

IMPORTANT NOTICE TO TERMINATING EMPLOYEES

Medical Reimbursement Participants of the Cafeteria Plan, have **60 days** from the ***date of termination*** of employment to ***accept or decline*** the continuation of your ***benefits under COBRA***. If verifications are not returned before leaving employment and you wish to continue coverage by sending additional contributions to the Plan, you will need to mail the signed verification to ***your former employer within 60 days of termination***.

If you indicate you do not wish to continue benefits and within that 60-day period you decide you wish to continue your benefits under the COBRA, it is the ***responsibility of the employee to notify your former employer in writing of your decision to continue your benefits under COBRA***.

Your Cafeteria Plan Booklet explains in detail your rights to continue your contributions to the Medical Reimbursement Plan in the event you terminate your employment. In summary,

IF YOU:

- (1) Are in the Medical Reimbursement Plan at termination of employment, and,
- (2) Have money in your Medical Reimbursement Plan Account,

You can only use expenses incurred while you were an active employee to claim those dollars in your account. ***UNLESS YOU CONTINUE CONTRIBUTIONS THROUGH COBRA OR HAVE THE REMAINING YEAR'S ELECTION TAKEN FROM YOUR LAST PAYCHECK.***

YOU HAVE TWO CHOICES:

- (1) You may elect to have the remaining year's election deducted pre-tax from your last paycheck. You would be considered a participant until the end of the Plan Year and may submit receipts for expenses incurred up to the end of the Plan Year,

OR,

- (2) You may continue your per pay period contribution to the Plan with after-tax dollars. You will be eligible to file an expense incurred beyond your date of termination through the date of the last contribution to the Plan. You will be responsible for the cost of administration.

EXAMPLE:

The Cafeteria Plan begins January 1st, and you terminate employment June 1st. At the end of each month you had contributed \$50.00, therefore through May 30th, your contributions totaled \$250.00.

You can only use expenses incurred from January 1st through May 30th to claim your \$250.00 unless you elect to continue under ***COBRA***. For each month you continue to send the Plan \$50.00, a month is added to the period of time you can incur an expense and claim the money in your spending account. In this example if you sent the Plan \$50.00 in August, you could claim up to your Plan Year Election using expenses incurred between January 1st and August 31st. You may also choose to have the entire election for the remainder of the Plan Year deducted ***pre-tax*** from your last paycheck. This would allow you to continue to participate in the Plan until the end of the Plan Year. The administrative fees would be paid for with ***after-tax*** dollars.

VERIFICATION FOR CONTINUED OR DECLINING COVERAGE

FOR THE CAFETERIA PLAN (SECTION 125)

MY NAME, SIGNATURE AND DATE BELOW ARE VERIFICATION THAT I HAVE BEEN GIVEN NOTICE AS TO MY RIGHTS UNDER COBRA.

NAME (please print)

SIGNATURE

DATE

ACCEPTANCE: (Check One)

- () I want to continue my health FSA benefits by having the remaining year's election taken from my last paycheck.
- () I want to continue my health FSA benefits by sending a check into the Plan (after-tax).

My contribution is: \$_____ including administration, and
the frequency of contribution is: _____.

SIGNATURE

OR,

DECLINATION:

I do not want to continue my health FSA benefits under **COBRA**,

SIGNATURE