

**BENETEMPS, INC.  
CAFETERIA PLAN  
PREMIUM REDUCTION OPTION**

**Restated October 1, 2017**

**Original: January 1, 2000  
Restatement #1: September 15, 2005  
Restatement #2: September 1, 2007  
Restatement #3: October 1, 2014  
Restatement #4: October 1, 2015  
Restatement #5: October 1, 2016  
Restatement #6: October 1, 2017**

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CAFETERIA PLAN  
**PREMIUM REDUCTION OPTION**

**October 1, 2017**

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i. General Information About the Plan

**Plan Name:** BeneTemps, Inc. Section 125 Plan  
**“The Plan” throughout this document**

**Type of Plan:** Cafeteria Plan – Premium Reduction Option

**Plan Year:** October 1 – September 30

**Plan Number:** 502

**Original Effective Date:** January 1, 1995

**Plan Sponsor:** BeneTemps, Inc.  
738 Main Street, # 337  
Waltham, MA 02451  
781-726-6070

**Plan Sponsor’s Employer Identification Number:** 02-0452407

**Plan Administrator:** BeneTemps, Inc.  
738 Main Street, # 337  
Waltham, MA 02451  
781-726-6070  
Attn: Benefits Specialist

**Named Fiduciary:** BeneTemps, Inc.  
738 Main Street, # 337  
Waltham, MA 02451  
781-726-6070

**Agent for Service of Legal Process:** Samuel Gruenbaum, President  
BeneTemps, Inc.  
738 Main Street, # 337  
Waltham, MA 02451  
781-726-6070  
Service of legal process may also be made on the Plan Administrator

**Plan Document:**

This document constitutes the written plan document for the BeneTemps Section 125 Plan required by ERISA.

**Type of Plan Administration:**

This Plan is administered by the BeneTemps' Benefit Manager in conjunction with ADP Payroll, an outside vendor for BeneTemps who calculates the premium deductions and tax adjustments necessary as a result of participation in the plan.

**Important Disclaimer:**

Benefits hereunder are provided pursuant to the terms of the Plan Document. The Plan Document will control unless superseded by applicable law.

## 1. Introduction

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BTHR Solutions (“Employer”) is pleased to sponsor an employee benefit program known as a Cafeteria Plan (“Plan”). The Plan provides an opportunity to use pre-tax dollars to pay for certain insurance benefits instead of paying for the benefits through after-tax payroll deductions. By paying for the benefits with pre-tax dollars, employees save money by not having to pay social security and income taxes on the qualified deduction amount.

Participation in this Plan is optional for all eligible employees.

This Summary Plan Description (“SPD”) describes the basic features of the Plan; how it operates, and how employees can get the maximum advantage from it.

## 2. Eligibility and Participation

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### Eligibility

Any employee who has met the service and hour requirements to be eligible for BTHR Solutions group health and dental insurance and who has enrolled in one of those plans, may participate in the Section 125 Plan.

**Note:** *If health insurance includes a Health Savings Account (HSA), the HSA will be included in the Section 125 Plan and employees may choose to contribute on a pre-tax basis via payroll deduction and such contribution will be assumed to be under this Cafeteria plan unless employee chooses otherwise.*

### Participation

An eligible employee becomes a Participant by signing the Section 125 Enrollment Form indicating election to participate in the Plan and agreeing to allow the health and/or dental premium deduction to be paid via payroll deduction with pre-tax dollars.

The election will be valid for the Plan Year – usually 12 months.

### Enrollment Periods

There are two enrollment periods:

1. *Initial Enrollment Period.* The Initial Enrollment Period is the period during which newly eligible employees enroll in the Plan. An election to participate that is made during this enrollment period will be effective on the date the Benefit Election Form is signed.
2. *Annual Enrollment Period.* The Annual Enrollment Period is the period each year in which participants may elect to change and/or continue their elections or eligible employees may elect to participate for the next Plan Year (called “Open Enrollment”). The Annual Enrollment Period is described in your enrollment material that you will receive prior to the Annual Enrollment Period. An election to participate made during this period will be effective on the anniversary date. Participants in the Plan who wish to continue participation in the next Plan Year do not need to complete an additional Benefit Election Form. Participation will continue until the participant elects to cancel it.

## **Changes to Eligibility and Participation**

Generally, you cannot change your election to participate in the Plan during the Plan Year, although your election will terminate if you are no longer working for the Employer. Otherwise, you may change your elections only during the Annual Enrollment Period or if you experience a qualifying Change in Status.

**Change in Status.** If one or more of the following Changes in Status occur, you may revoke your old election and make a new election, provided that both the revocation and new election are on account of and correspond with the Change in Status.

- Change in your legal marital status (such as marriage, legal separation, annulment, divorce or death of your Spouse)
- Change in the number of your tax Dependents (such as the birth of a child, adoption or placement for adoption of a Dependent, or death of a Dependent)
- Any of the following events that change the employment status of you, your Spouse, or your Dependent that affect benefit eligibility under a cafeteria plan (including this Plan) or other employee benefit plan of yours, your Spouse, or your Dependents. Such events include any of the following changes in employment status: termination or commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, a change in worksite, switching from salaried to hourly-paid, union to non-union, or part-time to full-time; incurring a reduction or increase in hours of employment; or any other similar change which makes the individual become (or cease to be) eligible for a particular employee benefit.
- Any event that causes your Dependent to satisfy or cease to satisfy an eligibility requirement for a particular benefit (such as attaining a specified age, getting married, or ceasing to be a student)
- Change in your, your Spouse's, or your Dependent's place of residence

Additional changes that may affect participation during the Plan Year include significant cost increase/decrease of the Plan, or changes to benefits offered under the Plan. This is not a complete listing of qualifying status changes.

If a Change in Status occurs, you must inform the Plan Administrator and complete a new election for Pre-Tax Contributions within 30 days of the occurrence.

**Leave of Absence.** If a participant takes a leave of absence *without* pay (LWOP), participation in the Plan will cease. Participants who return from LWOP within 90 days will have their elections reinstated automatically.

## **Termination of Participation**

A Participant's eligibility for the Plan will end:

- if the participant's eligibility for BTHR Solutions Group Health or Dental Insurance Plan ends;
- if the Participant elects not to participate in the Plan; or
- the Participant's employment is terminated.

Additional provisions for termination of participation including but not limited to termination of the group plan, member's death or termination of marriage.

### 3. Summary of Plan Benefits

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The Plan provides an opportunity to use pre-tax dollars to pay for health and dental insurance benefits instead of paying for the benefits through after-tax payroll deductions. Following is an illustration of how one employee saved on taxes by participating in his employer's plan. Let's assume our hypothetical employee makes \$2500 each month and has 28% withheld for Federal withholding and 7.65% for FICA. His take-home pay before participating in the Plan was \$1,609 a month. Out of that, he paid \$348 a month for his medical premium. The employee decided to participate in the Cafeteria Plan. By participating in the Plan and pay calculation on a pre-tax basis, the employee saved \$123 a month. Here is a table that better illustrates the example.

<u>BREAKDOWN OF PAY CHECK AND DEDUCTIONS</u>	<u>NOT PARTICIPATING IN CAFETERIA PLAN</u>	<u>PARTICIPATING IN CAFETERIA PLAN</u>
Gross Monthly Pay	\$2,500.00	\$2,500.00
Less Premium for Group Health		(348.00)
<u>Taxable Income</u>	\$2,500.00	\$2,152.00
Less 28% Federal Withholding	(700.00)	(603.00)
Less 7.65% Social Security Tax	(191.00)	(165.00)
Less Premium for Major Medical		
<b>Spendable Income</b>	<b>\$1,261.00</b>	<b>\$1,384.00</b>

**The employee saved \$123 a month or \$1,476 a year by participating in Plan!**

This extra spendable income resulted from the employee being able to pay for the premium before the applicable taxes were withheld. This is just one example of the possible tax savings under the Plan.

### 4. Plan Funding

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The Plan affects only employee deduction dollars used to pay group health and dental insurance premiums. Any administrative costs for the Plan are paid by the Company out of its general assets.

## **5. Plan Administration**

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The administration of the Plan is under the supervision of the Plan Administrator. The Benefits Manager of BTHR Solutions is the person who acts on behalf of the Plan Administrator. BTHR Solutions has agreed to indemnify the Benefits Manager for any liability he or she incurs as a result of acting on behalf of the Plan Administrator, except if such liability is due to his or her gross negligence or misconduct.

The principal duty of the Plan Administrator is to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan without discrimination among them.

## **6. Denial or Loss of Benefits**

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Eligibility for benefits under the Plan may be denied or revoked for the following reasons:

- Failure to return the Benefit Election Form;
- Termination of employment resulting in continuation of group health insurance through COBRA. COBRA elections are not covered under Section 125.

## **7. Claim Procedures**

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If you are denied a benefit under this Plan (such as the ability to pay for premiums on a pre-tax basis) due to an issue germane to your coverage under this Plan (i.e., such as a determination of: a Change in Status; a “significant” change in premiums charged; or eligibility and participation matters under the Cafeteria plan document), the claims procedure under this Plan will apply, and you will be notified in writing by the Plan’s Administrator within 90 days of the date you submitted your claim if the claim is denied. Such notification will set out the reasons your claim was denied, and further advise you of what steps, if any, you might take to validate the claim. It will further advise you of your right to request an administrative review of the denial of the claim; you may request a review any time within the 60-day period after you have received notice that the claim was denied. You or your authorized representative will have the opportunity to review any important documents held by the Administrator, and to submit comments and other supporting information. In most cases, a decision will be reached within 60 days of the date of your request for a review.

## **8. Amendment or Termination of the Plan**

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BTHR Solutions as Plan Sponsor, has the right to amend or terminate the Plan at any time. The Plan may be amended or terminated by a written instrument signed by the President of BTHR Solutions who is authorized to amend or terminate the Plan and to sign insurance contracts with the Insurance Company or other carriers, including amendments to those contracts.

## **9. No Contract of Employment**

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The Plan is not intended to be, and may not be construed as constituting, a contract or other arrangement between you and BTHR Solutions. to the effect that you will be employed for any specific period of time.

## **10. Statement of ERISA Rights**

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This Plan is not a welfare benefit plan as defined in the Employee Retirement Income Security Act (ERISA). To the limited extent that the Plan may have an impact on any component welfare benefit plans, we have included the statement of ERISA rights below. ERISA provides that all participants shall be entitled to the following:

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

You may examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan, including insurance contracts, and a copy of the latest annual report, if any, filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room for the Pension and Welfare Benefit Administration.

You may obtain, on 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 and updated summary plan description. The administrator may make a reasonable charge for the copies.

You may receive a summary of the Plan's annual financial report, if any is required to be prepared by ERISA. The Plan Administrator is required by law to furnish each participant with a copy of any required summary annual report.

### **COBRA and HIPAA Rights**

You may continue health care coverage for yourself, spouse, or dependents if there is a loss of coverage under the plan as a result of a qualifying event. You or your dependents will have to pay for such coverage. COBRA premiums are not covered under a Section 125 Cafeteria Plan.

You have the right to a reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

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

In addition to creating rights for plan participants ERISA imposes duties on 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 or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a plan benefit or exercising your rights under ERISA.

### **Enforce Your Rights**

If your claim for a 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 (if any) from the plan 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.

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 HIPAA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Pension and Welfare Benefits Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Pension and Welfare Benefits 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 Pension and Welfare Benefits Administration.