

ADOPTION AGREEMENT

By executing this Adoption Agreement, the Employer identified below hereby adopts the Section 125 Flexible Benefits Plan for Premium Conversion ("Plan") on the terms set forth herein. Any capitalized terms which are identified in the Plan shall have the same meaning in this Adoption Agreement as in the Plan.

A. General

1. Name of Employer: _____.
2. Address of Employer: _____
_____.
3. Employer Identification Number: _____.
4. Type of Entity (e.g., corporation, partnership): _____

Note: If a partnership or LLC, self-employed individuals may not participate; if a Subchapter-S corporation, 2.0% shareholder-employees may not participate.

5. Effective Date: _____

Note: If none stated, the Effective Date will be the first day of the calendar year beginning after the date of execution of the Adoption Agreement.

6. Name of the Plan: _____ Section 125
Premium Conversion Plan
7. Plan Year: From _____ to _____

B. Eligibility Requirements

Each Employee shall be eligible to participate in accordance with Section 3.1 of the Plan except:

1. Those employees ineligible to participate in the Constituent Plan(s).
2. Employees who have not completed the eligibility period of:

**Section 125 Flexible Benefits Plan for Premium Conversion
Adoption Agreement**

C. Enrollment Periods and Entry Dates

1. Initial Enrollment Period. For each Employee who is eligible on the Effective Date of the Plan, the Initial Enrollment Period is from _____ to _____. The Entry Date for any such Employee shall be the Effective Date of the Plan.

2. New Employee Initial Enrollment Period. For each Employee who becomes eligible after the Effective Date of the Plan, the Initial Enrollment Period shall begin on the first date of Eligibility and shall end on _____ days thereafter. The Entry Date for any such Employee shall be:

[CHECK ONE]

- (a) _____ The first day of the payroll period following the Employee's return of the completed enrollment forms to the Administrator during the Initial Enrollment Period.

 - (b) _____ The first day of the month following the Employee's return of the completed enrollment forms to the Administrator during the Initial Enrollment Period.
3. Annual Enrollment Period. Each Participant and Eligible Employee shall have an Annual Enrollment Period beginning _____ days prior to end of the current Plan Year and ending _____ days thereafter. The Entry Date for any such Participant or Employee shall be the first day of the Plan Year immediately following the current Plan Year, during which the Annual Enrollment Period commences.

D. Contributions

A Participant's Compensation shall be reduced by an amount equal to the cost for Participant's and, if applicable, Dependent's coverage under the particular Constituent Plan(s) and contributions to an HSA, if applicable, for the Plan Year.

Premium Conversion and HSA contributions election, if applicable, shall be conducted in the Initial Enrollment Period and the New Employee Initial Enrollment Period on a _____ (Positive/Negative) enrollment basis. At the conclusion of any succeeding Annual Enrollment Period, a Participant who has not submitted a new Positive enrollment (to participate or not to participate) shall be deemed to have elected to continue the coverage (or noncoverage) he or she had immediately before the end of the Annual Enrollment Period.

**Section 125 Flexible Benefits Plan for Premium Conversion
Adoption Agreement**

E. Constituent Plans

1. The Employer's Health Care Plan known as:

_____ Health Care Plan

2. The Employer's Group Term Life Plan known as:

_____ Group Term Life Plan

3. The Employer's Dental Plan known as:

_____ Dental Plan

4. The Employer's Disability Plan(s) known as:

_____ Disability Plan

5. Other Plan(s) known as:

_____.

F. Health Savings Account

1. Contributions may be made by Salary Reduction Deferral to: [CHECK ONE]

___ any HSA provider designated by the Participant

___ the following HSA provider(s):

___ HSA contributions are not permitted under the Plan.

**Section 125 Flexible Benefits Plan for Premium Conversion
Adoption Agreement**

2. HSA contribution elections may be changed:

___ each payroll period

___ monthly

___ quarterly

The election change must be submitted within a reasonable period before it is to become effective.

G. Applicable Laws

To the extent not pre-empted by Federal law, the provisions of the Plan and this Adoption Agreement shall be construed, administered, and enforced according to the laws of the State of _____.

H. Signatures

This ADOPTION AGREEMENT is hereby adopted and executed this _____ day of _____, 20____.

Employer Name _____

By _____

Authorizing Official