

Checklist for  
Premium Only Plan – Negative Election

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Person to Contact with Questions: \_\_\_\_\_

Telephone Number: ( \_\_\_\_\_ ) \_\_\_\_\_

Email Address: \_\_\_\_\_

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**GENERAL PLAN INFORMATION**

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Group's Full Name: \_\_\_\_\_

Group's Address: \_\_\_\_\_

If above address is a post office box, street address: \_\_\_\_\_

Group's Telephone Number: ( \_\_\_\_\_ ) \_\_\_\_\_

Internal Group Number or Billing Number (if any): \_\_\_\_\_

Employer Identification Number (EIN): \_\_\_\_\_

Plan Year (month to month): \_\_\_\_\_

Original Effective Date of Plan (month & year): \_\_\_\_\_

Date of this Restatement (month & year): \_\_\_\_\_

Type of Plan:  Premium Only Plan under IRC §125  \_\_\_\_\_

Will the Premium Only Plan include contributions to a Health Savings Account? \_\_\_\_\_

Participating Employers: \_\_\_\_\_

Third Party Administrator: \_\_\_\_\_  
Name, Address, Phone: \_\_\_\_\_

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**DEFINITIONS**

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***“Annual enrollment period”*** means the period from [ \_\_\_\_\_ ] through [ \_\_\_\_\_ ] each year when eligible *employees* may enroll for participation and make elections under the *Plan*.

**“Benefit cost”** means the cost of premiums for...

...Medical...	...Hearing...
...Dental...	...Prescription drugs...
...Vision...	

...coverage for a *participant*, his spouse, and dependent children under the *benefit plan* which a *participant* is required, as a condition of coverage, to pay.

**“Employee”** means a person who is an *employee* of the *participating employer*, regularly scheduled to work for the *participating employer* in an employer-employee relationship at least [ ] hours per week.

**“Health savings account”** means the tax-exempt trust or custodial account established in accordance with Section 223 of the Code to permit eligible *participants* to receive tax-favored contributions exclusively for the purpose of paying or reimbursing qualified medical expenses.

**OPTIONAL – KEEP or REMOVE**

**“Salary contribution agreement”** means...

... a written agreement by a <i>participant</i> to reduce his or her salary or wage in order to pay <i>benefit costs</i> .
... a written agreement by a <i>participant</i> to reduce his or her salary or wage in order to pay <i>benefit costs</i> [or, if the <i>participant</i> elects not to have his salary reduced under “May I Elect Not to Participate,” for the <i>participating employer</i> to make an after-tax contribution to the <i>participant’s</i> salary or wage].

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## ELIGIBILITY FOR PARTICIPATION

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### Am I eligible to participate in the *Plan*?

You must complete a proper *salary contribution agreement* within [ ] days from your original eligibility date in order to participate in this *Plan*.

If you participate in the <i>benefit plan</i> , you may elect to reduce your salary in so that your share of the premiums for the <i>benefit plan</i> is paid using pre-tax dollars.
If you participate in the <i>benefit plan</i> , you may elect to reduce your salary in so that your share of the premiums for the <i>benefit plan</i> is paid using pre-tax dollars[, if you are not a participant in the <i>benefit plan</i> , and have decided to decline coverage under that plan because you have comparable health care coverage, you may elect to receive cash compensation as described in this section].

Eligible <i>employees</i> who do not participate in this <i>Plan</i> may not pay any required contributions to the <i>benefit plan</i> with pre-tax dollars.
Eligible <i>employees</i> who do not participate in this <i>Plan</i> may not pay any required contributions to the <i>benefit plan</i> with pre-tax dollars[ and are not eligible to choose the cash compensation].

If you become eligible during the *plan year*, you will be allowed to participate in this *Plan* on the [ ] day ...

...of the month.
...following [ ] days of continuous <i>active employment</i> .
Other (please specify):

If you are enrolling during an *annual enrollment period*, your entry date will be [ ] following the *annual enrollment period*.

### May I elect not to participate in the *benefit plan*?

[You may elect not to participate in the *benefit plan* by completing and filing an appropriate *salary contribution agreement* with the *Plan Sponsor* within [ ] days of your original eligibility period or an *annual enrollment period*.]

**OPTIONAL – KEEP or REMOVE**

If you elect not to participate in the <i>benefit plan</i> , you will be entitled to receive \$[ ] in cash
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	compensation from the <i>Plan Sponsor</i> .
	If you elect not to participate in the <i>benefit plan</i> [due to the fact that you are currently enrolled in a different health benefit plan which is comparable to the <i>benefit plan</i> ], you will be entitled to receive \$[ ] in cash compensation from the <i>Plan Sponsor</i> .

You will be required to provide evidence of the comparable coverage to the *Plan Sponsor* in order to receive the cash compensation.

**OPTIONAL – KEEP or REMOVE**

	Any such cash compensation paid to you will be on an after-tax basis within [ ] days from your election not to participate.
	Any such cash compensation paid to you will be paid on any after-tax basis on a pro rata basis on the [ ] day of each month.

**OPTIONAL – KEEP or REMOVE**

**May I make mid-year changes in my *Plan* elections?**

Unless otherwise specified, any change in participation must be made within [ ] days after the change in status event occurs, and the change will remain in effect the balance of the *plan year*.

The change will become effective on the...

	...first day...
	...first day of the month...
	Other (please specify):

...following the date the election change is made.

**When does my participation end? *Please choose ONE***

	If your employment terminates, and you return to eligible employment with your <i>participating employer</i> within the same <i>plan year</i> , you will not be permitted to rejoin the <i>Plan</i> .
	If your employment terminates, and you return to eligible employment with your <i>participating employer</i> : <ul style="list-style-type: none"> <li>• Within 30 days, you may rejoin the <i>Plan</i> provided that you keep your original election for that <i>plan year</i>; or</li> <li>• More than 30 days following termination of your participation, you may rejoin the <i>Plan</i> and make a new election for the remainder of the <i>plan year</i>, as long as the termination was not for the purpose of altering the original election.</li> </ul>

Coverage for a rehired employee is effective on the:

	...date of rehire
	...first day of the month following the date of rehire
	Other:

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**FUNDING**

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**How is the *Plan* funded?**

You and/or your *participating employer* may make contributions to your *health savings account* on a pre-tax basis.

**OPTIONAL – KEEP or REMOVE**

**How will the *Plan* distribute excess contributions?**

The *Plan Sponsor* may use excess contributions to uniformly decrease the *benefit costs* of all *participants* in the next *plan year*.

**OPTIONAL – KEEP or REMOVE**

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**CLAIMS REVIEW PROCEDURES**

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It is anticipated that the *Plan Administrator* will automatically take the appropriate amount pursuant to the salary reduction agreement and pay that participant's *benefit costs*. However, should a participant have a claim for benefits under this *plan*, either because the wrong amount was taken from the participant's salary, or because the *benefit cost* was not properly paid, the participant must notify the *Plan Administrator* within [ ] days after the pay-period in which the incorrect amount was taken from the participant's salary, so that the *Plan Administrator* may make the necessary adjustments.

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**MISCELLANEOUS**

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**Will the *Plan* provide a statement of benefits?**

Will the *Plan* provide a statement of benefits? \_\_\_\_\_  
 If "YES," please choose an option...

	On or before January 31 <sup>st</sup> of each year, the <i>Plan Administrator</i> will furnish each <i>participant</i> who received benefits under the <i>Plan</i> a written statement showing...
	Throughout the <i>plan year</i> , the <i>Plan Administrator</i> will provide access to a web-based online system to each <i>participant</i> who received benefits under the <i>Plan</i> which will show...

... the amounts paid or the expenses incurred by the *Plan Sponsor* in connection with the administration of the *Plan* for the prior *plan year*.

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**HIPAA PRIVACY PRACTICES**

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**Disclosure of Protected Health Information ("PHI") to the *Plan Sponsor* for *Plan Administration* Purposes**

- The following employees, or classes of employees, or other persons under control of the *Plan Sponsor*, shall be given access to the *PHI* to be disclosed:
