

**SECTION 125 PLAN SUMMARY OF MATERIAL MODIFICATION
ADDITIONAL PERMITTED ELECTION CHANGES TO HEALTH COVERAGE
EFFECTIVE OCTOBER 1, 2014**

This is a Summary of Material Modifications regarding the Employer's Section 125 Plan ("Plan"). This is merely a summary of the most important changes to the Plan and information contained in the Summary Plan Description ("SPD") previously provided to you. It supplements and amends the SPD. You should retain a copy of this document with your copy of the SPD. If there is any discrepancy between the terms of the Plan, as modified, and this Summary of Material Modifications, the provisions of the Plan will control.

**I
INTRODUCTION**

The IRS released Notice 2014-55 on September 18, 2014 which provides additional permitted prospective election changes for group health coverage under the Employer's Section 125 Plan. This notice provides two specific situations in which a Section 125 Plan participant may revoke his current election for coverage during the plan year for employer-sponsored health coverage in order to purchase coverage under a Qualified Health Plan, as described in more detail for each situation below. These changes allow for revocation of Group Health Plan coverage only. They do not allow for election of new Group Health Plan Coverage, or for any change to a Flexible Spending Account.

**II
SUMMARY OF CHANGES**

A. Revocation Due to Reduction in Hours of Service

An Employee who has been in an employment status in which he was reasonably expected to work an average of at least 30 hours per week, and the employee experiences a change in status resulting in a change in which the Employee will be expected to average less than 30 hours per week, and this change to employment status does not result in the employee's loss of eligibility to enroll in the Employer's group health plan. The Employee may revoke his current election for Group Health Plan coverage under the Section 125 Plan in order to enroll in coverage for himself, and any related individuals who cease coverage due to the revocation, in a Qualified Health Plan that provides minimum essential coverage. The effective date of the new coverage must be no later than the first day of the second month following the month that includes the date the original coverage is revoked.

B. Revocation Due to Enrollment in a Qualified Health Plan

An Employee who has made an election for Group Health Plan coverage for the plan year and is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through an Exchange or Marketplace pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance; or, an Employee who seeks to enroll in a Qualified Health Plan through the Exchange or Marketplace's annual open enrollment period may revoke his current election for Group Medical Benefits in order to enroll in coverage for himself and any related individuals who cease coverage due to the revocation, in a Qualified Health Plan through a Marketplace. The effective date of new coverage must be no later than the day immediately following the last day of the original coverage that is revoked.

KEEP THIS NOTICE WITH YOUR SUMMARY PLAN DESCRIPTION