

2009 Amendment for Cafeteria Plans and Health Reimbursement Arrangements Livingston County Flexible Benefits Plan

This Amendment is intended to cover the requirements of Michelle's Law, the Mental Health Parity and Addiction Equity Act of 2008, the Genetic Information Nondiscrimination Act of 2008, the Children's Health Insurance Program Reauthorization Act of 2009, and the American Recovery and Reinvestment Act of 2009, but each only is applied to the extent those provisions and related laws are applicable to this Plan. This Amendment supersedes the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

Section 1. Michelle's Law

- 1.1 **Effective Date.** This Section is effective for Plan Years beginning on and after January 1, 2010
(enter the first day of the Plan Year beginning on or after October 9, 2009).
- 1.2 **Definition of Dependent.** The definition of "Dependent" for purposes of an account or arrangement subject to Code §105(h) is amended by adding the following: The requirement that a Dependent child have full-time student status in order to extend coverage past a stated age will generally not apply if the child's failure to maintain full-time status is due to a medically necessary leave of absence or other change in enrollment (such as reduction of hours). If the child's treating physician certifies in writing that the child is suffering from a serious illness or injury, and that the leave of absence or other change in enrollment is medically necessary, coverage may continue for up to a year after the date the medically necessary leave of absence or other change in enrollment begins. To be eligible for the extension, the child must be enrolled in the Plan as a full-time student immediately before the first day of the medically necessary leave of absence. This extension of coverage continues to apply if the manner of providing coverage under the Plan changes (such as from self-funded to fully insured) if the changed coverage continues to provide coverage for dependent children. However, this extension does not extend coverage beyond the date that a child fails to meet the dependent eligibility requirements other than the requirement to be a full-time student. Except for a student who is on a medically necessary leave of absence, full-time student coverage continues between semester/quarters only if the student is enrolled as a full-time student in the next regular semester/quarter. If the student is not enrolled as a full-time student, coverage will be terminated retroactively to the last day of the attended school term. Notwithstanding anything in the Plan to the contrary, the Plan will comply with Michelle's Law.

Section 2. Mental Health Parity and Addiction Equity Act

- 2.1 **Effective Date.** This Section is effective for Plan Years beginning on and after January 1, 2010 (NonUnion Plans)
(enter the first day of the Plan Year beginning on or after October 9, 2009). January 1, 2011 (Union Plans)
- 2.2 **Mental Health Parity and Addition Equity Act.** The Plan will comply with the Mental Health Parity and Addiction Equity Act.

Section 3. Genetic Information Nondiscrimination Act

- 3.1 **Effective Date.** This Section is effective for Plan Years beginning on and after January 1, 2010
(enter the first day of the Plan Year beginning on or after May 21, 2009).
- 3.2 **Genetic Information Nondiscrimination Act.** Notwithstanding anything in the Plan to the contrary, the Plan will comply with the Genetic Information Nondiscrimination Act of 2008.

Section 4. Children's Health Insurance Program Reauthorization Act of 2009

- 4.1 **Effective Date.** This Section is effective as of April 1, 2009 (enter April 1, 2009, if applicable).
- 4.2 **Special Enrollment Rights.** The Plan is amended to allow for special enrollments rights if a Participant or his or her eligible Dependent (a) loses coverage under Medicaid or a state child health program or (b) becomes eligible for state assistance with respect to paying his or her contributions to the Plan, as follows: A Participant

may change an election for accident or health coverage during a Plan Year and make a new election that corresponds with the special enrollment rights provided in Code §9801(f), including those authorized under the provisions of the Children's Health Insurance Program Reauthorization Act of 2009 (SCHIP); provided that such Participant meets the sixty day notice requirement imposed by Code §9801(f) (or such longer period as may be permitted by the Plan and communicated to Participants). Such change shall take place on a prospective basis, unless otherwise required by Code §9801(f) to be retroactive.

Section 5. American Recovery and Reinvestment Act of 2009

- 5.1 **Effective Date.** This Section is effective for Plan Years beginning on and after March 1, 2009 (enter the first period of COBRA continuation coverage starting on or after February 18, 2009 but not later than March 18, 2009, OR March 1, 2009). This section does not apply to health flexible spending accounts.
- 5.2 **COBRA Provisions.** The Plan's provisions concerning COBRA are amended as follows to allow for (a) payment of reduced premiums and the provision of a second election period by certain COBRA qualified beneficiaries, (b) the provision for additional COBRA notices, and (c) an exception to the rules for crediting certain prior coverage: The COBRA continuation coverage provisions of the Plan shall be administered in accordance with the requirements of §3001 of the American Recovery and Reinvestment Act of 2009 (ARRA) with respect to "assistance eligible individuals" as defined in ARRA §3001(a)(3). Notwithstanding any other Plan provision to the contrary, the Plan shall determine whether an individual has had a 63-day break in coverage for purposes of determining creditable coverage under the Health Insurance Portability and Accountability Act (HIPAA), in accordance with the terms of ARRA §3001.

SIGNATURE OF THE SPONSORING EMPLOYER

By _____ Title _____
Print Name _____ Date _____

**2010 AMENDMENTS TO §125 CAFETERIA PLAN(S) AND
HEALTH CARE FLEXIBLE SPENDING PLAN(S)**

Livingston County Flexible Benefits Plan

This Amendment is adopted by the Plan Sponsor as good faith compliance with the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively the Affordable Care Act). This Amendment supersedes conflicting provisions of the plan document or any administrative policy of any cafeteria plan maintained by the Plan Sponsor pursuant to §125 of the Internal Revenue Code and any health care flexible spending plan or arrangement maintained by the Plan Sponsor. Each such plan or arrangement is referred to as a "Plan."

(1) Notwithstanding any provision of the Plan to the contrary, effective January 1, 2011, a change in status shall include election changes relating to a Participant's child who has not yet attained age twenty-seven (27), as otherwise allowed under Code Sections 105(b) and 106 and Internal Revenue Service Notice 2010-38.

(2) Notwithstanding any provision of the Plan to the contrary, effective January 1, 2011, a covered dependent shall include a Participant's child (as defined in Code Section 152(f)(1)), who as of the end of the Participant's taxable year, has not attained age twenty-seven (27).

WITNESS, execution below on behalf of the Plan Sponsor on the _____ day of December, 2010.

Title _____

HEART Act Amendment

Livingston County Flexible Benefits Plan

We have amended our Plan to enhance certain benefits that you may be entitled to under the Plan while you are performing Qualified Military Service, as follows:

Death Benefits

A Participant who dies on or after January 1, 2007 while performing Qualified Military Service will be treated as if the Participant (a) resumed employment with us on the day before he or she died and then (b) terminated employment with us on the day he or she died. This means that the Participant's beneficiary will receive the same death benefit that he or she would have received had the Participant died while he or she was still our employee. The Participant's period of Qualified Military Service will also be counted in determining his or her vested Account balance. However, the Participant will **not** receive any additional Employer contributions for his or her period of Qualified Military Service unless this box is checked, in which event such additional contributions will begin on or after _____ (must be on or after January 1, 2007).

Qualified Military Service is, generally speaking, service in the uniformed military services by any individual who is entitled to USERRA reemployment rights with respect to such service.

Disability Benefits

If this box is checked, then effective _____ (must be on or after January 1, 2007), a Participant who suffers a Disability while performing Qualified Military Service will be treated as if the Participant (a) resumed employment with us on the day preceding the date of his or her Disability and then (b) terminated employment with us on the date of his or her Disability. This means such Participant will receive the same disability benefit that he or she would have received had the Participant suffered the Disability while he or she was still our employee. However, such Participant will **not** receive any additional Employer contributions for the period of his or her Qualified Military Service unless this box is checked, in which event the crediting of such accruals will begin on or after _____ (must be on or after January 1, 2007). In addition, the Participant's period of Qualified Military Service will **not** be counted in determining his or her vested Account balance unless this box is checked.

Differential Wage Payments

Effective January 1, 2009, the amount of a Participant's Compensation that is used to determine certain minimum benefits (such as the Top Heavy Benefit) and certain dollar limitations under the Plan will include Differential Wage Payments, but only to the extent the payments do not exceed the amount the Participant would have received had he or she continued to perform services for the Employer. A Participant who receives Differential Wage Payments from us will continue to be treated as an Employee. However, Differential Wage Payments will **not** be counted as Compensation in determining Employer contributions made on the Participant's behalf unless this box is checked, in which event Differential Wage Payments will be included in such Participant's Compensation, effective _____ (must be on or after January 1, 2009).

Differential Wage Payments are payments a Participant receives from us after December 31, 2008 while the Participant is performing Qualified Military Service and which are intended to supplement his or her military pay.

WITNESS, execution below on behalf of the Plan Sponsor on the _____ day of December, 2010.

Title _____

HEART Act refers to sections in the Internal Revenue Code which discuss Life and Disability provisions in pension plans, not group insurance products and does not apply to the Livingston County Flexible Benefits Plan.

**Affordable Care Act Amendment
Livingston County Flexible Benefits Plan**

This amendment is intended as good faith compliance with the Patient Protection and Affordable Care Act (PPACA) and the Health Care and Education Reconciliation Act of 2010 (HCERA), collectively referred to herein as the Affordable Care Act. This amendment supersedes any conflicting provisions of the Plan, any administrative policy, and/or any previously-adopted amendment of the same subject matter, as applicable. This amendment addresses certain mandatory and discretionary provisions set forth in the Act.

Section 1. Definitions

- 1.1 **Change in Status.** If this box is checked, effective January 1, 2011 (cannot be earlier than March 30, 2010), the term *Change in Status* is expanded to include initial eligibility or a change in eligibility of a Participant's child who has not attained age twenty-seven (27), as allowed under Code Sections 105(b) and 106 and IRS Notice 2010-38. If this box is checked and the Plan is a Grandfathered Plan, coverage is extended until the end of the calendar year in which such child attains age twenty-seven (27). *Union plans only*
- 1.2 **Dependent.** Effective January 1, 2011, with respect to the Medical Care Reimbursement Plan, the term *Dependent* means (a) a dependent as defined under Code §152 (but determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof); (b) a child (as defined in Code §152(f)(1)) of the Participant who as of the end of the taxable year has not attained age 27; and (c) a child of the Participant to whom IRS Rev. Proc. 2008-48 applies (regarding certain children of divorced or separated parents who receive more than half of their support for the calendar year from one or both parents and are in the custody of one or both parents for more than half of the calendar year). For this purpose, a Participant's *Child* includes his or her natural child, stepchild, foster child, adopted child, or a child placed with the Participant for adoption without regard to student status, marital status, financial dependency or residency status with the Participant or any other person. The phrase "placed for adoption" refers to a child whom the Participant intends to adopt, whether or not the adoption has become final, who has not attained the age of eighteen (18) as of the date of such placement for adoption. The term "placed" means the assumption and retention by such Participant of a legal obligation for total or partial support of the child in anticipation of adoption.
- 1.3 **Qualifying Medical Care Expense.**
- (a) **Plan Subject to HIPAA Portability.** For Plan Years beginning after September 23, 2010, to the extent the Plan covers dependent children, the definition of Qualifying Medical Care Expense shall include qualifying expenses of Dependents.
- (b) **Restrictions on Qualifying Medical Care Expenses.** Qualifying Medical Care Expenses shall be restricted to qualifying expenses incurred by:
- (Choose all that apply)*
- The Participant
- Individuals covered under Employer's group health plan
- Participants and his or her spouse and/or Dependents as defined in Section 1.2 above subject to any limitation set forth in Section 1.4(d) above.
- Other _____
- (c) **Cessation of Coverage.** The coverage of an adult child set forth above shall cease as of:
- (Choose One)*
- The child's 26th birthday
- The end of the Employer's taxable year which includes the covered child's 26th birthday
- upon obtaining coverage through child's employment (grandfathered plans)

Section 2. Coordination with Other Laws

External Review Process. If the Plan is subject to the HIPAA portability requirements, then the Plan must establish an external review process in accordance with the following provisions:

- (a) **Mandatory Inclusion of Certain Consumer Protections.** At a minimum, the external review policy must include the consumer protections set forth in the Uniform External Review Model Act promulgated by the National Association of Insurance Commissioners, as set forth in Technical Release 2010-01 issued by the United States Department of Labor.
- (b) **Plans Not Subject to ERISA.** If the Plan is a Non-ERISA plan, the Plan is required to meet the external review standards set forth by the National Association of Insurance Commissioners ("NAIC") or is subject to the ERISA external review process set forth above.
- (c) **Subsequent Guidance.** To the extent the Department of Labor issues model notices and/or subsequent guidance with respect to the procedures set forth above, such guidance shall be incorporated by reference and the Administrator shall apply all mandated provisions operationally to the claims review process.
- (d) **Non-English Speaking Plan Participants.** If the Plan has less than 100 Participants and 25% or more of Participants are literate only in the same non-English language, the appeal procedure notices must be made available in that language. If the Plan has 100 or more Participants and the lesser of 10% of Participants or 500 Participants or more are literate only in the same non-English language the relevant appeals procedures notices must be made available in that language.

By _____

Title _____

Print Name _____

Date _____