



RCAB PREMIUM ONLY CAFETERIA PLAN SUMMARY

Under the RCAB Section 125 Premium Only Cafeteria Plan (the “Plan”) you may pay for your contributions for health and/or dental coverage under the RCAB Employee Health Benefit Plan (the “Employee Health Benefit Plan”) on a pre-tax compensation reduction basis.

Under the Plan, when you elect to pay for your contributions for health and/or dental coverage under the Employee Health Benefit Plan(s), your regular compensation will be reduced on a pre-tax basis by the amount of your premium payment for the coverage you have selected. This means that you generally will pay less in taxes each year.

If you decide to pay using pre-tax income, the amount withheld from your pay will not be subject to federal income or Social Security (“FICA”) taxes. This could result in a reduction in the Social Security benefits you receive at retirement.

You are eligible to participate in this Plan if you are eligible under the terms of the RCAB Employee Health Benefit Plan(s). If you are eligible to participate and you want to participate in this Plan, you must enroll within 30 days of the date you become eligible to participate. If you do not enroll within that period, you will not be eligible to enroll until the next annual enrollment period, except in the limited circumstances described below where certain election changes during the Plan Year are permitted.

Before the start of each Plan Year (October 1 – June 30), you will be offered an annual enrollment period to change your existing election. If you do not make a new election, your existing elections will remain in effect, to the extent permitted under the Plan. Generally, you cannot change the elections you have made under the Plan after the beginning of the Plan Year. The Plan Year begins on October 1st and ends on the following June 30th. However, you are permitted to change certain elections if, in the Plan Administrator’s judgment, you experience an IRS defined “change in status” and/or other special events as described below.

Examples of status changes include these events:

- (i) marriage;
- (ii) divorce, legal separation or annulment;
- (iii) death of your spouse or dependent child;
- (iv) birth, adoption or placement for adoption of a child;
- (v) termination of the employment of your spouse or dependent child;
- (vi) commencement of the employment of your spouse or dependent child;
- (vii) your or your spouse’s or dependent child’s commencement or return from an unpaid leave of absence from employment;

- (viii) adjustment to your or your spouse's or dependent child's work schedule, such as a switch between part-time and full-time work, a strike, a lockout or an increase or reduction in hours of employment, that causes a loss of coverage;
- (ix) a change in your or your spouse's or dependent child's worksite or residence that causes a loss of current coverage eligibility;
- (x) adjustments in dependent status through satisfying or ceasing to satisfy the age, student status or other requirements to qualify as a dependent under the Plan;
- (xi) significant change in your or your spouse's health coverage attributable to the spouse's employment; and
- (xii) leave of absence under the Family Medical and Leave Act.

Your election may also be changed if one of these special events occurs:

- (i) the issuance of a judgment, decree or order that requires accident or health coverage for your dependent child.
- (ii) your or your spouse's or dependent child's entitlement to Medicare or Medicaid that causes a loss of coverage.
- (iii) a "significant" increase in the cost of any benefit under the Plan.
- (iv) elimination or "significant" cutback in coverage provided by an insurance company or other third party. You may cancel your election and receive coverage under a similar plan, provided both plans agree to make the change.
- (v) your failure to make the required premium payment. Your election will be canceled but you will not be able to make a new election for the rest of the Plan Year.
- (vi) your separation from service. If you terminate employment, you may cancel your election for any remaining period of coverage.
- (vii) to purchase coverage through a Health Insurance Exchange (a "Marketplace") such as the Massachusetts Health Connector in two situations: (1) an employee who was reasonably expected to work an average of at least 30 hours per week has a change where he or she will be reasonably expected to work less than 30 hours per week (regardless of whether health plan eligibility is lost) or (2) the employee is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan or the employee seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period.

If you have a status change and/or other special event and you want to cancel or modify your election for the remainder of a Plan Year, you must file a request with the Plan Administrator within 30 days of the event. Keep in mind that any change to your election must be consistent with your status change, as determined by the Plan Administrator. The Plan Administrator will consider your application and inform you of the decision.

All change requests received more than 30 days after the date the event occurred will not be processed. To make the change after this 30 day period, you will have to wait until the next annual enrollment period or a subsequent status change event, whichever occurs sooner.

If you cease to be covered as an employee under the Employee Health Benefit Plan, you will no longer be eligible to participate in this Plan and your election to participate will automatically terminate.

To contact the RCAB, which is the Plan Administrator, you may call or write to Carol Gustavson at cgustavson@rcab.org or (617) 746-5830.