

49er Shops, Inc.

CALIFORNIA STATE UNIVERSITY, LONG BEACH
6049 EAST SEVENTH STREET
LONG BEACH, CA 90840

Healthcare Benefits Waiver Program

Overview

The Forty-Niner Shops, Inc. offers a Program for those employees with established alternative healthcare benefits coverage. Employees who have verifiable medical, dental, and vision coverage outside of the Forty-Niner Shops, Inc., may be eligible for The Healthcare Benefits Waiver Program, which offers employees the opportunity to receive monetary compensation in lieu of providing Forty-Niner Shops, Inc. subsidized healthcare benefit coverage.

Definition

The Healthcare Benefits Waiver Program is a Plan that allows for eligible employees to waive Forty-Niner Shops, Inc. medical, dental, and vision coverage in exchange for cash through regular payroll payments. The Healthcare Benefits Waiver Program is treated as taxable income and will be subject to the same payroll taxes (i.e. federal, state, Social Security, Medicare) and IRS regulations as regular salary, therefore, it will be reported as income on Form W-2 for the year in which it was received.

Eligibility

Active regular Full-time Employees who are able to provide verifiable proof of their alternative medical, dental, and vision coverage for the life of their participation in The Program, through an individual policy, private group coverage, spouse/domestic partner's employer plan, or coverage related to employment outside of The Forty-Niner Shops, Inc. Verifiable proof must be submitted yearly (on or near) Open-enrollment in order to maintain active participation.

Concurrent enrollment in The Forty-Niner Shops, Inc. subsidized healthcare benefit program is not permitted. Should it later be determined that an overlap of the two Programs has ever occurred, the necessary adjustments will be made through subsequent payroll deductions.

Note: Dependents of other Forty-Niner Shops, Inc. employees are not eligible for participation in The Healthcare Benefits Wavier Program.

Amount of Cash Payment

Employees that participate in the Healthcare Benefits Waiver Program can expect to receive **\$140.00 per month** in payroll payments. *This amount may be subject to change based on business necessity and is not guaranteed to remain constant from one plan year to the next.*

Enrollment Period / Effective Date of Coverage

Newly hired regular full-time employees may enroll in The Healthcare Benefits Waiver Program upon hire, and effective date will be on the 1st of the month following 30 days of enrollment, subject to The Forty-Niner Shops, Inc. processing timelines. Existing active regular employees whose employment status changes to enable them to qualify for Benefits may enroll at the time of their status change, and their effective date will be the 1st of the month following 30 days of enrollment.

Verifiable coverage will continue from January 1st through and including December 31st of the Plan Year.

Note: Employees currently participating in the Healthcare Benefits Waiver Program are required to submit verifiable proof of their alternative medical, dental, and vision coverage on an annual basis in order to continue their compensatory benefits. Lack of verifiable proof may result in automatic cancellation of said benefit and result in mandatory enrollment in the Forty-Niner Shops, Inc. subsidized medical, dental, and vision plan.

Special Enrollment Opportunity

Active regular full-time employees who are on an approved leave of absence during the designated annual Open Enrollment period may enroll during the plan year at a time deemed reasonable in the Human Resources Department.

Changes/Interruptions Occurring in a Plan Year

Initiation or cessation of The Healthcare Benefits Waiver Program is not permissible during the course of a plan year, *except for allowable **status change events** as defined by Internal Revenue Service (IRS) regulations.* These regulations specify that changes in The Healthcare Benefits Waiver Program elections are deemed necessary, or appropriate, as a result of the same **status change**. Enrollment changes must be requested within 30 days of the status change event, and the appropriate forms completed and submitted to The Human Resources Department.

The following Events qualify as **Status Change Events**:

- Marriage, divorce, annulment or legal separation;

- Domestic partnership or dissolution of domestic partnership;
- Death of spouse, domestic partner or dependent, (or loss of eligible dependent status);
- Birth, adoption, or placement for adoption of a child;
- Change in custody that affects the child's eligibility for coverage under this plan or the plan of the child's parent;
- Termination or commencement of employment of employee, spouse, domestic partner or dependent;
- Change from full-time to part-time employment (or vice versa) by either you or your spouse or domestic partner, if that change affects your medical, dental, or vision coverage;
- Gain or loss of alternative non-Forty-Niner Shops, Inc. coverage;
- A significant change in the alternative non-Forty-Niner Shops, Inc. coverage;
- Entitlement to Medicare or Medicaid by an employee, spouse, domestic partner or dependent;
- A change in worksite or residence resulting in eligibility or cessation of the employee's coverage under any health maintenance organization offered through The Plan.

Payments that result from The Healthcare Benefits Waiver Program will continue during periods of *paid leave*. Periods of *unpaid leave* will cause the payments to cease until *active status* is resumed.

Termination of Employment or Retirement

Monetary compensation through participation in The Healthcare Benefits Waiver Program is available only to active full-time employees. When employment is terminated (whether voluntary or involuntary or the result of retirement), the payments will also cease.

Note: Participation in The Healthcare Benefits Waiver Program excludes the enrolled employee from eligibility in COBRA enrollment upon termination of active employment.

For additional information, please contact Human Resources at (562) 985-7476.



Healthcare Benefits Waiver Enrollment Form

| | |
|--------------------------------------|----------------------|
| Employee Name: (please print) / / | Date of Birth / / |
| Date of Employment | Date of Eligibility |

I, _____, hereby **decline** the opportunity to enroll
(print name)
into The Forty-Niner Shops, Inc., subsidized healthcare program (medical, dental, and vision plans) that was offered to me upon hire/eligibility.

I am certifying my reasons for **decline** as specified below:

- I am currently covered by my spouse's/domestic partner's group coverage.
- I am enrolled in another Insurance Carrier Plan.
- I am covered by Medicare.
- Other (*specify*) _____.

Validation of Alternative Insurance Coverage

Please provide your personal relevant information below:

- Medical Carrier Name and Member ID# _____
- Dental Carrier Name and Member ID# _____
- Vision Carrier Name and Member ID# _____

Acknowledgment of Terms and Conditions

*I hereby acknowledge that I have been offered the opportunity to apply for medical coverage with my employer, and I am electing **not** to enroll. By declining this group health coverage, I acknowledge that my dependents (if any) and I may have to wait until the plan's next open enrollment period to enroll for group health coverage. I certify that if I do not make any changes, participation in The Healthcare Benefits Waiver Program will continue until the next renewal cycle (on or near Open Enrollment Period) on an annual basis. I have read and understand the terms and conditions of The Healthcare Benefits Waiver Program.*

_____/_____/_____
Employee Signature Date

_____/_____/_____
Human Resources Approval Date