



*Worksite*  
**Advantage**  
**Section 125**  
**Premium Only Plan**

**SUMMARY PLAN DESCRIPTION**



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P.O. Box 2612 • Birmingham, AL 35202







# Worksite Advantage Section 125 Premium Only Plan Summary Plan Description

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# **I. INTRODUCTION**

## **To our employees:**

It is our pleasure to announce that we have established a Premium Only Plan for you and other eligible employees of the company. Under this program, you will be able to pay for your share of the cost of health, accident, and group term life insurance with a portion of your pay before federal income or Social Security taxes are withheld. This means that you will pay less tax and have more money to spend and save.

It is important that you read this Summary Plan Description carefully. Keep it with your permanent records. The Summary Plan Description is intended to explain the features of the plan to you. It is important that you understand, however, that there is a separate document — called the Plan Document. If anything in this Summary Plan Description is inconsistent with or contradicts the terms of the Plan Document, the Plan Document will control. In addition, it is important that you understand that the health, accident, or life insurance benefits you receive under the plan will be determined according to the terms of the health, accident, or life insurance policies that are issued to you under the Plan.

## **SECTION II - ELIGIBILITY**

### **1. Who is eligible to participate in the Plan?**

As a general rule, all full-time employees who are classified as employees, rather than independent contractors under the wage and tax withholding rules are eligible to participate in the Plan. You are a full-time employee if you work the minimum number of hours per week specified on page 3 of this summary. Employees who are members of a collective bargaining unit are not eligible to participate in the plan unless their collective bargaining agreement permits them to participate. In addition, leased employees, self-employed individuals and 2% owners of Subchapter S Corporations are not eligible to participate.

### **2. When can I become a Participant in the Plan?**

You can make an initial election to participate in the Plan by signing a Salary Reduction Form with the company. This agreement, by law, may only be effective with respect to compensation that you have not earned as of the date of your agreement. The company will establish a period of time following your date of hire during which you may make an initial election to participate in the Plan. If you fail to make an initial election to participate, you will be deemed to have elected to receive current compensation in lieu of coverage under one or more of the Qualified Benefit Plans listed on page 3 of this Summary.

### **3. What do I do to participate in the Plan?**

As already mentioned, in order to participate you must sign a Salary Reduction Form with the company, in which you instruct the company to reduce your taxable compensation and to pay, on your behalf, your share of the cost of coverage under one or more of the Qualified Benefit Plan listed on page 3 of this summary. Because the employer makes these payments on your behalf before Federal Income taxes and FICA taxes are withheld, you are able to purchase greater coverages than would otherwise be the case if you paid for these coverages after tax.

### **4. How long does a salary reduction agreement remain in effect?**

Except in certain limited circumstances, once you have signed a Salary Reduction Form with the company you may not revoke or modify it for the remainder of the plan year for which it applies. (See the discussions below under the headings "What is a change in status?" and "What is a significant change in cost or coverage?") The plan year for the company's plan is identified on page 3 of this summary. Your salary reduction agreement will also remain in effect for the following plan year, and for each plan year thereafter, unless you elect to revoke or modify the agreement during the election period that precedes each plan year. The company will notify you each year when the election period is about to begin.

### **5. What is the election period?**

The election period is a period of time each year during which you may elect to participate in the Plan or to revoke or modify existing Plan elections as set forth in your salary reduction agreement. The company is responsible for telling you in advance when an election period is about to begin.

### **6. Can I make a change in my election during the plan year?**

Yes, in limited circumstances. If there is a change in status, or a significant change in the cost or coverage under a Qualified Benefit Plan, you may make a change during the year.

## **7. What is a change in status?**

A change in status is a change in your family or work circumstances that justifies a change in the election that you have made under your salary reduction agreement. The following changes are changes in status:

- your marriage, divorce or legal separation;
- the death of your spouse or of one of your dependents;
- the birth or adoption of your child (including placement for adoption);
- your spouse or dependent begins or ceases employment, participates in a lock-out or strike, or begins or returns from an unpaid leave of absence;
- you or your spouse or dependent is eligible for special enrollment rights in a group health plan under the Health Insurance Portability and Accountability Act of 1996 (HIPAA);
- you, your spouse or dependent has a change in employment status that causes you, your spouse or dependent to become eligible (or cease to be eligible) to participate in a plan covering you, your spouse or dependent (for example, switching from full-time to part-time employment, from hourly to salaried status, or a change in worksite);
- your dependent satisfies or ceases to satisfy eligibility requirements for coverage on account of attainment of age, student status, or any similar circumstance;
- the plan receives a judgment, decree, or order resulting from a divorce, legal separation, annulment, or change in legal custody that requires coverage under your group health plan for your dependent child, or a judgment, decree, or order requires coverage under another group health plan for your child, and the child is actually covered under the other plan;
- you or your spouse or dependent becomes entitled to coverage under Medicare or Medicaid, or you or your spouse or dependent lose your entitlement to coverage under Medicare or Medicaid, in which case you may elect to decrease or increase; as the case may be, the premium that you are paying for coverage for yourself and your dependents under your employer's group health plan;
- your spouse or dependent, if employed, makes a change in coverage under his or her cafeteria plan and you elect to make a change in coverage under this plan that is on account of and corresponds to the change in coverage made by your spouse or dependent; and
- you take leave under the Family and Medical Leave Act (FMLA) (Public Law 103-3 (107 Stat.6). and revoke your existing election for the period of FMLA coverage.

**8. What is a significant change in cost or coverage?**

A significant change in cost is a change in premium cost for insurance coverage under the Plan. If premium costs significantly increase, you can revoke an election and elect similar coverage under the Plan, or if similar coverage is not available, you may drop coverage altogether. If premium costs significantly decrease, you may begin to participate in the plan for the qualified coverage that had the decrease in cost.

A significant reduction in coverage occurs when there is an overall reduction in benefits under a Qualified Benefit Plan. If the reduction constitutes a “loss in coverage,” you may revoke your election for the benefit and elect similar coverage, or drop coverage altogether. A loss in coverage occurs when a Qualified Benefit Plan is eliminated, a lifetime or annual limit on benefits is reached, the number of medical care providers under a health plan is reduced significantly (i.e., a major hospital is dropped from a provider network), you are in a course of treatment and coverage for that medical treatment or condition is eliminated, or some other fundamental loss of coverage occurs.

A significant reduction in coverage, which does not constitute a loss in coverage, occurs when there is a significant increase in deductibles, co-pays and out-of-pocket expenses under a group health plan. If a significant reduction in coverage which is not a loss in coverage occurs, you may revoke your election for that coverage and elect similar coverage. Similar coverage is coverage for the same category of benefit for the same individuals (e.g., family to family or single to single). If coverage in a Qualified Benefit Plan is added or significantly improved, you may revoke any existing election (including an election not to participate in the Plan) and elect coverage under the new or improved Qualified Benefit Plan. If coverage under another employer plan is changed (including another plan of your employer or one or another employer) you may make a change in elections that is on account of and corresponds with the changes made under the other plan, as long as either (1) the other plan permits participants to make an election change on account of significant changes in cost or coverage, or (2) the period of coverage (the plan year) is different from the plan year of this Plan.

**9. Are the changes automatic?**

Yes. If the cost of a Qualified Benefit Plan increases or decreases during the Plan year, your salary reduction will automatically increase or decrease to reflect the change.

**10. Do I have any special rights under the Family and Medical Leave Act (FMLA)?**

Yes. Under the Family and Medical Leave Act of 1993 (FMLA), you have the same right to revoke or change elections while on FMLA leave as an employee who is not on FMLA leave. You may also pay, on a pre-tax basis, any premiums due in any method available under your employer’s FMLA leave policy. You may also revoke an existing election of group health plan coverage because you are on FMLA leave. If you return to work on or before the end of your FMLA leave period, you may reinstate your previous group health care election.

**11. When will I cease to be a Participant?**

Your participation in the Plan will end when the first of the following occurs: you properly revoke your Salary Reduction Agreement; at the end of your last day of eligible service with the company; the date on which the company terminates the plan; or your death.

## **SECTION III - PREMIUM REDUCTIONS**

### **1. What insurance coverages may I purchase?**

Under the Company's Plan, you can choose to receive all of your compensation in cash or use part of it to pay premiums for coverage under one or more of the Qualified Benefit Plans listed on page 3 of this summary. If you fail to make an election to receive coverage under a Qualified Benefit Plan you will be deemed to have elected to receive current compensation from the Company.

## **SECTION IV - BENEFIT PAYMENTS**

### **1. When will I receive benefit payments?**

Any benefits under one or more of the insurance coverages that you elect to purchase under the Cafeteria Plan (and remember that the coverages from which you may choose are listed on page 3 of this summary) will be paid to you or your beneficiary at the time and in the manner provided in the insurance policies themselves.

### **2. Do I have to pay federal income tax when I receive a benefit payment?**

As a general rule, benefits that you receive under an accident or health plan are excludable from gross income if such amounts are paid, directly or indirectly, to you to reimburse you for expenses that you have incurred for medical care for yourself, your spouse, or your dependents. If the amount of such benefits you receive exceeds your medical or medical related expenses, then the excess must be included in your gross income.

Proceeds of group term life insurance are generally not taxed to your beneficiary.

You or your beneficiary are responsible for proper treatment of benefits, when and if paid, for Federal Income Tax purposes. You are strongly encouraged to seek tax advice concerning treatment of your benefit payments.

### **3. Will my Social Security benefits be affected?**

Your Social Security benefits may be slightly reduced. When you receive tax-free benefits under our Plan, the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf are reduced.

## **SECTION V - HIGHLY COMPENSATED AND KEY EMPLOYEES**

### **1. Do limitations apply to highly compensated employees?**

Under the Internal Revenue Code, “highly compensated employees” and “key employees” generally are Participants who are officers, shareholders or highly paid. You will be notified by your employer each Plan Year whether you are a “highly compensated employee” or a “key employee.”

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid. Federal tax laws state that a plan will be considered to unfairly favor the key employees if they as a group receive more than 25% of all of the nontaxable benefits provided for under our Plan.

## **SECTION VI - ADDITIONAL PLAN INFORMATION**

### **1. Your Rights Under ERISA**

The following statement is required by federal law and regulation, to the extent applicable to the plan.

As a participant in the plan you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

#### **Receive Information about Your Plan and Benefits**

Examine, without charge, at the plan administrator's office and at other specified locations, such as worksites and union halls, all documents governing the plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration. Obtain, upon written request to the plan administrator, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The administrator may make a reasonable charge for the copies. Receive a summary of the plan's annual financial report. The plan administrator is required by law to furnish each participant with a copy of this summary annual report.

#### **Prudent Actions by Plan Fiduciaries**

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 you and other 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 welfare benefit or exercising your rights under ERISA.

#### **Enforce Your Rights**

If your claim for a welfare benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules. Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of plan documents or the latest annual report from the plan administrator 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 after you have exhausted your administrative remedies under the plan. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in Federal court. If it should happen that plan fiduciaries misuse the plan's money, 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, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

**Assistance with Your Questions**

If you have any questions about your 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 Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security 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 Employee Benefits Security Administration.

In addition to creating rights for Plan Participants, ERISA imposes duties upon those 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 you and other 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 pension benefit or exercising your rights under ERISA. If your claim for a pension 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 case, the court may require the Plan Administrator to provide the materials and pay you up to \$100 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan 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. If it should happen that Plan fiduciaries misuse the Plan's money, 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 the 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, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous. If you have any questions about the Plan, contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, you should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor. A directory of current local PWBA regional and district offices is printed on the next page.

**Atlanta Regional Office**

61 Forsyth St., SW  
Suite 7B54  
Atlanta, GA 30303  
Phone: 404-562-2156

**Boston Regional Office**

One Bowdoin Square, 7th Floor  
Boston, MA 02114  
Phone: 617-424-4950

**Chicago Regional Office**

200 West Adams Street  
Suite 1600  
Chicago, IL 60606  
Phone: 312-353-0900

**Cincinnati Regional Office**

1885 Dixie Highway  
Suite 210  
Ft. Wright, KY 41011-2664  
Phone: 606-578-4680

**Dallas Regional Office**

525 Griffin Street  
Room 707  
Dallas, TX 75202-5025  
Phone: 214-767-6831

**Philadelphia Regional Office**

Gateway Building  
3535 Market Street  
Room M300  
Philadelphia, PA 19104  
Phone: 215-896-1134

**Detroit District Office**

211 West Fort Street  
Suite 1310  
Detroit, MI 48226-3211  
Phone: 313-226-7450

**Kansas City Regional Office**

City Center Square  
1100 Main, Suite 1200  
Kansas City, MO 64105-2112  
Phone: 816-426-5131

**Los Angeles Regional Office**

790 E. Colorado Blvd.  
Suite 514  
Pasadena, CA 91101  
Phone: 818-583-7862

**Miami District Office**

111 NW 183rd Street  
Suite 504  
Miami, FL 33169  
Phone: 305-651-6464

**New York Regional Office**

1633 Broadway  
Room 226  
New York, NY 10019  
Phone: 212-399-5191

**San Francisco Regional Office**

71 Stevenson St., Suite 915  
Post Office Box 190250  
San Francisco, CA 94119-0250  
Phone: 415-975-4600

**St. Louis District Office**

815 Olive Street, Room 338  
St. Louis, MO 63101-1559  
Phone: 314-539-2691

**Seattle District Office**

1111 Third Avenue, Suite 860  
MIDCOM Tower  
Seattle, WA 98101-3212  
Phone: 206-553-4244

**Washington District Office**

1730K Street, NW  
Suite 556  
Washington, DC 20006  
Phone: 202-254-7013