT		19
6.1	Dependent Care Reimbursement Account	19
6.2	Increases in Dependent Care Reimbursement Account	19
6.3	Decreases in Dependent Care Reimbursement Account	19
6.4	Allowable Dependent Care Reimbursement Account Reimbursements	19
6.5	Annual Statement of Benefits	19
6.6	Forfeitures	19
SECTION 7 – BENEFIT PAYMENTS AND CLAIMS PAYMENTS		21
7.1	Health Care Reimbursement Plan Claims	21
7.2	Dependent Care Reimbursement Account Plan Claims	21
7.3	Claim for Benefits and Claim Review Procedures	22

SECTION 8 – ADMINISTRATION	24
8.1 Plan Administration	24
8.2 Examination of Records	24
SECTION 9 – AMENDMENT OR TERMINATION OF PLAN	25
9.1 Amendment	25
9.2 Termination	25
SECTION 10 – MISCELLANEOUS	26
10.1 Plan Interpretation	26
10.2 Non-Alienation of Benefits	26
10.3 Limitation of Employee Rights	26
10.4 Other Salary-Related Plans	26
10.5 Governing Law	26
10.6 Severability	27
10.7 Captions	27
10.8 Non-Gender Clause	27
10.9 COBRA Continuation Coverage	27
10.10 Family and Medical Leave Act	27
10.11 No Guarantee of Tax Consequences	27
10.12 Tax Treatment for Domestic Partners	28
SIGNATURE PAGE	29
APPENDIX A – BENEFIT OPTIONS	30
Medical	30

COUNTY OF ORANGE SECTION 125 PLAN

PREAMBLE

Effective January 1, 1990, the County of Orange (the “Employer”) adopted the County of Orange Section 125 Plan (the “Plan”).

The Employer adopted the first amended and restated Plan effective January 1, 2005.

The Employer adopted the second amended and restated Plan effective January 1, 2010.

The Employer adopted the third amended and restated Plan effective January 1, 2011.

The Employer adopted the fourth amended and restated Plan effective January 1, 2013.

The Employer adopted this fifth amended and restated Plan effective January 1, 2015.

The Employer adopted this sixth amended and restated Plan effective August 25, 2015.

The Employer adopted this seventh amended and restated Plan effective December 14, 2021.

The purpose of this Plan is to offer the eligible employees of the Employer an opportunity to forgo taxable income in exchange for paying premiums for health care coverage on a tax-free basis and for paying for certain health care and dependent care on a tax-free basis. The Plan is intended to comply with the requirements of Sections 105, 106, 125, and 129 of the Internal Revenue Code of 1986 (the “Code”).

SECTION 1

DEFINITIONS

- 1.1 Administrator
Administrator means the Human Resources Director for the County of Orange.
- 1.2 Benefit
Benefit means each of the optional benefit choices available to a Participant as outlined in Section 4.1.
- 1.3 Claims Administrator
Claims Administrator means the individual or individuals appointed by the Administrator to carry out the administration of the Plan as provided in Section 9.
- 1.4 Compensation
Compensation means the total cash payment received by the Participant from the Employer during a Contribution Period prior to any reductions pursuant to a Salary Redirection Agreement authorized hereunder.
- 1.5 Contribution Period
Contribution Period with respect to any Plan Year, means that Plan Year; provided that, for any Eligible Employee who becomes a Participant after the start of a Plan Year, the initial Contribution Period shall mean the period commencing on the effective date of such Participant's participation and extending through the remainder of the Plan Year.
- 1.6 Court Employee
Court Employee means each individual employed by the Employer who is designated by the Employer as a Court Employee.
- 1.7 Dependent
Dependent shall mean any individual who is a tax dependent of the Participant as defined in Code § 152, determined without regard to subsections (b) (1), (b) (2) and (d) (1) (B) thereof. Any child to whom Code § 152(e) applies (regarding a child of divorced parents, etc., where one or both parents have custody of the child for more than half of the calendar year and where the parents together provide more than half of the child's support for the calendar year) shall be treated as a dependent of both parents. For purposes of Premium Only Plan Benefits, a Dependent must also satisfy eligibility requirements under an Insurance Contract or Self-Funded Plan.
- 1.8 Dependent Care Reimbursement Account
Dependent Care Reimbursement Account means the account established for a Participant pursuant to this Plan to which part of his or her Salary Redirection may be added and from which Employment-Related Dependent Care Expenses of the

Participant may be reimbursed. Such Dependent Care Reimbursement Account is not a real account, but is established and maintained for bookkeeping purposes only.

1.9 Dependent Care Reimbursement Account Plan

Dependent Care Reimbursement Account Plan means the plan of benefits contained in this Plan document, which provides for the reimbursement of eligible expenses for the care of the Qualifying Dependents of Participants.

1.10 Domestic Partner

A person who, together with an Eligible Employee, is a partner in a Domestic Partnership established pursuant to Section 297 of the California Family Code, as amended from time to time, which domestic partnership has not been terminated or dissolved and is still in effect.

1.11 Effective Date

Effective Date as amended and restated means August 25, 2015. The original effective date when the Plan was first adopted is January 1, 1990.

1.12 Eligible Employee

Eligible Employee means each individual employed by the Employer who has satisfied the eligibility requirements pursuant to Section 2.1 and is regularly scheduled to work at least 40 hours per week as a regular full-time, limited-term, or probationary employee, or at least 20 hours per week as a regular part-time, limited-term, or probationary employee.

1.13 Employer

Employer means the County of Orange.

1.14 Employment-Related Dependent Care Expenses

Employment Related Dependent Care Expenses means the amounts paid for expenses of a Participant for household services for the care of a Qualifying Dependent, to the extent that such expenses are incurred to enable the Participant to be gainfully employed for any period for which there are one or more Qualifying Dependents with respect to such Participant; provided, however, that: (i) if such amounts are paid for expenses incurred outside the Participant's household, they shall constitute Employment-Related Dependent Care Expenses only if incurred for a Qualifying Dependent as defined in item (i) of 1.36, or for a Qualifying Dependent as defined in item (ii) of Section 1.36 who regularly spends at least 8 hours per day in the Participant's household; and (ii) if the expense is incurred outside the Participant's home at a facility that provides care for a fee, payment or grant for more than 6 individuals who do not regularly reside at the facility, the facility must comply with all applicable state and local laws and regulations, including licensing requirements, if any; and (iii) Employment-Related Dependent Care Expenses of a Participant shall not include amounts paid or incurred to a child of such Participant who is under the age of 19 (determined as of the close of the taxable year) or to an individual who is a dependent of such Participant or such Participant's Spouse.

1.15 Enrollment Documentation

Enrollment Documentation means the documentation, whether by paper form or electronic submission, established and provided by Employer for use by the Participant to elect the type of benefits and the amount of Salary Redirection contributions and the amount of OBP Dollar credit allocations he or she desires, or to change or discontinue contributions or allocations altogether.

1.16 General Employee

General Employee means each Eligible Employee who is not eligible for the Optional Benefits Program.

1.17 Health Care Expenses

Health Care Expenses means any expense for health care of a Participant, his or her Spouse or Dependents within the meaning of the term “medical care” or “medical expense” as defined in Section 213(d) of the Code (excluding long-term care expenses and any premium expenses associated with long-term care) as a deduction in determining his or her tax liability under the Code.

1.18 Health Care Reimbursement Account

Health Care Reimbursement Account means the account established for a Participant pursuant to this Plan to which part of his or her Salary Redirection and/or OBP Dollars may be credited and from which all allowable Health Care Expenses may be reimbursed. Such Health Care Reimbursement Account is not a real account, but is established and maintained for bookkeeping purposes only.

1.19 Health Care Reimbursement Account Plan

Health Care Reimbursement Account Plan means the plan of benefits contained in this Plan document, which provides for the reimbursement of eligible Health Care Expenses incurred by a Participant or his or her Dependents.

1.20 Insurance Contract

Insurance Contract means any contract issued by an Insurer underwriting a Benefit that supports such underwriting as listed in Appendix A.

1.21 Insurer

Insurer means any insurance company that underwrites a Benefit.

1.22 IUOE Employee

IUOE Employee means each Eligible Employee who is a member of IUOE.

1.23 Leased Employee

Leased Employee means any person (other than an employee of the recipient) who pursuant to an agreement between the recipient and any other person (“leasing organization”) has performed services for the recipient (or for the recipient and related persons determined in accordance with IRC Section 414(n) (6)) on a substantially full-

time basis for a period of at least one year, and such services are performed under the primary direction or control of the recipient employer.

1.24 Open Enrollment

Open Enrollment means the period designated by the Employer each year, during which Employees elect Salary Redirection amounts and OBP Dollar allocations for the following Plan Year (except for any Employee who first becomes eligible to be a Participant during a Contribution Period, in which case Section 4.5 shall apply).

1.25 Optional Benefits Program (OBP)

Optional Benefits Program (OBP) means a program offered to judges(sworn in prior to December 10, 2013), attorneys who are employed in the "Attorney Unit", elected officials, executive management, and administrative management where OBP credits can be allocated to pay for certain benefits, including Benefits offered under this Section 125 Plan.

1.26 OBP Eligible Employee

OBP Eligible Employee means each Eligible Employee who receives benefits under the Optional Benefits Program and who is not a General Employee.

1.27 OBP Dollars

OBP Dollars means the amounts, other than Salary Redirection amounts, credited to an OBP Eligible Employee and attributable to contributions made by the Employer on behalf of a Participant to be allocated in accordance with the Participant's Benefit elections under Section 3. The amounts of OBP Dollars are described in Section 4.2.

1.28 Participant

Participant means any Eligible Employee who elects to become a Participant as provided in Section 2.

1.29 Part-time Ineligible Employee

Part-time Ineligible Employee means an employee whose regular work schedule is less than forty (40) hours per pay period.

1.30 Plan

Plan means the County of Orange Section 125 Plan.

1.31 Plan Year

Plan Year means the 12-month period from January 1 to December 31.

1.32 Premium Only Plan Benefits

Premium Only Plan Benefits means the benefits offered pursuant to Section 4.1(A) herein.

1.33 Qualifying Dependent

Qualifying Dependent means, for Dependent Care Reimbursement Account Plan purposes, any Dependent (including Spouses) for whom the Participant is entitled to an

exemption under Section 152 of the Code, (i) who is under the age of 13, or (ii) who is physically or mentally incapable of caring for himself or herself.

1.34 Salary Redirection

Salary Redirection means the portion of Benefits attributable to contributions made by the Employer on behalf of Participants pursuant to Section 3.1 of the Plan.

1.35 Salary Redirection Agreement

Salary Redirection Agreement means an agreement set forth in the Enrollment Documentation between the Participant and the Employer under Section 3.1 of the Plan where the Participant agrees to reduce his or her Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the Salary Redirection Agreement (after taking this Plan and Code Section 125 into account) and, subsequently does not become currently available to the Participant.

1.36 Self-Funded Plan

Self-Funded Plan means any plan providing health care benefits, issued by the Employer, that is funded primarily by Employer contributions as listed in Appendix A.

1.37 Spouse

Spouse means a Participant's legally married husband, wife, or partner, who is recognized as a spouse under federal and State law.

SECTION 2

PARTICIPATION

2.1 Eligibility

Each Eligible Employee participating in the Plan on December 14, 2021, shall be eligible to continue participating in this Plan as of such date.

Eligible Employees not participating on January 1, 2021, shall be eligible to participate in the Plan effective as of the first day of the month following 28 days of employment with the Employer.

Additionally, the following eligibility rules shall apply:

- (A) Eligible Employees shall be eligible to become a Participant in the Benefits offered in Section 4.1(A), (B), and (C).
- (B) OBP Eligible Employees shall be eligible to become a Participant in the Benefits offered in Section 4.1(A), (B) and (C).

2.2 Application to Participate

Any Eligible Employee shall, during the applicable Open Enrollment Period, complete and submit to the Administrator Enrollment Documentation. With the exception of Sections 2.2 (A) and (B), the election made pursuant to the Enrollment Documentation shall be irrevocable until the end of the applicable Contribution Period unless the Participant is entitled to change his or her elections pursuant to Section 4.6 hereof.

A Participant shall not continue participating in the Plan for subsequent Contribution Periods unless he or she completes and submits new Enrollment Documentation during each Open Enrollment Period.

- A. During the 2020 Plan Year, employees with current salary redirection may make changes to their election on a prospective basis without Change in Status (as defined in Section 4.6(A)) or Special Enrollment Event (as defined in Section 4.6(B)), provided that the annual goal amount does not exceed the maximum allowed by the IRS, and is not lower than the amount that has been reimbursed, or the amount still available in the benefit. Allowable changes must be elected by October 31, 2020. Allowable changes without Change in Status or Special Enrollment Event include:
 - a. revoke an existing election made through salary redirection
 - b. decrease an existing election made through salary redirection
 - c. increase an existing election made through salary redirection
- B. During the 2021 Plan Year, eligible employees may make changes to their election on a prospective basis without change in Status (as defined in Section 4.6(A)) or Special Enrollment Event (as defined in Section 4.6(B)), provided that the annual goal amount does not exceed the maximum allowed by the IRS, and is not lower than the amount

that has been reimbursed, or the amount still available in the benefit. Allowable changes must be made by October 31, 2021. Allowable changes without change in status or special enrollment event include:

- a. Make a new election through salary redirection
- b. Revoke an existing election made through salary redirection
- c. decrease an existing election made through salary redirection
- d. increase an existing election made through salary redirection

2.3 Change of Status as Eligible Employee

If a Participant ceases to be an Eligible Employee because of a change in employment status (e.g., terminating employment, becoming a Part-time Ineligible Employee or moving to an ineligible job classification), the Participant shall terminate participation in this Plan for the remainder of the Contribution Period in which such change of employment status occurs. No further Salary Redirection contributions may be made on behalf of the Participant, and all Benefit elections shall cease. However, any balances in the Participant's Health Care Reimbursement Account or Dependent Care Reimbursement Account may be used during such Contribution Period to reimburse the Participant for any allowable Health Care Expenses or Employment-Related Dependent Care Expenses incurred prior to the day such Participant became ineligible under the Plan. If the former Participant later becomes an Eligible Employee again, then the former Participant may become a Participant in this Plan again as follows:

- (A) In the event a former Participant experiences an employment change that makes him an Eligible Employee again (is rehired or becomes a Part-time Ineligible Employee and subsequently becomes an Eligible Employee) within 15 days of the date he or she terminated employment (or became a Part-time Ineligible Employee), such former Participant shall not be required to resatisfy eligibility requirements under Section 2.1 and shall be reinstated as a Participant in the Plan with the same Benefits elections in effect when the former Participant terminated employment (or became a Part-time Ineligible Employee) and be prohibited from making new elections for the remaining portion of the Plan Year unless he or she experiences a Change in Status Event or an Special Enrollment Event under Section 4.6.
- (B) In the event a former Participant experiences an employment change that makes him an Eligible Employee again after 15 days from the date he or she terminated employment (or became a Part-time ineligible Employee), the former Participant shall be required to resatisfy eligibility requirements under Section 2.1 and shall be permitted to make new elections for the remaining portion of the Plan Year.

2.4 Continuing Benefits During Unpaid Leaves of Absences

If a Participant takes an unpaid leave of absence, such Participant may continue full participation in the Plan by making contributions on an after-tax basis.

If a Participant on an unpaid leave of absence does not make contributions to the Plan during an unpaid leave, participation in the Plan will terminate.

- (A) If a Participant returns to employment as an Eligible Employee within 15 days, he or she shall be reinstated with his or her former Benefit elections and shall be prohibited from making new elections for the remaining portion of the Plan Year unless he or she experiences another Change in Status Event or Special Enrollment Event under Section 4.6.
- (B) If a Participant returns to employment as an Eligible Employee after 15 days or more unpaid leave of absence, he or she shall be required to resatisfy eligibility requirements under Section 2.1 and shall be permitted to make new elections for the remaining portion of the Plan Year.

2.5 Termination of Participation

A Participant shall terminate (i) upon his or her termination of employment, (ii) as of the day the Participant became ineligible because of a change in employment status (e.g., becoming a Part-time Ineligible Employee), (iii) the termination of this Plan, (iv) upon the Participant's election to cease making contributions for the next Contribution Period, or (v) upon the Participant's failure to elect to continue participation for the next Contribution Period. Notwithstanding the above, the Participant's period of reimbursement for claim payment purposes shall continue to the end of the Contribution Period in which the Participant's termination of employment or ineligibility under the Plan occurred.

2.6 Death of the Participant

If a Participant dies, his or her participation in the Plan shall cease. However, such Participant's beneficiaries, or the representative of his or her estate, may submit claims for expenses or health care benefits for the remainder of the Plan Year. A Participant may designate a specific beneficiary for this purpose. If no such beneficiary is specified, the Administrator may designate the Participant's Spouse, one of his or her dependents, or a representative of his or her estate.

SECTION 3

CONTRIBUTIONS

3.1 Salary Redirection and Allocation of OBP Dollars

Once an Eligible Employee who is also an OBP Eligible Employee elects to participate in this Plan, his or her OBP will be allocated and his or her Compensation will be reduced in an amount equal to the amount of contributions elected pursuant to Section 4. Once an Eligible Employee, who is not an OBP Eligible Employee, elects to participate in this Plan, his or her Compensation will be reduced in an amount equal to the amount of contributions elected pursuant to Section 4. Such reduction shall be his or her Salary Redirection, which will be available to pay for the Benefits he or she elected and shall continue through the end of the Contribution Period. Salary Redirection and allocation of OBP Dollars shall not continue for each subsequent Contribution Period unless the Participant elects to continue his or her contributions as provided herein. Each Participant's annual Salary Redirection will be determined as part of the Benefit selection process.

3.2 Limitation on Use of Salary Redirection/OBP Dollars to Fund Health Care Reimbursement Account

Notwithstanding any provision contained in this Plan to the contrary, no more than the IRS limit of Salary Redirection and OBP Dollars combined may be applied to a Participant's Health Care Reimbursement Account in the Contribution Period. The minimum contribution that may be applied to a Participant's Health Care Reimbursement Account must equal at least one dollar per paycheck.

OBP Dollars allocated toward the Health Care Reimbursement Account must be applied first when calculating the remainder of the maximum contribution limit available for Salary Redirection.

3.3 Limitation on Use of Salary Redirection to Fund Dependent Care Reimbursement Account

Notwithstanding any provisions contained in this Plan to the contrary, no more than the lesser of \$5,000, \$2,500 for a married person filing separately, or the earned income limitation described in Section 129(b) of the Code, of Salary Redirection may be applied to a Participant's Dependent Care Reimbursement Account in or on account of any Contribution Period. The minimum contribution that may be applied to a Participant's Dependent Care Reimbursement Account must equal at least one dollar per paycheck. OBP Dollars may not be contributed to a Participant's Dependent Care Reimbursement Account.

3.4 Allocation of Salary Redirection/OBP Dollars

As soon as reasonably practicable after each payroll period the Employer shall apply the aggregate Salary Redirection and OBP Dollars to provide the contributions elected by the

affected Participants. Any contributions allocated or withheld for a Health Care Reimbursement Account or Dependent Care Reimbursement Account shall be credited to such account.

3.5 Benefits Paid Solely from General Assets

The benefits provided under this Plan will be paid solely from the general assets of the Employer. Nothing in this Plan will be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or assets of the Employer from which any payment under the Plan may be made.

3.6 Limitation of Liability

The Employer does not guarantee Benefits payable under any Insurance Contract or other similar contract described or referred to in this Plan, and any benefits under this Plan shall be the exclusive responsibility of the Insurer or other entity that is required to provide such Benefits under such Insurance Contract.

The Employer shall not be liable for any individual tax liabilities resulting from improper benefit payments or claims payments provided under this Plan.

SECTION 4

ELECTION OF BENEFITS

4.1 Benefit Options

Each Eligible Employee may elect to have the amount of his or her Salary Redirection and OBP Dollars credited to any one or more of the following optional Benefits as specifically noted in such Benefit Options, except OBP Dollars may not be credited to the Benefits set forth in subsections (A) and (C) below.

(A) Premium Only Plan Benefits

Each Eligible Employee may choose to enroll in the following Benefit to be paid for on a pretax basis using Salary Redirection only:

(1) Medical coverage

To the extent the Benefits offered under this Section 4.1(A) are provided through Insurance Contracts and Self-funded Plans, such Insurance Contracts and Self-Funded Plan and any summary plan descriptions or booklets describing the Benefits are incorporated herein by reference. The rights and conditions with respect to Premium Only Plan Benefits payable shall be determined from such Insurance Contracts and Self-Funded Plans, summary plan descriptions or booklets.

(B) Health Care Reimbursement Account Benefit

Each Eligible Employee may choose to apply Salary Redirection and each OBP Eligible Employee may also choose to allocate OBP Dollars to this Health Care Reimbursement Account Benefit option, in which case Section 5 shall apply.

(C) Dependent Care Reimbursement Account Benefit

Each Eligible Employee may choose to apply Salary Redirection to a Dependent Care Reimbursement Account Benefit option, in which case Section 6 shall apply. OBP Dollars may not be used to fund this Benefit Option.

4.2 OBP Dollars

The Employer will credit OBP Eligible Employees with a specific amount of OBP Dollars each Plan Year. OBP Dollars are based on the job classifications of each OBP Eligible Employee and are determined by the Employer in its discretion.

4.3 Taxable Cash Benefits

An OBP Eligible Employee may elect to receive in taxable cash compensation, the total amount or any portion of OBP Dollars if such OBP Eligible Employee elects to receive all or part of his or her OBP Dollars as taxable cash in his or her Enrollment Documentation

each year. Additionally, if an OBP Eligible Employee fails to complete and submit Enrollment Documentation, such OBP Eligible Employee shall be deemed to have elected all of his or her OBP Dollars as taxable cash. Taxable Cash Benefits shall be paid in one lump sum amount on the first paycheck of the Plan Year.

4.4 Annual Elections

During the Open Enrollment Period preceding the Effective Date or any later Contribution Period, each Participant shall be given the opportunity to elect, by completing and submitting Enrollment Documentation, which Benefit Options he or she wishes to select and purchase with his or her Salary Redirection or OBP Dollars. Any such election shall be effective for any Benefit expenses incurred during the Contribution Period. The Contribution Period begins on the first day of each following Plan Year.

4.5 Elections by New Employees

An Eligible Employee who is first employed during a Contribution Period may elect to participate in this Plan for the remainder of such Contribution Period. For the purpose of this Plan, the new employee's Open Enrollment Period shall be a 30 day period that begins on the first day of the new Employee's employment with the Employer. If the new employee completes and submits Enrollment Documentation to the Administrator during this period, Benefits will be effective as of the first day the Eligible Employee satisfied the requirements of Section 2.1.

4.6 Change of Elections

This Section 4.6 applies to Salary Redirection elections, but does not apply to OBP Dollar allocations.

Except as permitted under Sections 2.2 (A) and (B), any Eligible Employee may change a benefit election after the Contribution Period (to which such election relates) has commenced and make new elections with respect to the remainder of such Contribution Period only as permitted under this Section 4.6.

An Eligible Employee may elect to discontinue or change contributions towards his or her elections only during an Open Enrollment Period or within 30 days of the time such Eligible Employee has a Change in Status (as defined in Section 4.6(A)) or experiences a Special Enrollment Event (as defined in Section 4.6(B)).

(A) Changes in Status. If an Eligible Employee has a change in status, an election change before the next Open Enrollment Period shall be permitted provided that a Change in Status Event occurred. If one of the events listed in this Section 4.6(A) (1) (a)-(e) occurs, any election change made before the next Open Enrollment Period must meet the Consistency Requirement described in Section 4.6(A) (2). If one of the events listed in this Section 4.6(A) (1) (f)-(i) occurs, an Eligible Employee may also make an election change.

- (1) "Change in Status Events" include the following events:
 - (a) a change in marital status (marriage, divorce, death of a Spouse, legal separation, or annulment),

- (b) a change in the number of Dependents (birth, adoption, placement for adoption, or death of a Dependent),
- (c) a change in employment status by the Eligible Employee, his or her Spouse, or his or her Dependent (termination of employment, rehire at least 30 days after termination, strike or lockout, begin or end unpaid leave of absence, return from an unpaid leave of absence lasting at least 30 days, change in worksite, any change in employment affecting eligibility),
- (d) a Dependent gaining or losing eligibility under the plan,
- (e) a change in residence,
- (f) beginning or ending of the Eligible Employee's leave under the Family and Medical Leave Act (FMLA) pursuant to Section 11.10 of the Plan,
- (g) a qualified medical child support order is issued against the Eligible Employee,
- (h) Eligible Employee, his or her Spouse, or his or her Dependent becomes entitled to Medicare or Medicaid, or
- (i) a significant change in the coverage or cost under this plan or under the Eligible Employee's Spouse's or Dependent's employer-provided plan. The occurrence of a significant change in coverage or cost may permit changes to Premium Only Plan Benefits elections, and Dependent Care Reimbursement Account elections, (but not to the Health Care Reimbursement Account).
 - (i) For purposes of making changes to Premium Only Plan Benefits elections, a significant change in coverage includes the addition of a new benefit or other coverage option or if an existing option is eliminated mid-year. A significant change in coverage also includes enrollment in a Spouse's or Dependent's employer-provided health plan if this occurs during the open enrollment period of the other employer-provided health plan. A significant change in cost includes a greater-than-10% increase or decrease in the cost of coverage.
 - (ii) For purposes of making changes to Dependent Care Reimbursement Account elections, a significant change in coverage includes switching day care providers. A significant change in cost includes a greater-than-10% increase or decrease in the cost of dependent care (as long as the caregiver is not a relative). Changes are also permitted if the Participant's dependent reaches age 13.

- (2) An election change meets the “Consistency Requirement” as follows:
- (a) *Premium Only Plan Benefit.* For changes to the Premium Only Plan Benefit elections, the Consistency Requirement is met if:
 - (i) The Change in Status Event causes the employee, Spouse, or Dependent to gain or lose eligibility under this Plan or under an accident or health plan sponsored by the employer of the Spouse or Dependent, and
 - (ii) The election is on account of and corresponds with the Change in Status Event.
 - (b) *Health Care Reimbursement Account.* For changes to the Health Care Reimbursement Account elections, the Consistency Requirement is met if:
 - (i) The Change in Status Event: (1) causes the employee to gain or lose eligibility under this Plan, or (2) increases or decreases the number of family members who may benefit from coverage under the Health Care Reimbursement Account, and
 - (ii) The election is on account of and corresponds with the Change in Status Event.
 - (c) *Dependent Care Reimbursement Account.* For changes to the Dependent Care Reimbursement Account elections, the Consistency Requirement is met if:
 - (i) The Change in Status Event: (1) causes the employee to gain or lose eligibility under this Plan, or (2) increases or decreases the amount of Employment-Related Dependent Care Expenses eligible for reimbursement, and
 - (ii) The election is on account of and corresponds with the Change in Status Event.
- (B) Special Enrollment Events. If an Eligible Employee experiences a Special Enrollment Event, any Premium Only Plan Benefit or Health Care Reimbursement Account election change before the next Open Enrollment Period shall be permitted.

“Special Enrollment Events” include the following events:

- (1) gaining a Dependent by marriage, birth, adoption, or placement for adoption, and
- (2) the loss of other coverage, if the Eligible Employee had declined enrollment for himself or his or her Dependents (including his or her

Spouse) because of other health insurance coverage. In this situation, the Eligible Employee or Dependent may be enrolled only if one of the following conditions are met:

- (a) When the Eligible Employee declined coverage for himself or for a Dependent, the Eligible Employee had COBRA continuation coverage under another plan and COBRA continuation coverage under that other plan has since been exhausted; or
 - (b) When the Eligible Employee declined coverage for himself or for a Dependent, the Eligible Employee or Dependent was covered under another group health plan or other health insurance coverage, and such coverage under that other plan has since been terminated as a result of loss of eligibility for the coverage (only if such loss of eligibility for the coverage is a result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment) or as a result of termination of employer contributions towards the other coverage.
- (C) Changes Regarding Domestic Partners. In addition to the events qualifying as Changes in Status (as defined in Section 4.6(A)) and Special Enrollment Events (as defined in Section 4.6(B)), enrollment changes prior to the next Open Enrollment Period will be permitted due to events involving Domestic Partners on the same basis that changes are allowed hereunder due to events involving Spouses. If the Domestic Partner does not qualify as a health care dependent pursuant to Section 105(b) of the Code, benefits elected pursuant to changes made prior to the next Open Enrollment Period due to an event involving the Domestic Partner will generally not be available on a pre-tax basis or eligible for any other federal tax favored treatment.

4.7 Failure to Elect

If an employee who is an Eligible Employee does not complete and submit Enrollment Documentation pursuant to Section 4.4 or 4.5, except as permitted under Sections 2.2(A) and (B), he or she will be deemed to have made an election to decline participation in all Benefits offered under this Plan for the Contribution Period. However, if the employee is an OBP Eligible Employee, he or she will receive Taxable Cash Benefits under Section 4.3 if the OBP Eligible Employee fails to submit completed Enrollment Documentation.

4.8 Adjusting Election of Highly Paid Participants to Pass Nondiscrimination Requirements

If at any time during the Contribution Period it appears that the Plan may not satisfy the applicable nondiscrimination requirements, the Administrator shall adjust, in a nondiscriminatory manner, the election levels of the highly paid Participants. Such adjustments shall be made to a level necessary to allow the Plan to satisfy the nondiscrimination requirements.

SECTION 5

HEALTH CARE REIMBURSEMENT ACCOUNT

5.1 Health Care Reimbursement Account

The Administrator shall establish a Health Care Reimbursement Account for each Participant who elects to apply Salary Redirection and OBP Dollars to Health Care Reimbursement Account Plan benefits.

5.2 Increases in Health Care Reimbursement Account

A Participant's Health Care Reimbursement Account shall be increased each pay period by the portion of Salary Redirection and OBP Dollars that he or she has elected to apply toward his or her Health Care Reimbursement Account pursuant to Section 4 hereof.

5.3 Decreases in Health Care Reimbursement Account

A Participant's Health Care Reimbursement Account shall be reduced by the amount of any Health Care Expense reimbursements paid to or on behalf of a Participant pursuant to Section 8 hereof. However, a Participant shall be entitled to reimbursement in the full amount of his or her contribution election at any time during the applicable Contribution Period upon presenting proper evidence of allowable expenses.

5.4 Allowable Health Care Reimbursement Account Reimbursements

The categories of allowable Health Care Expenses, as defined in Section 1.20 of this Plan, are:

Nursing Care	Hospital bills
Medical-related transportation	Doctors' and dentists' bills
Vision care	Psychiatric and psychological care
Dental care	Drugs and prescriptions

The above listed categories include the following medical expenses; however, the following medical expenses do not represent an exhaustive list of medical expenses that may be Health Care Expenses for purposes of this Plan: hospital expenses, both room and board and special hospital services; surgical expenses; diagnostic x-rays; prenatal and maternity expenses; infant care in a hospital; services of physicians, surgeons, chiropractors and other health care specialists, in or out of a hospital; services of registered nurses, in or out of a hospital; rental of iron lung or other equipment for therapeutic use, in or out of a hospital; artificial limbs or other prosthetic appliances; diagnostic laboratory procedures; drugs and medicine requiring prescriptions; over-the-counter medications and feminine care products, oxygen; anesthesia; blood and plasma; x-ray and radium treatments; local professional ambulance services; psychiatric treatment; dental care; surgery and appliances; prescription eye glasses; contact lenses; contact lens solutions; eye examinations; hearing aids and examination therefore. These allowable Health Care Expenses shall be treated as allowable provided the Participant is not compensated (by insurance or otherwise) for these Expenses, and further provided that they do not exceed the limitation contained in Section 3.2.

In general, a Participant who incurs Health Care Expenses shall be entitled to receive from the Employer full reimbursement for the amount of such expenses incurred during the Contribution Period or portion thereof during which he or she is a Participant. Such full reimbursement shall be made regardless of the amount contributed to the Participant's Health Care Reimbursement Account when the Health Care Expense was incurred. However, Health Care Reimbursement Account Reimbursements shall be subject to limitations contained in Section 3.2 of this Plan and shall be limited by the actual annual election made by the Participant for the Plan Year.

Pursuant to federal taxation rules, Health Care Reimbursement Accounts may not be used to reimburse medical expenses for an Eligible Employee's Domestic Partner, or the Domestic Partner's dependents, unless the Domestic Partner, or his or her dependents, otherwise qualify as federal tax dependents of the Eligible Employee pursuant to Code §105(b).

5.5 Rollover of Funds

Notwithstanding the foregoing and in accordance with the provisions set forth in the Participant's applicable Memoranda of Understanding, Employment Contract, or Salary Ordinance, a Participant shall not forfeit unused Plan Contributions applicable to the Health Care Reimbursement Account that do not exceed the lesser of 20 percent of the IRS annual salary reduction contribution limit (in multiples of \$10) or the unused balance of such Participant's account at the close of the Plan Year (after the claim run out period). The Plan will automatically rollover/carryover up to 20 percent of the IRS annual salary reduction contribution limit (in multiples of \$10), or, if less, the unused balance in the account at the close of the Plan Year to the next subsequent Plan Year contingent upon enrollment in the next Plan Year. Such unused balance cannot be cashed out. Funds will only rollover one time into the subsequent Plan Year. Except as described in Section 5.6 (A) and (B) any amounts in excess of the 20 percent of the IRS annual salary reduction contribution limit (in multiples of \$10) shall be forfeited in the same manner as forfeitures for other Plan Contributions.

5.6 Forfeitures

The amount in a Participant's Health Care Reimbursement Account, except those funds described in Section 5.5 Rollover of Funds, as of the end of any Contribution Period (and after the processing of all claims for such Contribution Period pursuant to Section 8 hereof) shall be forfeited to the Employer and deposited into the Employer's benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason. The Employer may, in its discretion, use forfeitures to offset administrative and future plan expenses or forfeitures may be used in any other manner as determined by the Employer and permitted by law.

- (A) Participants and/or eligible employees will not forfeit funds remaining in their Health Care Reimbursement Account in Plan Year 2020 and the funds will automatically carryover to Plan Year 2021
- (B) Participants and/or eligible employees will not forfeit funds remaining in their Health Care Reimbursement Account in Plan Year 2021 and the funds will automatically carryover to Plan Year 2022

SECTION 6

DEPENDENT CARE REIMBURSEMENT ACCOUNT

6.1 Dependent Care Reimbursement Account

The Administrator shall establish a Dependent Care Reimbursement Account for each Participant who elects to apply Salary Redirection to Dependent Care Reimbursement Account Plan benefits.

6.2 Increases in Dependent Care Reimbursement Account

A Participant's Dependent Care Reimbursement Account shall be increased each pay period by the portion of Salary Redirection that he or she has elected to apply toward his or her Dependent Care Reimbursement Account pursuant to Section 4 hereof.

6.3 Decreases in Dependent Care Reimbursement Account

A Participant's Dependent Care Reimbursement Account shall be reduced by the amount of any Employment-Related Dependent Care Expense reimbursements paid to or on behalf of a Participant pursuant to Section 8 hereof.

6.4 Allowable Dependent Care Reimbursement Account Reimbursements

In general, a Participant who incurs Employment-Related Dependent Care Expenses shall be entitled to receive from the Employer full reimbursement for the amount of such expenses incurred during the Contribution Period or portion thereof during which he or she is a Participant. However, Dependent Care Reimbursement Account Reimbursements shall not exceed the amount contributed to the Participant's Dependent Care Reimbursement Account. Additionally, Dependent Care Reimbursement Account Reimbursements shall be subject to limitations contained in Section 3.3 of this Plan and shall be limited by the actual annual election made by the Participant for the Plan Year.

Pursuant to federal taxation rules, Dependent Care Reimbursement Accounts may not be used to reimburse dependent care expenses for an Eligible Employee's Domestic Partner, or the Domestic Partner's dependents, unless the Domestic Partner, or his or her dependents, is also a Qualifying Dependent.

6.5 Annual Statement of Benefits

On or before January 31 of each year, the Claims Administrator shall furnish to each Employee who was a Participant and received benefits under Section 6.4 during the previous calendar year, a statement of all such benefits paid to or on behalf of such Participant during the previous calendar year.

6.6 Forfeitures

Except as defined in Sections 6.6 (A) and (B), the amount in a Participant's Dependent Care Reimbursement Account as of the end of any Contribution Period (and after the

processing of all claims for such Contribution Period pursuant to Section 8 hereof) shall be forfeited to the Employer and deposited into the Employer's benefit plan surplus. In such event, the Participant shall have no further claim to such amount for any reason. The Employer may, in its discretion, use forfeitures to offset administrative and future plan expenses or forfeitures may be used in any other manner as determined by the Employer and permitted by law.

- (A) All unused funds remaining in the eligible employee's 2020 DCRA account will not be forfeited and will automatically carry over into a DCRA account for the 2021 plan year.
- (B) All unused funds remaining in the eligible employee's 2021 DCRA account will not be forfeited and will automatically carry over into a DCRA account for the 2022 plan year.

SECTION 7

BENEFIT PAYMENTS AND CLAIMS PAYMENTS

7.1 Health Care Reimbursement Plan Claims

All allowable Health Care Expenses incurred by a Participant shall be reimbursed to the extent of the Eligible Employee's elected Salary Redirection and allocated OBP Dollars for the Plan Year, even though the submission of such a claim occurs after his participation hereunder ceases; but provided that the Health Care Expenses were incurred during the applicable Contribution Period.

The Plan shall reimburse, at the times set forth in this Section 7.1, each eligible Participant for all allowable Health Care Expenses up to the maximum amount the Participant elected to have credited to the Participant's Health Care Spending Account. Such amounts must have been incurred by the Participant and/or his Spouse or Dependents, in excess of any payments or other reimbursements under any health care plan which may be sponsored by the Employer, any governmental agency or any other plan covering a Participant and/or his Spouse or Dependents.

Claims for the reimbursement of Health Care Expenses incurred in any Contribution Period can be made daily.

- (A) For Health Care Reimbursement Plan Claims, the Participant must submit a reimbursement request form along with the invoice or receipt for such expense. If the Claims Administrator receives the claim, the Employee will be reimbursed as soon as administratively possible.

A Participant must submit claims for reimbursement of Health Care Expenses by the March 31st following the Contribution Period. Any claims for reimbursement submitted after such date shall not be considered for reimbursement by the Claims Administrator.

The reimbursement claim shall be made to the Claims Administrator on a standard form within a reasonable time of incurring the debt or paying for the service. The reimbursement claim shall include the name of the eligible Employee, Spouse or Dependent on whose behalf the Health Care Expense was incurred, the date incurred, a brief description of the expense and a statement that the expense has not been reimbursed and is not reimbursable by the health insurance plan or otherwise, and, if reimbursed from the Participant's Health Care Reimbursement Account will not be claimed as a tax deduction.

7.2 Dependent Care Reimbursement Account Plan Claims

All allowable Employment-Related Dependent Care Expenses incurred by a Participant shall be reimbursed to the extent of the Eligible Employee's balance in his or her Dependent Care Reimbursement Account, even though the submission of such a claim occurs after his or her participation hereunder ceases; but provided that the Employment-

Related Dependent Care Expenses were incurred while the Eligible Employee participated in the Plan and that they were incurred during the applicable Contribution Period.

The Claims Administrator shall reimburse the Participant for all Employment-Related Dependent Care Expenses upon the presentation to the Administrator of documentation of such expenses in a form satisfactory to the Claims Administrator. Such claims shall be paid only to the extent that a sufficient balance exists in the account to cover the claim. In its discretion in administering the Plan, the Claims Administrator may utilize forms and require documentation of costs as may be necessary to verify the claims submitted.

Each Participant who desires to receive reimbursement under the Plan for Employment-Related Dependent Care Expenses incurred by the Participant shall submit to the Claims Administrator a statement containing the following information:

- (A) The Dependent or Dependents for whom the services are to be performed;
- (B) The nature of the services performed for the Participant, the cost of which he or she wishes reimbursement;
- (C) The relationship, if any, of the person performing the services to the Participant;
- (D) If the services are being performed by a child of the Participant, the age of the child; and
- (E) A statement as to where the services will be performed, the name and address of the provider and the provider's tax payer identification or Social Security number.

Claims for the reimbursement of Employment-Related Dependent Care Expenses incurred in any Contribution Period can be made daily. The Participant must submit a reimbursement request form along with the invoice or receipt for such expense. If the Claims Administrator receives the claim, the Employee will be reimbursed as soon as administratively possible.

A Participant must submit claims for reimbursement of Employment-Related Dependent Care Expenses by March 31st following the Contribution Period. Any claims for reimbursement submitted after such date shall not be considered for reimbursement by the Claims Administrator.

Reimbursement payments under this Plan shall be made directly to the Participant. The reimbursement claim shall be made to the Claims Administrator on a standard form within a reasonable time of incurring the debt or paying for the service. The Claims Administrator shall retain a file of all such reimbursement claims.

The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

7.3 Claims for Benefits and Claim Review Procedures

The Claims Administrator shall have discretionary authority to administer and interpret all claims including the full discretionary authority to determine eligibility for benefits under

the Plan. Any claim for Benefits underwritten by an Insurance Contract shall be made to the Insurer. Any claim for other Benefits shall be made to the Claims Administrator. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure. If the Claims Administrator denies a claim, the Claims Administrator shall provide notice to the Participant or beneficiary, in writing, within 60 days after the claim is filed. The notice shall be written in a manner calculated to be understood by the claimant and shall set forth (i) the specific reason(s) for the denial; (ii) specific references to the pertinent Plan provisions on which the denial is based; (iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and (iv) an explanation of the Plan's claim procedure.

After receipt of the above material, the claimant shall have 60 days to appeal the claim denial to the Claims Administrator for a full and fair review. The claimant or his or her duly authorized representative may (i) request a review upon written notice to the Claims Administrator; (ii) review pertinent documents; and (iii) submit issues and comments in writing.

A decision by the Claims Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing, in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Claims Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

Any balance remaining in a Participant's Health Care Reimbursement Account or Dependent Care Reimbursement Account as of the end of each Contribution Period shall be forfeited and deposited in the benefit plan surplus of the Employer pursuant to Section 5.5, 5.6, or 6.6, whichever is applicable, unless the Participant had made a claim for such Contribution Period, in writing, which has been denied or is pending; in which event the amount of the claim shall be held in his or her account until the claim appeal procedures set forth above have been satisfied or the claim is paid. With the exception of Sections 5.6 (A) and (B) and Sections 6.6 (A) and (B), if any such claim is denied on appeal, the amount held beyond the end of the Contribution Period shall be forfeited and paid to the Employer.

SECTION 8

ADMINISTRATION

8.1 Plan Administration

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Eligible Employees entitled to participate in the Plan. The Administrator shall have full power to administer the Plan in all of its details; including discretionary authority to administer and interpret the Plan and full discretionary authority to determine eligibility for benefits under the Plan; subject, however, to the pertinent provisions of the Code. The Administrator's powers shall include, but shall not be limited to, the following authority, in addition to all other powers provided by this Plan:

- (A) To make and enforce such rules and regulations as the Administrator deem necessary or proper for the efficient administration of the Plan;
- (B) To interpret the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;
- (C) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided under the Plan;
- (D) To approve reimbursement requests and to authorize the payment of benefits; and
- (E) To appoint such agents, counsel, accountants, consultants and actuaries as may be required to assist in administering the Plan.

8.2 Examination of Records

The Administrator will make available to each Participant such records as pertain to the Participant, for examination at reasonable times during normal business hours.

SECTION 9

AMENDMENT OR TERMINATION OF PLAN

9.1 Amendment

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of reducing any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with federal law (or local) statute or regulations.

9.2 Termination

The Employer expects to continue this Plan indefinitely. However, the Employer reserves the right to terminate the Plan, in whole or in part, at any time. In the event the Plan is terminated, no further Salary Redirection shall be made. Benefits under any Insurance Contracts shall be paid in accordance with the terms of the Contract. No further additions shall be made to any Participants' Health Care Reimbursement Account or Dependent Care Reimbursement Account, but all payments from such Accounts shall continue to be made according to the elections in effect until the end of the Contribution Period in which the Plan termination occurs, or until the balances of all Accounts have been reduced to zero, whichever occurs first. Any amounts remaining in any such Account as of the end of the Contribution Period in which Plan termination occurs shall be forfeited and deposited in the benefit surplus of the Employer.

SECTION 10

MISCELLANEOUS

10.1 Plan Interpretation

This Plan document sets forth the provisions of this Plan. This Plan shall be read in its entirety and not severed except as provided in Section 11.6.

10.2 Non-Alienation of Benefits

No benefit, right or interest of any person hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, seizure, attachment or legal, equitable or other process or be liable for, or subject to, the debts, liabilities or other obligations of such person, except as otherwise required by law.

10.3 Limitation of Employee Rights

Nothing appearing in or done pursuant to the Plan shall be held or construed:

- (A) To give any person any legal or equitable right against the Employer or the Administrator, except as expressly provided herein or provided by law; or
- (B) To create a contract of employment with any Employee, to obligate the Employer to continue the service of any Employee or to affect or modify his or her terms of employment in any way.

10.4 Other Salary-Related Plans

It is intended that any other salary-related employee benefit plans that are maintained or sponsored by the Employer shall not be affected by this Plan. Any contributions or benefits under such other plans with respect to a Participant shall, to the extent permitted by laws, be based on his or her total compensation from the Employer, including any amounts by which his or her salary or wages may be reduced pursuant to the provisions of Section 3.

10.5 Governing Law

This Plan is governed by the Internal Revenue Code and the regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. Additionally, the Employer shall not be liable for any individual tax liabilities resulting from improper benefit payments or claims payments provided under this Plan. To the extent not preempted by federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of California.

10.6 Severability

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

10.7 Captions

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

10.8 Non-Gender Clause

Whenever used in this Plan, the masculine gender shall include the feminine and the plural shall include the singular.

10.9 COBRA Continuation Coverage

Dependents and/or Participants under this Plan may be entitled to continue coverage as a result of losing coverage for certain qualifying events. Certain rules affect the Health Care Reimbursement Account and Premium Only Plan Benefits payable through this plan on a pretax basis. The Administrator shall have the full discretionary authority to make a determination as to the rights of the affected parties in accordance with the applicable rules and regulations concerning such accounts. With reference to Premium Only Plan Benefits, please refer to Employer plan booklets for details of the rights and conditions of COBRA continuation coverage. Employees participating in the Health Care Reimbursement Account Plan may also have a right to COBRA continuation coverage.

10.10 Family and Medical Leave Act

If a Participant takes a leave pursuant to the federal Family and Medical Leave Act, coverage for such Employee shall continue on the same basis as for active Employees, pursuant to the requirements of the federal Family and Medical Leave Act.

A Participant whose coverage terminates during a leave granted pursuant to the federal Family and Medical Leave Act because of failure to make any contribution, if required, shall be eligible to re-enroll in the Plan immediately upon returning from the leave. Coverage shall commence on the day of his or her return to active employment and payment of any required contribution.

Where state law provides protected family and medical leaves that are more beneficial to a Participant than the federal Family and Medical Leave Act, the protections of the state law will be made available to Participants of this Plan.

10.11 No Guarantee of Tax Consequences

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under this Plan will be excludable from

the Participant's gross income for federal, state, or local income tax purposes. It shall be the obligation of each Participant to determine whether each payment under this Plan is excludable from the Participant's gross income for federal, state, and local income tax purposes and to notify the Administrator if the Participant has any reason to believe that such payment is not so excludable.

10.12 Tax Treatment for Domestic Partners

Tax treatment for Domestic Partners differs under Federal and California State law. This difference will have a variety of impacts, including, but not limited to, the treatment of employee contributions and employer contributions toward benefits and the eligibility of reimbursements under Health Care Reimbursement Accounts and Dependent Care Reimbursement Accounts. Employees with Domestic Partners should consult a qualified tax professional as to the applicability of federal and state taxation laws to their situation.

SIGNATURE PAGE


IN WITNESS WHEREOF, the County of Orange has executed this Plan document this _____ day of _____, 2021.

COUNTY OF ORANGE

By: _____

Title: Kim Derrick, Assistant Director of Human Resource Services, Employee Benefits

Approved as To Form:



Nikhil Daftary, Deputy County Counsel

APPENDIX A

BENEFIT OPTIONS

Medical

Self-Funded Plans

1. Self-funded PPO – Premier Wellwise Choice
2. Self-funded PPO – Premier Sharewell Choice

Plans Offered Pursuant to Insurance Contracts

1. Cigna Choice HMO
2. Cigna Select HMO
3. Kaiser Choice HMO

Health plans may be added or removed from time to time subject to the approval of the County Board of Supervisors and the terms of this plan document.