
Section 125 Cafeteria Plan Employer Adoption Agreement

ADOPTION AGREEMENT FOR SECTION 125 CAFETERIA PLAN

For review by Employer sponsor and its legal counsel

THIS AGREEMENT IS INTENDED FOR USE BY EMPLOYERS ALLOWING EMPLOYEES TO ACCESS COMMONWEALTH CHOICE COVERAGE THROUGH A SECTION 125 CAFETERIA PLAN ON A VOLUNTARY BASIS. IT IS NOT INTENDED FOR USE BY SMALL GROUP EMPLOYER SPONSORS DESIGNATING A BENCHMARK PLAN AND MAKING AN EMPLOYER CONTRIBUTION.

This Adoption Agreement must be completed in conjunction with the accompanying “Premium Only” Section 125 Cafeteria Plan document. These documents should be reviewed by the Employer Sponsor and its legal counsel prior to execution.

Section 125 Cafeteria Plan Employer Adoption Agreement

I. Basic Plan Information.

A. The name of the adopting Employer Sponsor is:

B. The name of the Plan shall be the Section 125 Cafeteria Plan for [name of adopting Employer Sponsor listed in Section I.A above] (hereinafter referred to as the "Plan").

C. The Effective Date (the initial effective date following adoption) of the Plan is: _____ . In the event that the accompanying Plan document is an amended and restated version of the Plan previously adopted by the Employer Sponsor, the amended and restated Plan document shall be effective as of the date set forth on the cover page of the Plan document.

D. The effective date of the Employer Sponsor's status as a 151F Employer in accordance with 956 CMR 4.00 is: (check one)

July 1, 2007; or

October 1, 20__.

E. The Plan Year of the Plan is: (check one)

the period beginning on the Effective Date and ending on the next following June 30 and each 12-consecutive month period beginning July 1 thereafter;

the period beginning on the Effective Date and ending on the next following December 31 and each 12-consecutive month period beginning January 1 thereafter;

the period beginning on the Effective Date and ending on the next following March 31, and each 12-consecutive month period beginning April 1 thereafter; or

Other:

F. The Employer Sponsor's Federal "Employer Identification Number" is:

G. The Employer Sponsor's State "Employer Identification Number" is:

II. Participating Employers. The definition of “Employer” under the Plan includes the Employer Sponsor and any Participating Employers.

DEFAULT ELECTION: (check if elected)

The default election under the Plan is that no organization or other entity that is affiliated with or related to the Employer Sponsor shall participate in this Plan as a Participating Employer.

In lieu of the default election, the Employer Sponsor may elect to permit some or all organizations or entities affiliated with or related to the Employer Sponsor to participate as Participating Employers under this Plan as follows:

OPTIONAL ELECTION: (check if elected in lieu of default option and please complete Schedule D of this Adoption Agreement):

The Employer Sponsor elects to include under this Plan the Participating Employers listed on Schedule D, which shall each be considered an Employer under the Plan. The Employer Sponsor assumes full responsibility for such designation.

III. Participant Eligibility.

DEFAULT ELECTION: (check if elected) The default election under the Plan is that all Employees shall become Eligible Employees upon meeting the eligibility requirements set forth on Schedule A. Please complete Schedule A of this Adoption Agreement.

In lieu of the default election, the Employer Sponsor may elect to exclude certain classes of Employees as follows:

OPTIONAL ELECTION: (check if elected in lieu of default option and please complete Schedule A of this Adoption Agreement):

Employees shall become Eligible Employees upon meeting the eligibility requirements set forth on Schedule A (please complete Schedule A of this Adoption Agreement); provided, however, that the following classes of Employees are excluded from the definition of Eligible Employee (if elected, check all that apply):

- Employees who are eligible for any other Section 125 Cafeteria Plan of the Employer.
- Employees who are less than 18 years of age.
- Temporary Employees, as defined in the Plan.
- Employees regularly scheduled to perform less than sixty-four (64) hours per month for an Employer.

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- Employees who are considered wait staff, service employees or service bartenders (as defined in M.G.L. c. 149, section 152A) and who earn, on average, less than \$400 in monthly payroll wages.
 - Student Employees who are employed as interns or as cooperative education student workers.
 - Seasonal Employees, as defined in the Plan, who are international workers with either a U.S. J-1 student visa, or a U.S. H2B visa and who are also enrolled in travel health insurance.
 - Other excluded classes (if elected, please complete Schedule A of this Adoption Agreement).

IV. Employer Contributions.

DEFAULT ELECTION: (check if elected) The default election under the Plan is that the Employer will not make any contributions toward the monthly cost of coverage elected by the Participant under the Plan. Therefore, under this default election, the Participant is responsible for 100% of the monthly cost of coverage elected by the Participant under the Plan.

In lieu of the default election, the Employer Sponsor may elect to make periodic contributions toward the monthly cost of coverage as follows:

OPTIONAL ELECTION: (check if elected in lieu of default option and please complete Schedule B of this Adoption Agreement):

The Employer Sponsor elects to make periodic contributions toward the monthly cost of coverage elected by Participants under the Plan.

Please complete Schedule B of this Adoption Agreement to establish the formula for Employer Contributions (required if this option is elected).

V. Medical Care Coverage Options.

DEFAULT ELECTION: (check if elected)

The default medical care coverage options available to Participants under the Plan are any and all policies of medical insurance that have been granted the seal of approval by the Commonwealth Health Insurance Connector Authority. Any medical care coverage option that subsequently loses the Health Connector's seal of approval will continue to be a medical care coverage option under the Plan, but only to the extent that Participants enrolled in such medical care coverage option on the date the seal of approval is lost remain enrolled in that medical care coverage option without interruption.

Such medical care coverage options are available to Participants on a voluntary basis, without endorsement by the Employer and are not intended to be part of the Employer's benefit program.

In lieu of the default election, the Employer Sponsor may elect the following:

OPTIONAL ELECTION: (check if elected in lieu of default option and please complete Schedule C of this Adoption Agreement):

The following will be considered medical care coverage options available to Participants under the Plan:

Any and all policies of medical insurance that have been granted the seal of approval by the Commonwealth Health Insurance Connector Authority. Any medical care coverage option that subsequently loses the Health Connector's seal of approval will continue to be a medical care coverage option under the Plan, but only to the extent that Participants enrolled in such medical care coverage option on the date the seal of approval is lost remain enrolled in that medical care coverage option without interruption.

Any other medical insurance identified on Schedule C (please complete Schedule C of this Adoption Agreement).

Such medical care coverage options are available to Participants on a voluntary basis, without endorsement by the Employer and are not intended to be part of the Employer's benefit program.

VI. Employer Sponsor's Execution of Adoption Agreement

Having made the elections described in this Adoption Agreement, the Employer Sponsor hereby adopts the Plan (consisting of this Adoption Agreement, including Schedules, and the attached Section 125 Cafeteria Plan document), which Plan is hereby executed in its name and on its behalf by a duly authorized representative of the Employer Sponsor, or his or her authorized delegate.

For the employer Sponsor

Signature: _____

Name: _____

Title: _____

Date: _____

WITNESS SIGNATURE

Signature: _____

Date: _____

Schedule A

ELIGIBILITY REQUIREMENTS UNDER THE PLAN; OTHER CLASSES OF EMPLOYEES EXCLUDED FROM THE DEFINITION OF ELIGIBLE EMPLOYEE UNDER THE PLAN

Describe eligibility requirements under the Plan below:

(General Rule: The eligibility requirements above may include an eligibility waiting period that corresponds with (but is no longer than) any waiting period for enrollment in medical care coverage options available under this Plan, but in no event may the eligibility waiting period under this Plan exceed 2 months (e.g., March 1 to May 1; or March 20 to May 20 is considered two months); even if any waiting period for enrollment in medical care coverage options available under this Plan is longer than 2 months.

Special rule for Employers complying with M.G.L. c. 151F as of July 1, 2007: the eligibility waiting period, if any, under this Plan for those who are employed on July 1, 2007 may be extended to no later than September 1, 2007.)

Describe other classes of excluded employees below:

The Employer Sponsor represents that it has consulted with its own legal counsel, and assumes full responsibility for its exclusion elections.

Schedule D

PARTICIPATING Employers of the Employer Sponsor

The following organizations and entities that shall be Participating Employers under the Plan:

| Name of Participating Employer | Federal Employer Identification Number |
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