Participant Summary Plan Description

Plan Administrator/Agent for Legal Service

Blythe Robinson
Town of Upton
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Client TASC Id: 4603-6742-0290
Federal Tax Id: 04-6001330
Plan Name: Town of Upton
Plan Year: 07/01/2012 - 06/30/2013
Grace Period: 60 days
Grace Period End Date: 08/29/2013
Runout: 60 days
Runout End Date: 10/28/2013
Phone Number: 508-529-6901
Plan Number:

Note to Employer: This Summary Plan Description lists the benefits available to your employee(s). The Department of Labor requires that this summary or a copy of it be given to each employee.

BENEFITS OFFERED TO EMPLOYEES:

Benefit Type	Maximum	Grace Period End Date	Runout End Date
Dependent Care Expenses	$ 5000.00	08/29/2013	10/28/2013
Medical or Medical-Related Premiums	N/A	N/A	N/A
Non-Employer Sponsored Premiums	N/A	08/29/2013	10/28/2013
Medical (Out-of-Pocket) Expenses	$ 2500.00	08/29/2013	10/28/2013

THE BENEFITS OFFERED ABOVE ARE AVAILABLE TO THE FOLLOWING EMPLOYEES AS STIPULATED BELOW :

Probationary Employees	6 months
Part-time Employees	20 hours
Age of Employees	21 years of age
Members of Bargaining Unit	Included

PURPOSE

Your Employer has adopted this Flexible Compensation Plan to provide compensation alternatives for qualifying, participating employees and their dependents. You will now be able to choose among certain "tax free" benefits in lieu of taxable compensation. The Plan is intended to qualify as a "Cafeteria Plan" within the meaning of Section 125(d) of the Internal Revenue Code, and the benefits you elect will be excluded from your income under Section 125(a). This is a Summary Plan Description, and any conflict with the Summary Plan Description will be resolved by the language in the Plan Document.

CONTRIBUTIONS

By participating in the Plan, you agree to have your annual compensation reduced by the total cost of the Plan benefits you select with the signed Enrollment Form.

The information in this communication is confidential and may only be used by the authorized recipient for its intended purpose. Any other use or disclosure is prohibited.

ELIGIBILITY

Existing Employees. If you are in the Employer's employment on the Plan's effective date, you shall be eligible to participate on the later of the Plan's Effective Date or on the date you satisfy the eligibility requirements.
New Employees. If your employment begins after the Plan's Effective Date, you will be eligible to participate on the entry date noted in the Adoption Section of the Plan Document following the date you satisfy the eligibility requirements.
Reemployment of Former Employees. A re-employed former employee may become a participant immediately upon re-hire.
Age Requirement. There will be no maximum age requirement for participation in the Plan.

Continuation of Coverage. The Medical Flexible Spending Account is subject to Continuation of Coverage. "Continuation of Coverage" means your right, or your spouse's or dependent's right(s), to continue to be covered under this Medical Expense Reimbursement Plan if participation by you (including your spouse and dependents) otherwise would end due to the occurrence of a "Qualifying Event." A Qualifying Event includes the following:

a. Termination of your employment (other than for gross misconduct) or reduction of your work hours below the eligibility requirements;
b. Your death;
c. Your becoming entitled to receive Medicare benefits;
d. Divorce or legal separation from your spouse;
e. A dependent of yours ceases to be a dependent.

It is your obligation to inform the Plan Administrator of the occurrence of any Qualifying Event within 30 days of the occurrence, other than a change in your employment status. The Plan Administrator, in turn, has a legal obligation to furnish you or your spouse, as the case may be, with separate, written options to continue the coverage provided through this plan at stated premium cost for the applicable period prescribed by law. Employers with fewer than 20 employees are exempt from COBRA. The notification you will receive will explain other terms, conditions, and exceptions of the continued coverage as they apply.

TERMINATION

Employee Right to Terminate. Once the Plan Year commences, your election is irrevocable except under the following circumstances:

a. Legislation required termination of or substantial amendment to the Plan;
b. The company terminates the Plan and/or coverage.

Plan Termination. The Plan or any portion of the Plan shall be subject to termination at any time by the Employer. Upon the termination of the Plan, the Administrator may continue the Plan in order to pay balances or distribute balances.
Termination of Participation. You will automatically cease to be a Participant on the earliest of the following dates:

a. Your death;
b. The date the Plan terminates;
c. The date on which you fail to pay any required premium(including payment by salary reduction);
d. The date you no longer meet the requirements for eligibility in the Plan;

When participation has terminated, you are eligible to incur claims against any positive account balance through the eligibility end date.

Positive Balance: Upon termination your annual election amount will be limited to the greater of the amount paid for coverage (total contributions) less previously paid reimbursements or the total of paid reimbursements from the Plan.

As a terminated participant, you are not eligible for the Grace Period unless your eligibility end date is the same as the last day of the Plan Year.

When you participation has terminated, you may submit eligible claims for reimbursement through your run out end date as noted in the Claims Procedure section of this document.

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CLAIMS PROCEDURE

If you have elected reimbursement coverage, active participants may submit eligible claims for reimbursement through the plan's runout period. The Plan's runout period end date is 120 days following the last day of the Plan Year in order to be reimbursed from the Prior Plan Year.

All other claim procedures for the Plan are provided in a separate administrative document upon the original enrollment in the plan. An additional copy can be provided without charge upon request.

NOTICES REQUIRED BY LAW

Group health plans under Federal law may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery or less than 96 hours following a caesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case,plans and insurers may not, under Federal law, require that a provider obtain authorization from the plan for prescribing a length of stay not in excess of 48 hours (or 96 hours). Procedures for the acceptance of a Qualified Medical Child Support Order can be obtained from the Plan Administrator.

YOUR RIGHTS

As a participant in the Company's Medical and Dental Expense Reimbursement Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act (ERISA). ERISA provides that all Plan participants shall be entitled to the following:

To examine, without charge, at the Plan Administrator's office and at other specified locations such as work-sites and union halls, all plan documents including insurance contracts, collective bargaining agreements, and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports and plan descriptions. Plan documents and other Plan information will be provided upon written request of the Plan Administrator. The Plan Administrator may make a reasonable charge for the copies. A summary of the Plan's annual financial report will be automatically sent when such a report is required by law.

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of the Plan participants and beneficiaries. No one, including your employer, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a benefit from the Plan or from exercising your rights under ERISA.

If your claim for a benefit is denied in whole or in part, you must receive a written explanation of the reason for the denial. You have the right to have the Plan Administrator review and reconsider your claim. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Administrator. If you have a claim for benefits which is denied or ignored in whole or in part, you may file suit in a state or federal court as above. If it should claim for benefits which is denied or ignored in whole or in part, you may file suit in a state or federal court as above. If it should happen that Plan fiduciaries or if you are discriminated against for asserting your rights you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose or if your claim is found to be frivolous, the court may order you to pay these costs and fees. If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Pension and Welfare Benefits Administration.

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CONTINUATION COVERAGE RIGHTS UNDER COBRA

Introduction: (General Information only)

You are receiving this notice because you may have recently become covered under your employer's Section 125 Flexible Benefits Plan. This notice contains important information about your right to COBRA continuation coverage should you terminate employment, which is a temporary extension of coverage under the Plan. The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and to other members of your family who are covered under the Plan when you would otherwise lose your group health coverage. This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it should you become eligible. This notice gives only a summary of your COBRA continuation coverage rights. For more information about your rights and obligations under the Plan and under federal law, you should either review the Plan's Summary Plan Description or get a copy of the Plan Document from the Plan Administrator.

The Plan Administrator is your employer named in this SPD. The Plan Administrator is responsible for administering COBRA continuation coverage. The party responsible for administering COBRA continuation coverage, or that party's address and telephone number, may change from time to time. For the most recent information, check the Plan's most recent Summary Plan Description (if you do not have a copy, you may request one from the Plan Administrator).

COBRA Continuation Coverage

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." A qualified beneficiary is someone who will lose coverage under the Plan because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, and dependent children of employees may be qualified beneficiaries. (Certain newborns, newly-adopted children and alternate recipients under QMCSOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below). Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are an employee, you will become a qualified beneficiary if you will lose your coverage under the Plan because either one of the following qualifying events happen: **(1)** Your hours of employment are reduced, or **(2)** Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you will lose your coverage under the Plan because any of the following qualifying events happen: **(1)** Your spouse dies; **(2)**Your spouse's hours of employment are reduced; **(3)** Your spouse's employment ends for any reason other than his or her gross misconduct; **(4)** Your spouse becomes enrolled in Medicare (Part A, Part B, or both); or **(5)** You become divorced or legally separated from your spouse. If an employee cancels coverage for his or her spouse in anticipation of a divorce (or legal separation), and a divorce (or legal separation) later occurs, then the divorce (or legal separation) will be considered a qualifying event even though the ex-spouse lost coverage earlier. If the ex-spouse notifies the administrator within 60 days after the divorce (or legal separation) and can establish that the employee cancelled the coverage earlier in anticipation of the divorce (or legal separation), the COBRA coverage may be available for the period after the divorce (or legal separation).

Your dependent children will become qualified beneficiaries if they will lose coverage under the Plan because any of the following qualifying events happen: **(1)** The parent-employee dies; **(2)** The parent-employee's hours of employment are reduced; **(3)** The parent-employee's employment ends for any reason other than his or her gross misconduct; **(4)** The parent-employee becomes enrolled in Medicare (Part A, Part B, or both); **(5)**The parents become divorced or legally separated; or **(6)** The child stops being eligible for coverage under the plan as a "dependent child."

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been timely notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer, or enrollment of the employee in Medicare (Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event within 30 days of any of these events.

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Important: For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator. The Plan requires you to notify the Plan Administrator in writing within 60 days after the later of the qualifying event or the loss of coverage. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator during the 60-day notice period, any spouse or dependent child who loses coverage will NOT BE OFFERED THE OPTION TO ELECT CONTINUATION COVERAGE.

Once the Plan Administrator receives timely notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. For each qualified beneficiary who timely elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that Plan coverage would otherwise have been lost. If you or your spouse or dependent children do not elect continuation coverage within this 60-day election period, YOU WILL LOSE YOUR RIGHT TO ELECT CONTINUATION COVERAGE.

COBRA continuation coverage is a temporary continuation of coverage. Qualifying event is the death of the employee, enrollment of the employee in Medicare (Part A, Part B, or both), your divorce or legal separation, or a dependent child losing eligibility as a dependent child.

The maximum COBRA coverage period for a health flexible spending arrangement (health FSA) maintained by the employer ends on the last day of the Plan year in which the qualifying event occurred. If at the time of a qualifying event you or your eligible dependent are eligible for COBRA under the (health FSA) you will be notified and offered the right to elect continued coverage under the plan for the balance of the plan year following the event.

Children born to or placed for adoption with the covered employee during COBRA period

A child born to, adopted by or placed for adoption with a covered employee during a period of continuation coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected continuation coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements.

Alternate recipients under QMCSOs

A child of the covered employee who is receiving benefits under the Plan pursuant to a Qualified Medical Child Support Order (QMCSO) received by the Plan Administrator during the covered employee's period of employment with the employer is entitled to the same rights under COBRA as a dependent child of the covered employee, regardless of whether that child would otherwise be considered a dependent.

Trade Act of 2002

If You Have Questions: If you have questions about your COBRA continuation coverage, you should contact your employer or you may contact the nearest Regional or District Office of the U. S. Department of Labor's Employee Benefits Security Administration (EBSA), addresses and phone number of Regional and District EBSA Offices are available through EBSA's website at **www.dol.gov/ebsa**.

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