**ENTER EMPLOYER NAME**

PREMIUM ONLY PLAN

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SUMMARY PLAN DESCRIPTION

**LEGAL DISCLAIMER – USE OF THIS DOCUMENT IS AT THE EMPLOYER/SPONSOR’S OWN RISK. USE OF THIS DOCUMENT ACKNOWLEDGES THAT THE EMPLOYER/SPONSOR UNDERSTANDS THAT THIS DOCUMENT MUST BE REVIEWED BY LEGAL COUNSEL AND SHOULD BE CUSTOMIZED TO THE EMPLOYER’S SITUATION. BY USE OF THIS DOCUMENT EMPLOYER/SPONSOR ACKNOWLEDGES THAT THE WASHINGTON DENTISTS’ INSURANCE AGENCY DOES NOT ENDORSE OR SUGGEST THE USE OF THIS DOCUMENT MEETS ANY COMPLIANCE STANDARDS APPLICABLE TO EMPLOYER/SPONSOR AND THAT IT IS EMPLOYER/SPONSOR’S RESPONSIBILITY TO ENSURE THE PLAN IS PROPERLY DOCUMENTED AND OTHER APPLICABLE COMPLIANCE. EMPLOYER/SPONSOR ALSO ACKNOWLEDGES AS WRITTEN THIS IS A PREMIUM ONLY SECTION 125 PLAN THAT IS APPLICABLE ONLY TO THE PREMIUMS PAID UNDER THE EMPLOYER/SPONSOR’S GROUP MEDICAL, VISION, DENTAL OR OTHER WELFARE BENEFIT COVERAGE PURCHASED THROUGH THE WASHINGTON DENTISTS’ INSURANCE AGENCY.**

**ENTER EMPLOYER NAME**

PREMIUM ONLY PLAN

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SUMMARY PLAN DESCRIPTION

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This summary plan description (“SPD”) describes the **ENTER EMPLOYER NAME** Premium Only Plan (the “Plan”). **ENTER EMPLOYER NAME** (the “Employer”) established the Plan to enable its employees to elect to reduce their compensation and make certain employee contributions on a pre-tax basis. This SPD explains how the Plan works, who administers it and the eligibility requirements. However, it is not the actual Plan. The actual Plan is a legal document which any employee may review and copy upon request to the Plan Administrator. In the event of any conflict between any statements in this SPD and the provisions of the Plan, the provisions of the Plan will govern.

Plan records are maintained on the basis of the twelve-month period commencing on **ENTER MONTH AND DAY OF PLAN EFFECTIVE DATE** and ending on **ENTER MONTH AND DAY OF PLAN EFFECTIVE DATE** which is called the “Plan Year.”

**Section 1. Purpose.**

If you choose to participate in the Plan, you may elect one or more of the available “Benefit Options” (see Section 6 below). Generally, the amount of your earnings that you elect to use to pay for your Benefit Options will not be subject to federal income tax or Social Security tax (“FICA”).

The Plan is called a “Premium Only Plan” because it enables you to choose between cash compensation which is currently taxable to you and pre-tax contributions (within the limits permitted under the tax laws). You can decide which Benefit Options to choose. The Plan may also be referred to as a “cafeteria plan” which means that it is operated to give you a choice among pre-tax contributions (*e.g.*, for health care coverage) and after-tax cash compensation.

**Section 2. How the Plan Works.**

The Plan permits you to elect to provide certain “Benefit Options” for yourself and, if eligible, your spouse and dependent children. To use part of your cash compensation to purchase a Benefit Option under the Plan, you must elect coverage under one of the available Benefit Options. That election will indicate the Benefit Option or Benefit Options that you select and the amount of money that will be deducted from your compensation to pay for those Benefit Options. The Employer deducts a pro-rated amount from each of your paychecks during the Plan Year to pay for those Benefit Options on a pre-tax basis.

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Under current tax laws, amounts deducted from your cash compensation to purchase Benefit Options are not treated as taxable income. Therefore, when you use the Plan to pay for Benefit Options on a pre-tax, rather than on an after-tax basis, you should end up with more after-tax income to spend.

**Section 3. Eligible Employees.**

Each Employee is eligible to participate in the Plan provided that he is eligible to participate in one or more Benefit Options. In general, Employees are ineligible for the Benefit Options unless they are full-time Employees. If you do not enroll in the Plan during initial eligibility you must wait to enroll during an open enrollment period before the beginning of the Plan Year unless you experience a Change in Status Event (described in Section 5 below). You can elect to join the Plan automatically by enrolling in any of the available Benefit Options on the date you become eligible to enroll in them.

**Section 4. How to Enroll in the Plan.**

You can enroll in the Plan by electing one or more Benefit Options and enrolling in those Benefit Options on the date you become eligible to enroll or during an open enrollment period before the beginning of the Plan Year. Coverage generally runs from **ENTER MONTH AND DAY OF PLAN EFFECTIVE DATE** (or your date of initial eligibility) through **ENTER MONTH AND DAY OF PLAN EFFECTIVE DATE** and, in compliance with IRS rules, cannot be changed or revoked unless you experience a Change in Status Event (described in Section 5 below).

Except for the “Change in Status Events” rule, there is no provision for stopping or starting payroll deductions or changing the amount of your deduction at different times throughout the year. It is an IRS requirement that a pro-rated amount be deducted throughout the entire Plan Year. If you would like to revoke your participation in the Plan, you must revoke your election of your elected Benefit Options in the manner communicated to you under those Benefit Option programs.

If you cease to be a participant due to termination of employment and are rehired within 30 days, then your election that was in effect prior to your termination of employment shall be reinstated. If you are rehired more than 30 days following termination of employment, then you shall be treated as a new employee.

**Section 5. Change in Status Events.**

As explained in Section 4 above, your election must remain in effect from **ENTER MONTH AND DAY OF PLAN EFFECTIVE DATE** (or your date of hire) through the following **ENTER MONTH AND DAY OF PLAN EFFECTIVE DATE** unless you revoke or change your election due to a Change in Status Event. In accordance with IRS rules, when you experience a significant change in your status or your personal circumstances during a Plan Year that affects your need or eligibility for a Benefit Option, you can change your election mid-year by increasing or decreasing the premium amount applicable to the Benefit Option or you may elect a Benefit Option or discontinue one. Any change you make must be consistent with the Change in Status Event. Examples of a Change in Status Event are as follows:

* a change in your legal marital status, including marriage, death of Spouse, divorce, legal separation or annulment;
* a change in the number of your Dependents, including a change due to birth, adoption, placement for adoption, or death of a Dependent;
* a change in your employment status or your Spouse’s or a Dependent’s change in employment (including: a termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence; change in employee status (*e.g.*, hourly to salaried) and a change in worksite);
* your Dependent satisfies or ceases to satisfy the requirements for coverage due to attainment of age, student status, or any similar circumstance as provided in the plan under which you receive coverage;
* you, and or your Spouse or Dependent has a change of residence; or
* your Spouse or dependent makes an election change during an open enrollment under his or her employer’s cafeteria plan, but only if the change under this Plan is consistent with and on account of your Spouse’s or dependent’s change.

These are just some examples of Change in Status Events that may entitle you to make a change in your election during a Plan Year. Please consult the Plan Administrator for other circumstances that may be permissible Change in Status Events like if you are taking leave under the FMLA. You must inform the Plan Administrator and make the change in your election within 30 days after the event that results in a Change in Status Event. Generally, your enrollment or change in election due to a Change in Status Event is effective as of the first day of the month after you file an election form with the Plan Administrator. If the Change in Status Event is the birth, adoption or placement for adoption of a child, then the effective date of the enrollment or change in election is the date of the child’s birth, adoption or placement for adoption. If you do not inform the Plan Administrator of your need to make such a change within 30 days (or 60 days for certain special enrollment events), you will then have to wait until the next open enrollment period to make a change in your election.

Please consult the Plan Administrator for additional information or if you have questions about Change in Status Events.

**Section 6. Benefit Options Available Under the Plan.**

Under the terms of the Plan, the Employer is authorized to offer you certain types of nontaxable employee fringe benefit programs as alternatives to cash compensation. These “Benefit Options” may change from time to time, depending on changes in the tax laws and other factors.

The Benefit Options currently available to you under the Plan are as follows **CUSTOMIZE THE BELOW BENEFIT OPTIONS BASED ON THE EMPLOYERS PRE-TAX INSURANCE PREMIUM BENEFITS BEING OFFERED—DELETE EACH BULLET THAT IS NOT OFFERED**:

* **Health Insurance** - Under this program, you may elect to pay your portion of any regular group health insurance premium on a pre-tax basis. The terms of the Employer's health insurance programs and the premiums you are required to pay to obtain coverage are described in separate written descriptions of those programs.
* **Dental Insurance** - You can elect to pay your share of any dental insurance premium on a pre-tax basis. The terms of the Employer’s dental insurance policy and the premiums you are required to pay to obtain coverage are described in more detail in a separate written description of the program.
* **Vision Insurance** – You can elect to pay your share of any vision insurance premium on a pre-tax basis. The terms of the Employer’s vision insurance policy and the premiums you are required to pay to obtain coverage are described in more detail in a separate written description of the program.

**Section 7. Procedures for Claiming Benefits.**

If you believe that you are not receiving credit for the proper contribution amount, you must file a written claim with the Plan Administrator setting forth the nature of the claim and the relief or correction sought. The Plan Administrator will respond to the claim within 90 days of its receipt (unless special circumstances require an extension). This procedure does not apply to Benefit Options available under the Plan. To file a written claim for benefits under one of the Benefit Options, you should refer to the summary plan description for such Benefit Option or contact the Plan Administrator.

If your claim is denied in whole or in part, you will receive a written notice from the Plan Administrator setting forth the specific reasons for the denial, specific reference to the pertinent

provisions of the Plan on which the denial is based, a description of any additional material or

information necessary for the claim to be approved, and a description of the claims review

procedure under the Plan.

You are entitled to have the denial reviewed again by the Plan Administrator and, in connection with that review, you or your representative is entitled to examine all Plan documents and submit issues and comments in writing. If you want the Plan Administrator to review the denial, you must inform the Plan Administrator in writing within 60 days after you receive the Plan Administrator's notice of denial. The Plan Administrator will inform you in writing of the final decision and the specific reasons for that decision within 60 days of your request for review (unless special circumstances justify a delay).

**Section 8. Plan Amendment or Termination.**

The Employer expects to maintain the Plan indefinitely but reserves the right to amend or terminate the Plan if the Employer believes the situation so requires. If you have elected to participate in the Plan, you will be notified in writing if there is any significant amendment or if the Plan is terminated. If the Plan is terminated, the Employer will cease deducting contributions from your salary to pay for Benefit Options. However, all previous salary deductions will be used to pay for Benefit Options.

**Section 9. Miscellaneous Information.**

This Plan is a Welfare Program.

Type of Plan: The Plan is a cafeteria plan intended to qualify under Section 125 of the Internal Revenue Code.

Plan Name: **ENTER EMPLOYER NAME** Premium Only Plan

Plan Year: **ENTER MONTH AND DAY OF PLAN EFFECTIVE DATE** – **ENTER MONTH AND DAY OF PLAN EFFECTIVE DATE**

Plan Sponsor:

**ENTER EMPLOYER NAME**

**ENTER EMPLOYER ADDRESS**

Plan Sponsor’s Identification Number: **ENTER EMPLOYER EIN**

Plan Administrator: **ENTER EMPLOYER NAME**

**IF THERE ARE PARTICIPATING EMPLOYERS, ENTER THE EMPLOYER NAME BELOW. OTHERWISE DELETE THE “PARTICIPATING EMPLOYER” SECTION**

Participating Employer: **ENTER PARTICIPATING EMPLOYER NAME**

Agent for Service of Legal Process: **ENTER EMPLOYER NAME**

If you have questions about this summary or the Plan, please contact:

**ENTER EMPLOYER CONTACT NAME**

**ENTER CONTACT TITLE**

**ENTER CONTACT PHONE NUMBER**

**ENTER CONTACT E-MAIL ADDRESS**