Dudley-Charlton Regional School District
68 Dudley-Oxford Road
Dudley, MA 01571

Phone: (508) 943-6888
Fax: (508) 943-1077
www.dcrsd.org

Election/Waiver Form
Dudley -Charlton Regional School District Section 125 Plan

Part 1. Employee Information

Employee Name: _____ **Plan Year: _____**

(Print)

As an employee eligible for the above plan, I acknowledge that I have received the Summary Plan Description. I have read the Summary Plan Description and understand the benefits available to me as well as the other rights and obligations that I have under the Plan. In accordance with my rights under the Plan, I elect the following benefits and designate the following amounts for each benefit I have selected for the plan year specified above. The Employer and I agree that my cash compensation will be reduced by the amounts set forth below for each pay period and plan year (or during such portion of the year as remains after the date of this agreement).

Part 2. Election for Insured Benefits

A. On the appropriate benefit enrollment form(s) of any insurance company, I have enrolled for certain insurance coverage. I elect to receive the following coverage under the Section 125 Plan:

Please check the box(es) that apply to your insurance elections. **Must check pretax or taxed if electing coverage**.

1. **Medical** - ❑ enrolled ❑waived | ❑ pretax ❑ taxed
2. **Dental** - ❑ enrolled ❑waived | ❑ pretax ❑ taxed
3. **Vision** - ❑ enrolled ❑waived | ❑ pretax ❑ taxed
4. **Life Insurance** - ❑ enrolled ❑waived | ❑ pretax ❑ taxed
5. **Disability Insurance*** - ❑ enrolled ❑waived | ❑ pretax ❑ taxed

**I understand that if I elect the Disability Insurance as a pre-tax option, all benefits will be taxable.*

I understand that if my required contributions to pay premiums for the elected benefits are increased or decreased while this agreement remains in effect, my compensation reduction will automatically be adjusted to reflect that increase or decrease.

OTHER TERMS AND CONDITIONS

I understand that:

- I cannot change or revoke any of my elections or this compensation reduction agreement at any time during the plan year unless I have a change in family status, (including marriage, divorce, death of a spouse or child, birth or adoption of a child, termination or commencement of employment of a spouse, change in my family's health coverage due to a change in my spouse's employer-sponsored health coverage, or such other events as the Plan Administrator determines will permit a change or revocation of an election).
- The Plan Administrator may reduce or cancel my compensation reduction or otherwise modify this agreement in the event the Administrator believes it advisable in order to satisfy certain provisions of the Internal Revenue Code.
- The reduction in my cash compensation under this agreement shall be in addition to my reductions under other agreements or benefit programs maintained by my Employer.
- Prior to the first day of each plan year, I will be offered the opportunity to change my benefit elections for the following plan year. (Open Enrollment) If I do not complete and return a new election form at that time, I will be treated as having elected to participate for the following plan year.

THIS AGREEMENT IS SUBJECT TO THE TERMS OF THE EMPLOYER'S SECTION 125 PLAN, AS IT MAY BE AMENDED FROM TIME TO TIME, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH APPLICABLE LAWS, SHALL TAKE EFFECT AS A SEALED INSTRUMENT UNDER APPLICABLE LAWS, AND REVOKES ANY PRIOR ELECTION AND COMPENSATION REDUCTION AGREEMENT RELATING TO SUCH PLAN.

Employee's Signature: _____ **Date:_____**

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DUDLEY-CHARLTON REGIONAL SCHOOL DISTRICT

SECTION 125 PLAN

SUMMARY PLAN DESCRIPTION

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Article I

INTRODUCTION TO YOUR PLAN

Dudley-Charlton Regional School District offers a "Premium Payment Plan" as part of your employee benefits program. This Plan was most recently amended on August 1, 1997 and was instituted on August 1, 1990. This Plan is intended to qualify under Section 125 of the Internal Revenue Code (IRC). Under IRC Section 125, you can take advantage of the tax-free benefits offered under the Plan as described in this summary.

Your Plan is a "Salary (or wage) Reduction" plan. This means that you pay your share of the cost of your benefits by electing to have your compensation reduced. Both you and the Employer contribute to pay for these benefits. The Employer pays its portion out of its general assets. To pay your share, you must file a Benefits Enrollment Form which contains a "Salary (or wage) Reduction Agreement" with the Plan Administrator. This form lists both the benefits you've selected plus the amount you've agreed to contribute to pay for those benefits. Then, the Employer will deduct from your paycheck, and in accordance with your Agreement, an amount sufficient to pay for your portion of your benefits.

However, any money you contribute to pay for your benefits is not subject to Federal Income, Social Security or Unemployment taxation. Thus, your benefit costs are quite low, and in some cases, can even result in a net increase in spendable income to you, after you've paid for your benefits. This can be illustrated by the following example:

	With your plan	Without your plan
Gross Taxable Wages	$25,000	$25,000
Pre-tax Contribution	1,800	N/A
Taxable Wages	23,200	25,000
Estimated Taxes*	3,480	3,750
After tax Contribution	N/A	1,800
Take-home pay	$19,720	$19,450

*Joint return, 15% marginal tax rate

By paying for benefits before taxes are calculated, estimated taxes are reduced by $270, which is $22.50 per month more in take-home pay for our example person. In other words, paying for benefits without a Premium Payment Plan costs this person $22.50 more per month. Please consult your tax advisor for a more accurate estimate for your situation.

This summary Plan Description is a brief description of the Plan and your rights, benefits and obligations under the Plan which was amended on August 1, 1997. This Summary Plan Description is not meant to interpret, extend or change any provision contained in the main Plan Document. The provisions of Dudley-Charlton Regional School District Section 125 Plan can only be accurately understood by reading the plan Document. This document is on file with the Employer and may be read by you or your dependents or your legal representative by contacting the Benefits Coordinator. The Benefits Coordinator's office will make the document available to you at any reasonable time. You may request a copy of the Plan from the Plan Administrator, who may charge you a fee for copying the Plan for you.

Article II

GENERAL INFORMATION

You may need the following information if you have any questions about your Plan.

1. GENERAL PLAN INFORMATION

The name of this Plan is Dudley-Charlton Regional School District Section 125 Plan.

Your Employer has assigned Plan Number 501 to this Plan.

The provisions of your amended Plan became effective on August 1, 1997.

This Plan's records are maintained on a 12-month period known as the Plan Year. The Plan Year for your Plan is August 1st through July 31st.

Your Plan shall be governed by the Laws of the Commonwealth of Massachusetts.

2. EMPLOYER INFORMATION

The name, address and tax identification number of the Employer is:

Dudley-Charlton Regional School District
68 Dudley-Oxford Road
Dudley, MA 01571
508-943-6888
04-2469311

3. PLAN ADMINISTRATOR INFORMATION

The name, address and telephone number of your Plan Administrator is:

Dudley-Charlton Regional School District
68 Dudley-Oxford Road
Dudley, MA 01571
508-943-6888

Your Plan Administrator is responsible for the administration of your Plan. Should you need to see any records or have any questions regarding the Plan, contact the Plan Administrator.

4. BENEFITS COORDINATOR INFORMATION

Joseph DeSantis has been named as the Plan's Benefits Coordinator. If you need additional information about the plan or the benefits offered, the Benefits Coordinator will be able to assist you.

5. LEGAL REPRESENTATIVE INFORMATION

The following person has been named your Plan's agent for service of legal process:

Dudley-Charlton Regional School District
68 Dudley-Oxford Road
Dudley, MA 01571

Service of process can also be made upon the Plan Administrator.

Article III

PARTICIPATION IN YOUR PLAN

All employees who meet the participation requirements are eligible to participate in this Plan.

To qualify as a participant under this plan you must be eligible to participate under a Health Insurance Program offered by the employer.

Your Entry Date, the date you may actually join the Plan, is on the date you meet all of the above eligibility requirements.

BENEFITS ENROLLMENT FORM

You will be required to file a Benefits Enrollment Form before your Entry Date (and before the start of each Plan Year, thereafter). The Benefits Enrollment Form is an agreement between you and your Employer where your Employer lists the benefits offered for the Plan Year. It will also specify the amount you've agreed to contribute towards the cost of these benefits, in the Salary (or Wage) Reduction Agreement part of the form. This is an agreement between you and your Employer that states that you agree to have your compensation reduced by the amount necessary to pay for the benefits you've selected. Any money you contribute to this Plan will not be subject to Federal income taxation.

If you do not file a new Benefits Enrollment Form with the Plan Administrator before the start of the new Plan Year, it will be assumed that you selected the same benefits as the previous Plan Year, and your compensation will be reduced accordingly by the Employer. If you do not want to participate in your Plan for the new Plan Year, you must inform the Plan Administrator in writing of your wish. For the purposes of the Plan's first Plan Year only, if you do not file a Benefits Enrollment Form with the Plan Administrator before the Plan's Effective Date, you will not be able to participate in the Plan during that first Plan Year.

LIMITATIONS ON CONTRIBUTIONS

You are limited to a maximum of an amount equal to 30% of your compensation to pay for your portion of benefits selected under this Plan. Compensation for this purpose is defined as our grass compensation.

CHANGE IN ELECTIONS/CHANGE IN FAMILY STATUS

The laws governing Premium Payment Plans generally do not allow you to change the terms of your Benefits Enrollment Form during a Plan Year. There are, however, a few exceptions to this rule. You may change your benefit elections if there is a change in your family status. Such a change might include your marriage or divorce; your spouse commencing or terminating employment; a change in work status (such as from full-time to part-time or vice versa); you or your spouse taking an unpaid leave of absence from work; a significant change in health coverage due to your spouse's employment; the birth, adoption or death of a child or other dependent of yours; a child reaching the age of majority or some other circumstance where that person is no

longer considered a dependent. This list is only a partial list of what might be considered a change in family status. It is up to the Plan Administrator to determine what is and isn't a change in family status and the judgement of the Plan Administrator must be made in reliance with the laws governing Premium Payment Plans.

Also, you (or your estate) will not be required to make further contributions to the Plan once you have died, retired, terminated employment or have a change in job status so that you are no longer eligible to participate under this Plan.

If you do not have a change in family status and wish to change your benefit elections, you must notify the Plan Administrator. If the Plan Administrator determines that your change in family status is a permitted change under the law, and that the election change is consistent with your change in family status, the Plan Administrator will allow you to file a form with new benefit choices that reflect your change in family status.

Note that the new benefit elections can start only after your change in family status has taken place and the new form has been filed. For example, let's assume that you are going to be married. You could request a change in your benefits to add health coverage for your spouse to be effective on your wedding day. However, making other unrelated changes or changes that are effective before your wedding day would not be approved.

Also, you may be required to increase your contribution if the Plan's cost for a particular benefit should increase during the Plan Year. If for example, premiums for health insurance offered under the Plan are raised during the year, you will be required to pay your share of the increased cost.

ENDING PLAN PARTICIPATION AND LEAVES OF ABSENCE

Ending Plan Participation

In general, when you terminate employment, your participation in the Plan is suspended until the last day of the Plan Year. If you should be rehired during the same Plan Year as the year you terminated, the elections you made before your termination will resume.

Continuing Plan Participation Under COBRA and FMLA

Special rules, called COBRA provisions, apply to certain health or medical plans. If you terminate employment or have another "qualifying event" that affects your health plan, your Benefits Coordinator will give you an explanation of COBRA and your rights to continued coverage, if COBRA applies to your plan.

The Family and Medical Leave Act (FMLA) requires employers with 50 or more employees to provide unpaid leave for eligible employees at the time of the birth or adoption of a child or at the time of a serious health condition affecting the employee or a family member.

If you are on an unpaid leave under the FMLA rules, you may continue to participate in the plan, by making contributions under one of the options elected by your employer.

The payment options for coverage while on unpaid Family Medical Leave Act leave for group health plans are:

1. Pay-as-you-go. Under this option, you will pay your share of premium payments on the same schedule as if you were not on leave, or under another schedule according to Department of Labor regulations. If you fail to make payments under this Pay-as-you-go option, your Employer is not required to continue coverage. However, if your Employer chooses to continue coverage, your employer is entitled to collect these amounts from you after you return from the FMLA leave.

2. Catch-up-option. Under this payment option your Employer will pay your share of group health premiums while you are on FMLA leave. When you return from FMLA leave, you will reimburse your employer for the amount of these premiums.

Article IV

PAYING FOR BENEFITS UNDER YOUR PLAN

INTRODUCTION

There is one basic type of benefit offered under your plan: Premium benefits

Premium benefits are insurance benefits such as health, life and disability insurance.

PAYMENT OF PLAN EXPENSES

The cost of the plan includes administrative expenses and the amount paid to provide benefits such as premium payments to insurance companies. The amount needed to provide your benefits depends on the selections you made on the Benefits Enrollment Form. You and your Employer share in the cost of your benefits under your Plan. The Employer pays its portion from the general corporate assets and you pay your portion through salary (or wage) reductions.

Article V

ADMINISTRATION OF YOUR PLAN

The Plan Administrator is responsible for the administration of your Premium Payment Plan. The duties of the Plan Administrator include determining who is eligible to participate, interpreting laws and regulations and how they apply to your Plan and whether or not certain expenses should be allowed under the Plan.

When you are ready to enter the Plan, you must file a Benefits Enrollment Form and Salary (or Wage) Reduction Agreement with the Plan Administrator. After you've become a participant in the Plan, you'll file all of your change requests with the Plan Administrator. The Plan Administrator will determine, in accordance with the various laws that apply to Premium Payment Plans, whether or not to grant your requests.

The Plan Administrator can demand any documents or evidence deemed necessary to properly administer your Plan. If the Plan Administrator feels that you've submitted insufficient data to make a determination, or feels that the request you've made is not allowed under the Plan, the Plan Administrator can deny your request. After the request has been denied, you will be allowed an opportunity to appeal. The Plan Administrator must furnish you in writing the reasons for the denial of your claim for benefits. The written denial must refer to the Plan provision, or section of the Internal Revenue Code upon which the Plan Administrator relied in making such denial. The denial may include a request for any additional data or material needed to properly complete the claim and explain why such data or material is necessary, and explain the Plan's claim review procedures. If requested in writing, and within 30 days of the claim denial, the Plan Administrator is required to give you a full and fair review of the Plan Administrator's decision, and within 30 days of the request for review of the denied claim, the Plan Administrator shall notify you in writing of their final decision on the reviewed claim.

With respect to the denial of any claim for benefits from an insurance company or other third-party benefit provider, paid for as a premium-type Benefit under the Plan, the review procedures of the insurance company or other third-party benefit provider shall apply.

If your request was denied because the Plan Administrator felt your request is not covered under the Plan, you will be given the chance to show why it should have been allowed under the Plan. If the Plan Administrator rejects your reasons, you will not be able to appeal again.

You may, however, feel that you were treated unfairly. The Employee Retirement Income Security Act of 1974 (ERISA) provides all plan participants with certain rights. If you feel the Plan Administrator violated these rights, you may be able to take legal action in a court of law. Generally, this type of action can be taken only if you can prove that the Plan Administrator didn't act in accordance with the terms of your Plan, or that the Plan Administrator acted in bad faith when making their decision.

In addition to interpreting the plan and making sure that benefits are properly paid, the Plan Administrator also keeps all the records of the Plan. Should you need a copy of anything you've filed with the Plan Administrator, contact the Plan Administrator directly.

Article VI

BENEFITS UNDER YOUR PLAN

INTRODUCTION

Your Premium Payment Plan offers several benefit options. It is very important that you make benefit choices that fit your benefit needs. You should not, for example, choose a benefit just because it is the least expensive if that benefit won't fit your needs. When making your decision as to what benefits are best for you, you should consider factors such as whether you have benefits from another source (such as coverage under a similar plan by your spouse's employer), the number of dependents you are covering and the amount you can afford to spend. Your Benefits Coordinator will be glad to assist you in making the best benefit choices for your particular situation.

HEALTH INSURANCE BENEFITS

Your Plan offers an HMO, PPO, POS or other health care alternative as its health insurance option. The HMO, PPO, POS or other health care alternative offered under this plan will have different restrictions, coverages and charges from the basic health insurance.

You may be encouraged (or required) to select your doctor from a list of participating physicians. Also, deductibles, co-payments and other fees will vary among health care alternatives. Consult each health alternative's enrollment materials or Summary Plan Description for a description of the benefits, limitations and costs. This information can be obtained from your Benefits Coordinator.

DENTAL BENEFITS

You may select dental benefits as part of your medical benefits program. Various coverages and deductibles and co-payments are available.

This insurance will assist in paying for cleaning, fillings, oral surgery, etc. A copy of the Summary Plan Description for the dental plan is available from the Benefits Coordinator. It describes all the specific coverages and limitations available.

GROUP TERM LIFE INSURANCE

Your Premium Payment Plan offers group term life insurance as one of your benefit options. Several different group term life policies, with different coverages are available.

Group term life insurance provides a cash benefit to your beneficiary, such as your spouse, should you die unexpectedly. Unlike whole life insurance, group term life does not build a cash fund (or cash values) during

its term. Thus, group term life insurance does not help you accumulate additional money for retirement. However, the price of a group term life insurance policy is considerably less than that of other life insurances.

Ask to see the Summary Plan Description for the group term life insurance benefits available under this Plan. It's on file with the Benefits Coordinator and has information about specific coverages, limitations and restrictions concerning the various group term life insurance policies available under your Premium Payment Plan.

DISABILITY BENEFITS

Your Premium Plan offers disability insurance as one of your benefit options. Several different disability coverages are available.

Disability insurance helps to preserve a substantial part of your increase in case you become severely ill or injured and are unable to work. Should you become severely injured or are unable to work, a determination will be made as to whether or not you qualify for disability coverage under the Plan. If it is determined that you are disabled, you will begin receiving disability benefits. You should be aware that there is a waiting period between the time you become sick or injured and the time you can begin receiving disability benefits.

Also, some disability insurance policies require that your disability benefits be reduced by a portion of any money you receive from Social Security for disability benefits.

Ask to see the Summary Plan Description for the disability benefits available under the Plan. It's on file with the Benefits Coordinator and has information about specific coverages, limitations, restrictions and waiting periods concerning the various disability benefits being offered under your Premium Payment Plan.

Article VII

STATEMENT OF ERISA RIGHTS

As a participant in Dudley-Charlton Regional District Section 125 Plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all plan documents, including insurance contracts, collective bargaining agreements and copies of all documents filed by the plan with the Department of Labor, such as detailed annual reports and plan descriptions.

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other participants and beneficiaries. No one, including your employer, union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA. If your claim for a welfare benefit is denied in whole or in part you must receive a written explanation of the reason for denial. You have the right to have the plan review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file a suit in federal court. In such a case, the court may require the plan administrator to provide the materials and pay you up to $100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the administrator. If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim frivolous. If you have any questions about your plan, you should contact the plan administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration Department of Labor. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefit Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210.