



CITY OF PATASKALA
RESOLUTION 2015-045

Passed June 15, 2015

**A RESOLUTION ADOPTING AN AMENDED INTERNAL REVENUE
SERVICE SECTION 125 PREMIUM REDUCTION PLAN DOCUMENT
EFFECTIVE JANUARY 1, 2015.**

WHEREAS, the City is required by the Internal Revenue Service tax code to approve a Section 125 premium reduction plan document (“Plan Document”) in order to be able to withhold employee health insurance premiums on a pre-tax basis; and

WHEREAS, the City’s current plan document is in need of updating to the numerous provisions and requirements of the Affordable Care Act (“the ACA”); and

WHEREAS, the proposed amended Plan Document has been attached and incorporated herein as **Exhibit A** to this legislation; and

WHEREAS, the City’s Administrator and Finance Director believe that the proposed modifications are in the best interests of the citizens of the City, and recommend that Council approved such modified terms and conditions.

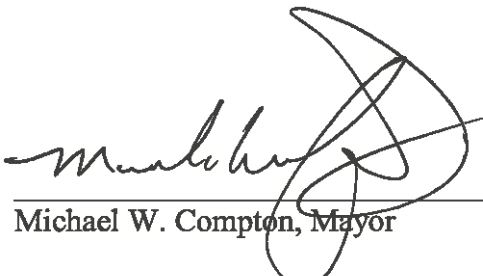
NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PATASKALA, COUNTY OF LICKING, STATE OF OHIO; A MAJORITY OF THE MEMBERS CONCURRING THAT:

Section 1: City Council hereby adopts the proposed Section 125 Premium Reduction Plan Document, a copy of which is attached hereto as **Exhibit A** and incorporated herein, which shall be effective as of January 1, 2015.

Section 2: This Resolution shall take effect at the earliest time provided by the laws of the State of Ohio and the Charter of the City of Pataskala.

ATTEST:


Kathy M. Hoskinson, Clerk of Council


Michael W. Compton, Mayor

APPROVED AS TO FORM:



Rufus B. Hurst, Law Director

**City of Pataskala
Premium Reduction Plan**

Plan Document

Effective Date of the Plan

01/01/2015

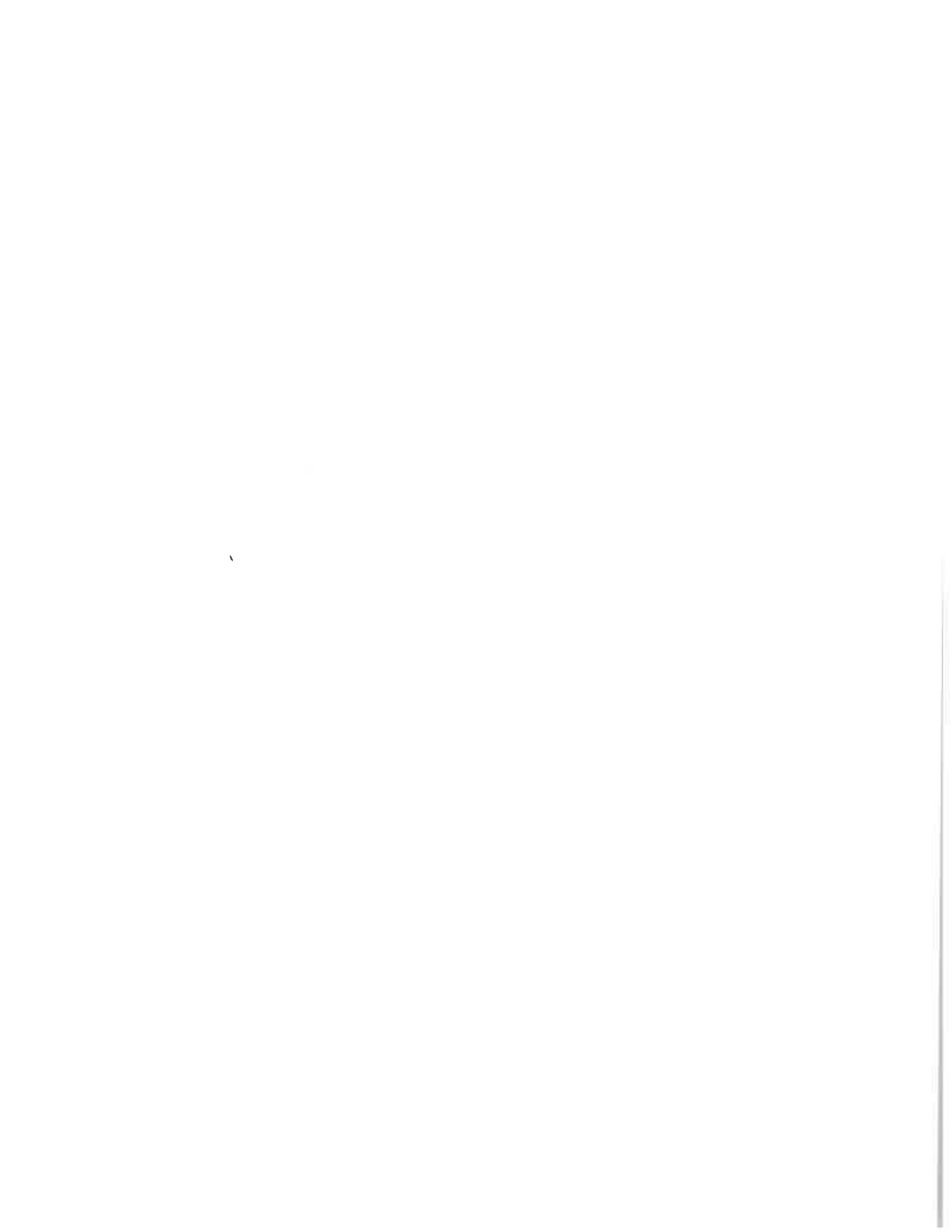


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Section 1 - Definitions

1.0 Definitions - The following definitions shall be used in reference to this document.

- 1.1. **Affiliated Company** - means another entity as described in the Code (Section 414(b), (c), (m) or (o)) that receives the Employer's consent to participate in the Plan.
- 1.2. **Benefits Account** - means an administrative account established to track a Participant's pretax contributions and payments for Plan Benefits.
- 1.3. **COBRA** - means the Consolidated Omnibus Budget Reconciliation Act of 1985 and its amendments.
- 1.4. **Code** - means the Internal Revenue Code of 1986 and its amendments.
- 1.5. **Component Plan** - means any one of the following plans:
 - a) City of Pataskala Medical Plan;
 - b) City of Pataskala Dental Plan;
 - c) City of Pataskala Group Life Insurance Plan;
 - d) City of Pataskala Long-term Disability Plan;
 - e) City of Pataskala Dependent Care Reimbursement Plan; or
 - f) City of Pataskala Medical Reimbursement Plan.
- 1.6. **Dependent** - any individual who is a Dependent of the Employee as defined in Section 152 of the Code (as amended by the Working Family Tax Relief Act of 2004).
- 1.7. **Effective Date** - means the first day that Benefits can be received under the Plan. The City of Pataskala Premium Reduction Plan's Effective Date is January 1, 2015.
- 1.8. **Eligible Employee (or just "Employee")** - means any employee of the Employer meeting the enrollment regulations of the Component Plan.
- 1.9. **Employer** - means City of Pataskala.
- 1.10. **Enrollment Form** - means a copy of the Premium Reduction Plan Enrollment Form (to be completed by an Eligible Employee and submitted to the Plan Administrator in a timely fashion).
- 1.11. **Enrollment Period** - means the time frame establish by the Employer in which the Eligible Employee may submit an Enrollment Form to the Plan Administrator.
- 1.12. **Entry Date** - means the first day the Participant is enrolled on the Plan.
- 1.13. **ERISA** - means the Employee Retirement Income Security Act of 1974 and its amendments.
- 1.14. **FMLA** - means the Family Medical Leave Act of 1993, as amended from time to time.
- 1.15. **Highly Compensated Individual** - means an Employee described in Code Section 125(e)(2).
- 1.16. **Highly Compensated Participant** - means a Participant described in Code Section 125(e)(1).
- 1.17. **High Deductible Health Plan** - means the City of Pataskala Medical Plan as a Component Plan that is intended to qualify as a high deductible health plan under Code Section 223(c)(2).
- 1.18. **HIPAA** - means the Health Insurance Portability and Accountability Act of 1996, as amended.

- 1.19. **HSA** – means a health savings account established under Code Section 223, each separately established and maintained by an Employee with a qualified trustee or custodian. Although funded through a Salary Reduction Agreement, each HSA is an individual trust or account and is not part of or intended to be part of the Plan.
- 1.20. **Key Employee** - means an Employee described in Code Section 414(i)(1).
- 1.21. **Participant** - means an Eligible Employee who has satisfied the Waiting Period and completed and submitted the appropriate Enrollment Form to the Plan Administrator prior to the Employee's Entry Date.
- 1.22. **Plan** - means City of Pataskala Premium Reduction Plan adopted by the Employer exclusively for the benefit of Eligible Employees.
- 1.23. **Plan Administrator** - means City of Pataskala or other Employer appointed committee/organization to administer the Plan.
- 1.24. **Plan Year** - means the twelve consecutive month period commencing on the Effective Date and anniversaries thereof.
- 1.25. **Qualified Beneficiary** - means a Participant within the meaning of Section 4980B(g).
- 1.26. **Salary Reduction Agreement** - means the Employee's authorization for the Employer to reduce the Employee's compensation to pay for Benefits provided under the Plan.
- 1.27. **USERRA** -means the Uniformed Services Employment and Reemployment Rights Act of 1994, as amended from time to time.
- 1.28. **Waiting Period** - means the group plan's waiting period commencing from the date of hire to the Employee's Entry Date into the Plan.

Section 2 - Purpose of the Plan

- 2.1. **Purpose of the Plan** – City of Pataskala Premium Reduction Plan is adopted by City of Pataskala to be effective January 1, 2015. The purpose of the Plan is to offer Eligible Employees (and Affiliated Companies) the choice of selecting between taxable cash and nontaxable, Component Plan benefits (whereby the Employee directs the Employer to reduce the amount of Compensation otherwise payable to them to purchase coverage under a Component Plan). City of Pataskala intends that the Plan qualify as a "cafeteria plan" as described under Section 125 of the Code. Benefits received by Eligible Employees electing to participate in the Plan shall be eligible for exclusion from the Employee's income for federal income tax purposes. Employees electing not to enroll in the City of Pataskala Premium Reduction Plan will pay for coverage under a Component Plan on an after-tax basis through payroll deduction.

Section 3 - Benefits of the Plan

- 3.1. **Benefits of the Plan** - Eligible Employees enrolling in the City of Pataskala Premium Reduction Plan may reduce their annual compensation (by an amount not to exceed their contribution toward applicable coverage), establishing a Benefit Account for which the Employer will use to pay for coverage under Component Plans in which the Employee has enrolled. The account funds used to pay for coverage shall be excluded from the Participating Employee's income for federal tax purposes. The Employee's annual salary reduction may only be changed in the event that there is a significant change with respect to a Component Plan [as provided in the applicable regulations

issued under Code Section 125] or the Employee, spouse or Dependent experiences a "Change in Life Status" (as defined in Section 7.1).

- 3.2. **Benefit Account** - The Employer will create administrative accounts for each Participant and debit the accounts by the designated Pay Period Reduction on each scheduled pay period. Based upon payment terms and conditions with the Component Plans, payments will be made to the plan or its insurer on behalf of the Participant (except as otherwise provided in the Component Plan). If there are insufficient funds available in a Participant's Benefit Account, the Employer shall obtain funds through the standard post-tax payroll deduction method.
- 3.3. **Benefit Cost** - At the beginning of each Plan Year, the Employer will determine the costs for each Component Plan and its different tier structures. Eligible Employees will have the option of enrolling in any or all of the Component Plans in accordance with their terms. The total Benefit Cost (or annual reduction) will be based upon the total annual cost for each Component Plan the Employee has enrolled.
- 3.4. **Maximum Benefit** - The Maximum Benefit will be the total of the highest price rating tier structure for each Component Plan. For term life insurance benefits, Participating Employees shall pay with post-tax income any premiums whereby the face value is in excess of \$50,000 of Employee term life insurance.
- 3.5. **Minimum Benefit** - Eligible Employees may elect to initially enroll in the Plan (prior to their Entry Date for the Plan Year) and designate a Salary Reduction of \$0.00. No benefits will be available for the Participating Employee and the Participating Employee shall have the ability to change his Annual Salary Reduction prior to his Plan Entry Date.

Section 4 - Plan Eligibility

- 4.1. **Plan Eligibility** - Employees become eligible to participate in the Plan upon meeting the appropriate following criteria and submitting an Enrollment Form in a timely fashion.
 - a. Newly hired Employees are eligible to participate in the Plan after the group plan's waiting period.
 - b. Active Employees (those that have already met the waiting period) are eligible to participate in the Plan on the first day of the Plan Year.
 - c. Former Employees who's employment was terminated (either voluntary or involuntary) and are subsequently rehired within six (6) months (from date employment is terminated) shall not have to meet the Plan Waiting Period. If the Employee is rehired within the same Plan Year, such Employee shall not be entitled to file a new Enrollment Form for such Plan Year but instead shall be reinstated as of the date of reemployment the same coverage under the Component Plans as was in effect at the time he ceased to be a Participant.
 - d. Former Employees who are rehired in a Plan Year beginning after the Plan Year in which his participation ended shall become a Participant as of the date of his reemployment provided that the Employee files a new Enrollment Form for such Plan Year with the Plan Administrator.
 - e. Employees electing to take an unpaid leave of absence under FMLA who returns to work may be eligible to participate without meeting the Plan Waiting Period. If the Employee

elects to participate in the Plan and insurance premiums are due for any or all time while on FMLA leave, the Employer has the right to deduct the amount for applicable premiums on an after-tax basis from the Employee's income, subject to Section 6.4.

- f. Employees who are absence on account of military service covered by USERRA shall not have to meet the Plan Waiting Period upon their reemployment.
- 4.2. **Plan Entry Date** - Employee's Plan Entry Date will be the first day after meeting the Plan Eligibility requirements in section 4.1. Annual Salary Reduction will begin on the first pay period after eligibility into the Plan (or the date the Company can reasonably make the reduction from the payroll system).
 - 4.3. **HIPAA Portability** - Notwithstanding any other provisions in Section 4, any Employee considered eligible under the Health Insurance Portability and Accountability Act of 1996 shall be eligible to enroll in the Plan and have a Plan Entry Date determined by the Plan Administrator.

Section 5 - Plan Participation

- 5.1. **Plan Participation** - Employees become Plan Participants by completing (and signing) the appropriate Enrollment Form and submitting it to the Plan Administrator prior to the Employee's Plan Entry Date (or within ten (10) working days after the Employee's Plan Entry Date if the Plan Entry Date is immediate upon hire, rehire, return from FMLA leave or return from military service covered by USERRA). The Enrollment Form shall include the elected Annual Salary Reduction Agreement authorizing the Employer to withhold the designated amount from the Participant's compensation. Prior to the first day of any new Plan Year, Employees must submit a completed Enrollment Form designating a Salary Reduction Amount for the new Plan Year. If the Employee does not submit a completed Enrollment Form in the time frame explained above, he will be ineligible until the next Plan Year to enroll in the Plan.
- 5.2. **Term of Participation** - Employees meeting the Plan Participation requirements shall remain covered by the Plan until the earliest of the following
 - a. The last day of the Plan Year;
 - b. The day after the death of the Employee;
 - c. The day of separation of employment (voluntary or involuntary);
 - d. The day the Participant ceases to be an Eligible Employee;
 - e. The first day of a new Plan Year whereby Plan Participation requirements are not met;
 - f. The day the Participant who experienced a Change in Life Status revokes participation under the Plan;
 - g. The day the Participant ceases to be covered by the Component Plan(s);The day the Participant fails to make a contribution (unless the Participant is on a unpaid FMLA Leave and the Employer has elected to apply Section 6.4(c)); or
 - h. The day the City of Pataskala Premium Reduction Plan terminates.

Section 6 - Plan Contributions

- 6.1. **Plan Contributions** - Participants agree to reduce their annual salary (through a Salary Reduction Agreement found on the Enrollment Form) by a specified amount to pay for their portion of premiums for Component Plans in which they enroll. The Employer shall inform the Employees of the Plan Contributions (or Benefit Costs) necessary to enroll in the premium-based Component Plan(s) prior to the Effective Date of the Plan (or the Participant's Entry Date for Employees enrolling at times other than the first day of the Plan Year). Provided the Component Plan premiums remain constant, the Employer agrees to fund the remaining balance of premiums (represented by the total premium cost less the Participant's contribution) due to the carriers.

Participant Plan Contributions will be credited into the Participant's Benefit Account in equal amounts throughout the Plan Year, subject to the Participant's termination of coverage.

- 6.2. **Change in Insurance Premium** - If during a Plan Year, any of the Component Plans increase or decrease premiums, Participant's Plan Contributions will automatically be altered by the Employer to an amount associated with the premium change. In the event of a premium increase or significant change in elected coverage within the meaning of Code Section 125 and regulations issued there under, Participant may modify his Annual Salary Reduction in a manner consistent with Section 7.1. The Plan Administrator shall make the determination as to whether the change represents a "significant" change.

- 6.3. **Revocation/Modification of Plan Contributions** - After the Participant's Plan Entry Date, Participants shall not be allowed to revoke or modify their Plan Contributions unless one or more of the following occurs during the Plan Year.

- a) The Employee, his spouse or his Dependent experiences a Change in Life Status.
- b) An increase in the premium or a significant change in the coverage under a Component Plan or a plan covered the Employee, his spouse or his Dependent.
- c) Prior to the Participant's Plan Entry Date, the Participant shall be eligible to revoke or modify Plan Contributions.

Any change to Plan Contributions requires the Participant to complete a new Enrollment Form and Salary Reduction Agreement.

- 6.4. **Nonstandard Plan Contributions** - If Participants who are entitled to continuation coverage under a Component Plan are absent from employment on account of military services covered by USERRA or take an unpaid leave of absence under FMLA, they shall be able to revoke or modify Plan Contributions. Participants may elect to continue in the Plan to the extent permitted under the Component Plans, provided the appropriate regulation criteria are met and contributions are made in one of the following methods. Participant Plan Contributions may change to accommodate any Plan Contributions being made by the Employer (plus applicable administration fees).

- a. **Prepayment Method** - Participants may prepay Plan Contributions. The Employer shall not make prepayments mandatory for the Participant to remain in the Plan.
- b. **Pay-As-You-Go Method** - The Employer shall allow Participants to make Plan Contributions on a monthly basis or in an agreed upon (and written) voluntary scheduled method between the Participant and the Plan Administrator.

- c. **Catch-Up Method** - For Participants taking a FMLA leave of absence, the Employer may make Plan Contributions for the Participant and recoup them upon the Participant's return to work in accordance with the applicable regulations under Code Section 125.
- 6.5. **Nondiscrimination** - The Plan shall not discriminate in favor of Highly Compensated Individuals as to eligibility or Highly Compensated Participants as to contributions and benefits under the Plan. In addition, the Plan shall not provide Key Employees over twenty-five percent (25%) of the total annual benefits provided by the Plan. The Plan Administrator may exclude Highly Compensated Individuals, Highly Compensated Participants or Key Employees from participation in the Plan, limit the Plan Contributions made by such employees or other such actions to maintain the integrity of the Plan.
- 6.6. **Excess Plan Contributions** - In the event Participants over-estimates Plan Contributions (by having Plan Contribution greater than Benefits received) and do not experience a Change in Life Status, each Participant shall forfeit his Excess Plan Contributions. The Plan Administrator shall utilize such funds for Plan administration expenses. If Excess Plan Contributions still remain after paying Plan administration expenses, the Plan Administrator shall utilize funds (in compliance with the Code) to benefit all Participants, equally and uniformly.

Section 7 – HSA Component

- 7.1. **HSA Benefits.** An Employee can elect to participate in the HSA Component by electing to pay the Contributions on a pre-tax Salary Reduction basis to the Employee's HSA established and maintained outside the Plan by a trustee/custodian to which the Employer can forward contributions to be deposited (this funding feature constitutes the HSA Benefits offered under this Plan). Such election can be increased, decreased or revoked prospectively at any time during the Plan Year, effective no later than the first day of the next calendar month following the date that the election change was filed.
- 7.2. **Contributions for Cost of Coverage for HSA; Maximum Limits.** The annual Contribution for a Participant's HSA Benefits is equal to the annual benefit amount elected by the Participant, but in no event shall the amount elected exceed the statutory maximum amount for HSA contributions applicable to the Participant's High-Deductible Health Plan coverage option (i.e., single or family) for the calendar year in which the Contribution is made (\$3,350 for single and \$6,650 for family are the statutory maximum amounts for 2015). An additional catch-up Contribution of \$1,000 may be made for Participants who are age 55 or older. In addition, the maximum annual Contribution shall be:
 - a) reduced by any matching (or other) Employer Contribution made on the Participant's behalf (there are currently no such Employer Contributions (other than pre-tax Salary Reductions) made under the Plan); and
 - b) pro-rated for the number of months in which the Participant is an HSA-Eligible Individual.
- 7.3. **Recording Contributions for HSA.** As described in Section 8.5, the HSA is not an employer-sponsored employee benefit plan-it is an individual trust or custodial account separately established and maintained by a trustee/custodian outside the Plan. Consequently, the HSA trustee/custodian, not the Employer, will establish and maintain the HSA. The HSA trustee/custodian will be chosen by the Participant, not by the Employer. The Employer may, however, limit the number of HSA providers to whom it will forward contributions that the Employee makes via pre-tax Salary Reductions-such a list is not an endorsement of any particular HSA provider. The Plan

Administrator will maintain records to keep track of HSA Contributions an Employee makes via pre-tax Salary Reductions, but it will not create a separate fund or otherwise segregate assets for this purpose. The Employer has no authority or control over the funds deposited in an HSA.

- 7.4. **Tax Treatment of HSA Contributions and Distributions.** The federal income tax treatment of the HSA (including contributions and distributions) is governed by Code Section 223.
- 7.5. **Trust/Custodial Agreement; HSA Not Intended to Be an ERISA Plan.** HSA Benefits under this Plan consist solely of the ability to make Contributions to the HSA on a pre-tax Salary Reduction basis. Terms and conditions of coverage and benefits (e.g., eligible medical expenses, claims procedures, etc.) will be provided by and are set forth in the HSA, not this Plan. The terms and conditions of each Participant's HSA trust or custodial account are described in the HSA trust or custodial agreement provided by the applicable trustee/custodian to each electing Participant and are not a part of this Plan.
- 7.6. **HSA Not An Employer-Sponsored Benefit.** The HSA is not an employer-sponsored employee benefits plan. It is a savings account that is established and maintained by an HSA trustee/custodian outside this Plan to be used primarily for reimbursement of "qualified eligible medical expenses" as set forth in Code Section 223(d)(2). The Employer has no authority or control over the funds deposited in an HSA. Even though this Plan may allow pre-tax Salary Reduction contributions to an HSA, the HSA is not intended to be an ERISA benefit plan sponsored or maintained by the Employer.

Section 8 - Change in Life Status

- 8.1. **Change in Election** - A Participant may change his annual Salary Reduction Amount during a Plan Year if the Employee, his spouse or his Dependent experiences a Change in Life Status or the plan covering him experiences an increase in premium or a significant change in coverage. If one (or more) of those events occur, the Participant (or Dependent) may revoke or alter their Annual Salary Reduction Amount by completing a Change in Life Status Form and submitting it to the Plan Administrator within a timely fashion. One or more of the following events constitutes a Change in Life Status:
- a. Employee gets married, divorced, legally separated or his marriage is annulled
 - b. Adoption, birth or death of a Dependent child;
 - c. Death of the Employee or his spouse;
 - d. Employee, spouse or Dependent becomes newly employed or unemployed;
 - e. Employee, spouse or Dependent's employment goes from part-time to full-time or full-time to part-time;
 - f. Dependent child becomes (or ceases to be) an eligible "Dependent" under a Component Plan;
 - g. Employee or spouse has a judgment, decree or order resulting from a divorce, legal separation, annulment or custody change regarding health coverage of a child. Any Qualified Medical Child Support Order (QMCSO) must state the recipient covered by the order and which Component Plan;
 - h. A significant change in the spouse's or Dependent's health care coverage attributable to the spouse's or Dependent's employment;

- i. Any change between an hourly paid and a salaried position or between a non-bargaining unit position and a bargaining unit position;
- j. An Employee's, spouse's or Dependent's move to a work location outside the service area of the Component Plan in which the Employee was enrolled prior to the move;
- k. A change in the spouse's or Dependent's employment status including a change attributable to a strike or lockout, or the commencement of or return from an unpaid leave of absence; or
- l. Employee, spouse or Dependent becomes entitled to Medicare.

Any change in an Employee's existing election must be consistent with the Change in Life Status or increase in premium or change in coverage. A change in election must be made no later than thirty (30) days after the date of the Change in Life Status. The Plan Administrator shall determine whether a Change in Life Status has occurred and whether a Participant's change in coverage is consistent with such Change in Life Status.

Section 9 - Plan Administration

- 9.1. **Plan Administrator** - The Plan Administrator shall be responsible for the administration of the Plan having all rights, powers and duties as set forth in the Plan. The Plan Administrator may delegate any of its duties under this Plan.
- 9.2. **Plan Administration** - The following describes the administration duties (but not limited in scope) of the Plan Administrator.
 - a. Determine Participant Plan Contribution Amounts on an annual basis (or upon a premium change or significant change in coverage);
 - b. Distribute Plan Communications (i.e. Plan Document Summaries, Enrollment Forms, Plan Change/Law Changes and/or other material related to the Plan) to Employees and Participants;
 - c. To interpret the Plan in its discretion including resolving claim ambiguities, inconsistencies or omissions. The determination of the Plan Administrator shall be binding and conclusive upon all persons whomsoever.
 - d. The Plan Administrator is hereby authorized and empowered, in its sole and absolute discretion, to promulgate any uniform rules, regulations and schedules of general applicability and to adopt such forms as the Plan Administrator deems necessary in order to carry out the purpose of the Plan;
 - e. Review Plan testing to determine if the Plan favors Highly Compensated Individuals, Participants or Key Employees; and
 - f. To hire any agent, accountant, attorney or other qualified individual to assist with the interpretation of the Plan and/or assist with the proper administration. Fees for these services shall be paid by the Employer or with Excess Plan Contributions.

Section 10 - Miscellaneous

- 10.1. **Amendment and Termination** - The Employer may amend the Plan at anytime, retroactively if necessary, to maintain the Plan's compliance under the Code, its amendments or other regulations affecting the Plan. The Employer may also terminate the Plan at any time, provided that no amendment, suspension or termination of the Plan may be made which would reduce or eliminate any accrued benefits (arising from incurred but unpaid claims) of Participants or their covered Dependents existing prior to the effective date of such termination.
- 10.2. **No Employment Contract** - The Plan shall not be deemed a contract of employment between the Employer and Participant. The Plan provides benefits to Participants but shall not guarantee or imply a Participant's continued employment. The Employer may terminate employment at anytime regardless of the effect the termination may have on the Participant or the Plan.
- 10.3. **Non Assignability** - Participants may not assign, sell or transfer benefits of the Plan to another Employee, Participant or any other individual.
- 10.4. **Facility of Payment** - If the Plan Administrator deems a Participant, spouse or other Dependent incapable of receiving benefits, the Plan Administrator shall direct the Employer to provide benefits to a designated (or at the Plan Administrator's discretion if not designated) individual. Any such facility of payment shall be made in accordance with the terms of the Plan and Code.
- 10.5. **Required Information** - Participants shall provide the Plan Administrator all information relative to the efficient operation of the Plan. The Plan Administrator shall not be required to seek or investigate for Participant information that is needed for the correct administration of the Plan. The Plan Administrator shall have the right to request additional information from a Participant or covered Dependent if there are any ambiguities or inconsistencies with a claim or an elected benefit.
- 10.6. **Assumed Compliance** - The Employer believes that the Plan is in compliance with the Code and other related legislation or court decisions. The Plan has not been submitted to the governing bodies for approval, therefore the Employer and/or the Plan Administrator shall not guarantee the Participant's reduced tax liability. Participants enrolling in the Plan shall assume any tax consequences upon the Plan being deemed invalid or in noncompliance. If the Plan is deemed invalid or in noncompliance, the Employer shall either terminate the Plan or take the appropriate actions to regain compliance.
- 10.7. **Plan Funds** - The Employer shall not utilize or divert Participant Contributions for purposes other than the intended use of the benefits described under the Plan. Excess Plan Contributions may be used for general Plan administrative expenses but cannot be used to reimburse a Participant without a substantiated claim. Excess Plan Contributions shall remain part of the Plan and managed in a manner that benefits all Participants of the Plan.
- 10.8. **Severability** - If any provision under the Plan is deemed invalid or in noncompliance with the Code, it shall not affect the remaining provisions and the Plan shall continue as if the invalid provision was never part of the Plan.
- 10.9. **Certain Conflicts** - Notwithstanding any other provision of this Plan, to the extent any provision herein conflicts with any provision set forth in a Component Plan, the provision of such plan will control.

- 10.10. **Construction** - The masculine gender, where appearing in the Plan, shall include the feminine gender, and vice versa, and the singular may include the plural, unless the context clearly indicates to the contrary. The term "delivered to the Plan Administrator," as used in the Plan, shall include delivery to a person or persons designated by the Plan Administrator for the disbursement and receipt of administrative forms. Delivery shall be deemed to have occurred only when the form or other communication is actually received. Headings and subheadings are for the purpose of reference only and are not to be considered in the construction of the Plan.
- 10.11. **Applicable Laws** - The Plan shall be construed and enforced according to the laws of the State of Ohio to the extent not preempted by Federal law.

Section 11 - Adoption of the Plan

- 11.1. **Adoption of the Plan** - The City of Pataskala Premium Reduction Plan is adopted by City of Pataskala for the purpose as stated in Section 2.1 to be effective January 1, 2015 and provide benefits to Eligible Employees in a nondiscriminatory manner. This document is executed at 621 W. Broad Street, Pataskala, Ohio on the _____ day of _____, 2015.

 Authorized Employer
 Representative's Signature

 Print Name

 Title

Witnessed By:

 Witness Signature

 Print Name