

ELECTION OF SECTION 125 OPTION

PLEASE READ CAREFULLY BEFORE ELECTING THIS PRE-TAX OPTION. IF YOU HAVE QUESTIONS, PLEASE CONTACT YOUR TAX ADVISOR

In order to pay for benefits on a pre-tax basis under the Internal Revenue Code, Section 125 Plan, the City must enforce certain rules established by the Internal Revenue Service. After the selection is made, your pre-tax status may be changed only if one of the following events occurs during the year for which you enrolled.

Marriage or divorce of the employee; death of the employee's spouse or child; birth of an employee's child; adoption of a child by the employee; termination or commencement of employment by the employee or the employee's spouse; changing from part time to full time employment by employee or the employee's spouse, or vice versa; or, a significant change in insurance coverage of the employee or employee's spouse attributable to the spouse's employment; an event that causes an employee's dependent to satisfy, or cease to satisfy, the requirements for coverage due to attainment of age, student status, or any similar circumstances as provided in the health plan covering the employee; a change in the place of residence or worksite of the employee, spouse, or dependent.

You can NOT stop the payment of premiums for Plans selected under IRC, Section 125 for any other reason, including such examples as:

The employee's decision to drop a selected plan due to economic factors or a duplication of coverage which is not applicable to the

employee's change in marital status (marriage) or employee's spouse's employment.

I certify that all information given during my enrollment is true. I understand that in the event any dependent ceases to be considered an eligible dependent, as defined by the policy/contract, coverage will cease on that date. A court order requiring coverage for dependents no longer considered "eligible" does not over-ride the terms of the policy/contract. COBRA will be available for continuation of coverage for ineligible dependents.

I authorize the City to deduct from my wages the required contributions, if any, for the selection(s) I have made. I understand the premium rates and my deduction(s) may be adjusted. I understand that I may revoke this authorization by written notice to the City's Office of Employee Benefits in a timely manner subject to the Internal Revenue Code, Section 125, if a plan participant; or, unless I am enrolled in a 12-month contract.

I agree to the conditions of enrollment and I acknowledge that any person who, knowingly and with intent to injure, defraud, or deceive any insurance company or the City gives false, incomplete, or misleading information by completion of the enrollment form(s) electronically or in writing; or files a claim for benefits containing false, incomplete, or misleading information, he or she may be guilty of a felony in the third degree, and charges may be filed against that person. The City reserves the right to drop any person deemed to be enrolled inappropriately, with or without refund of premiums.