PLAN DOCUMENT

Stanley-Boyd School District Premium Only Employees Cafeteria Plan with HSA

Restated Effective Date: January 1, 2025

Stanley-Boyd School District Employees Cafeteria Plan

(With Premium Payment and an HSA Component)

Restated Effective: January 1, 2025

ARTICLE I. INTRODUCTION

1.1 Establishment of Plan

Stanley-Boyd School District (the "Employer") hereby restates the Stanley-Boyd School District Employees Cafeteria Plan (the "Plan") effective beginning January 1, 2025 (the "Effective Date"). Capitalized terms used in this Plan that are not otherwise defined shall have the meanings set forth in Article II.

This Plan is designed to permit an Eligible Employee to pay for his or her share of premiums under the Health Insurance Plan on a pre-tax Salary Reduction basis and to contribute on a pre-tax Salary Reduction basis to an Employee's Health Savings Account (HSA).

1.2 Legal Status

This Plan is intended to qualify as a "Cafeteria Plan" under Code § 125, and regulations issued thereunder and shall be interpreted to accomplish that objective. The HSA funding feature described in the HSA Component is not intended to establish an ERISA plan.

ARTICLE II. DEFINITIONS

2.1 Definitions

"Administrator" means the Stanley-Boyd School District. The contact person is the Human Resources Manager for the Stanley-Boyd School District, who has the full authority to act on behalf of the Administrator, except with respect to appeals, for which the board has the full authority to act on behalf of the Administrator, as described in Section 10.1.

"Adult Child" as defined in the Public Health Services Act ("PHSA") implementing the plan provision of the Patient Protection and Affordable Care Act (the "PPACA") and as defined in Code § 152(f)(1).

"Benefits" means the Premium Payment offered under this Plan.

"Benefit Package Option" means a qualified benefit under Code Section 125(f) that is offered under a Cafeteria Plan, or an option for coverage under an underlying accident or health plan.

"Change in Status" has the meaning described in Section 8.3.

"COBRA" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Benefits Committee appointed by the Board for the Stanley-Boyd School District.

"Compensation" means the wages or salary paid to an Employee by the Employer, determined prior to (a) any Salary Reduction election under this Plan, (b) any salary reduction election under any other cafeteria plan, and (c) any compensation reduction under any Code § 132(f)(4) plan; but determined after (d) any salary deferral elections under any Code § 401(k), 403(h), 408(k) or 457(b) plan or arrangement. Thus, "Compensation" generally means wages or salary paid to an Employee by the Employer, as reported in Box 1 of Form W-2, but adding back any wages or salary forgone by virtue of any election described in (a), (b) or (c) of the prior sentence.

“Dependent” means any individual who is a tax dependent of the Participant as defined in Code Section 152, with the following exceptions: for purposes of accident or health coverage (to the extent funded under the Premium Payment Component) (1) a dependent is defined as in Code Section 152, determined without regard to subsections (b)(1), (b)2, and (d)(1)(B) thereof; and (2) any child to whom code Section 152(e) applies (regarding a child of divorced parents, etc., where one or both parents have custody of the child for more than half of the calendar year and where the parents together provide more than half of the child’s support for the calendar year) is treated as a dependent of both parents.

“Effective Date” of this Plan has the meaning described in Section 1.1.

“Election Form/Salary Reduction Agreement” means the form provided by the Administrator for the purpose of allowing an Eligible Employee to participate in this Plan by electing Salary Reductions to pay for the Premium Payment Benefit. It includes an agreement pursuant to which an Eligible Employee or Participant authorizes the Employer to make Salary Reductions.

“Eligible Employee” means an Employee eligible to participate in this Plan, as provided in Section 3.1.

“Employee” means an individual that the Employer classifies as a common-law employee and who is on the Employer’s W-2 payroll, but does not include the following: (a) any leased employee (including but not limited to those individuals defined as leased employees in Code **§** 414(n) or an individual classified by the Employer as a contract worker, independent contractor, temporary employee or casual employee for the period during which such individual is so classified, whether or not any such individual is on the Employer’s W-2 payroll or is determined by the IRS or others to be a common-law employee of the Employer; (b) any individual who performs services for the Employer but who is paid by a temporary or other employment or staffing agency for the period during which such individual is paid by such agency, whether or not such individual is determined by the IRS or others to be a common-law employee of the Employer;(c) any self-employed individual; (d) any partner in a partnership; and (e) any more-than-2% shareholder in a Subchapter S corporation.

“Employer” means the Stanley-Boyd School District and any Related Employer that adopts this Plan with the approval of the Stanley-Boyd School District. Related Employers that have adopted this Plan, if any, are listed in Appendix A to this Plan. However, for purposes of Article X and Section 11.3, “Employer” means only the Stanley-Boyd School District.

“Employment Commencement Date” means the first regularly scheduled working day on which the Employee first performs an hour of service for the Employer for Compensation.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“FMLA” means the Family and Medical Leave Act of 1993, as amended.

“Health Insurance Benefits” means the Employee’s Health Insurance Plan coverage for the purposes of this Plan.

“Health Insurance Plan” means the plan(s) that the Employer maintains for its Employees (and for their Spouses and Dependents that may be eligible under the terms of such plan), providing major medical type benefits through a group insurance policy or policies. The type of plans may include health, dental, vision, indemnity, intensive care, and cancer policies. The Employer may substitute, add, subtract, or revise at any time the menu of such plans and/or the benefits, terms, and conditions of any such plans. Any such substitution, addition, subtraction or revision will be communicated to Participants and will automatically be incorporated by reference under this Plan.

“HIPAA” means the Health Insurance Portability and Accountability Act of 1996, as amended.

“Health Savings Account” or “HSA” means a Health Savings Account established under Code Section 223. Such arrangements are individual trusts or custodial accounts. Each separately established and maintained by an Employee with a qualified trustee/custodian.

“High Deductible Health Plan” means the high deductible health plan offered by the Employer that is intended to qualify as a high deductible health plan under Code § 223(c)(2), as described in materials provided separately by the employer. The High Deductible Health Plan may or may not be the sole Medical Insurance Plan eligible for pre-tax Salary Reduction funding hereunder.

"HIPAA" means the Health Insurance Portability and Accountability Act of 1996, as amended.

"HSA Benefits" has the meaning described in Section 7.1.

"HSA-Eligible Individual" means an individual who is eligible to contribute to an HSA under Code § 223 and who has elected qualifying High Deductible Health Plan coverage offered by the Employer and w has not elected any disqualifying non-High Deductible Health Plan coverage offered by the Employer.

"Medical Insurance Plan" means the plan(s) that the Employer maintains for its Employees (and for their Spouses and Dependents that may be eligible under the terms of such plan), providing major medical type benefits through a group insurance policy or. The Employer may substitute, add, subtract, or revise at any time the menu of such plans and/or the benefits, terms, and conditions of any such plans. Any such substitution, addition, subtraction, or revision will be communicated to Participants and will automatically be incorporated by reference under this Plan.

"Open Enrollment Period" with respect to a Plan Year means the month of December prior to beginning of the plan year in the year preceding the new Plan Year, or such other period as may be prescribed by the administrator.

"Opt Out Option" allows a qualified eligible employee may choose not to participate in this Employer's Group Health Plan provided they have health insurance coverage under another Employer's group health plan.

"Participant" means a person who is an Eligible Employee and who is participating in this Plan in accordance with the provisions of Article III. Participants include those who elect the Health Insurance Benefit and Salary Reductions to pay for such Benefit and (b) those who elect instead to receive their full salary in cash and to pay for their share of their premiums under the Health Insurance Plan with after-tax dollars outside of this Plan.

"Period of Coverage" means the Plan Year, with the following exceptions: (a) for Employees who first become eligible to participate, it shall mean the portion of the Plan Year following the date participation commences, as described in Section 3.1; and (b) for Employees who terminate participation, it shall mean the portion of the Plan Year prior to the date participation terminates, as described in Section 3.2.

"Plan" means the Stanley-Boyd School District Employees Premium Only Cafeteria Plan as set forth herein as amended from time to time.

"Plan Year" means the 12-month period commencing January 1 and ending on ending December 31, except in the case where the first Plan Year is less than 12 months or when the Plan Year is being changed, in which case the Plan Year shall be the entire short plan year.

"Premium" means the amount contributed to pay for the cost of Benefits (including self-funded Benefits as well as those that are insured), as calculated under Sections 6.2.

"Premium Payment Benefits" means the Premium Payment Benefits described in Section 6.1.

"Premium Payment Component" means the Component of this Plan described in Article VI.

"QMCSO" means a qualified medical child support order, as defined in ERISA § 609(a).

"Related Employer" means any employer affiliated with the Stanley-Boyd School District, under Code 414(b), (c), is treated as a single employer with the Stanley-Boyd School District for purposes of Code § 125(g)(4).

"Salary Reduction" means the amount by which the Participant's Compensation is reduced and applied by the Employer under this Plan to pay for the Benefit, as permitted for the applicable Component, before any applicable state and/or federal taxes have been deducted from the Participant's Compensation (i.e., on a pre-tax basis).

"Spouse" means an individual who is legally married to a Participant as determined under applicable state law (and who is treated as a spouse under the Code).

"Student" means an individual who, during each of five or more calendar month during the Plan Year, is a full-time student at any educational organization that normally maintains a regular faculty and curriculum.

ARTICLE III. ELIGIBILITY AND PARTICIPATION

3.1 Eligibility to Participate

An individual is eligible to participate in this Plan if the individual: (a) is an Employee and (b) is eligible to participate in the Employer Sponsored Group Health Plan. Once an Employee has met the Plan's eligibility requirements, the Employee may elect coverage effective the first day of the next calendar month, or for any subsequent Plan Year, in accordance with the procedures described in Article IV. For purposes of pre-taxing COBRA coverage, a former Employee receiving severance pay or other taxable compensation may continue eligibility for the remainder of the Plan Year in which the Employee ceased to be employed by the Employer, as described in Section 3.2.

3.2 Termination of Participation

A Participant will cease to be a Participant in this Plan upon the earlier of:

- the expiration of the Period of Coverage for which the Employee has elected to participate (unless during the Open Enrollment Period for the next Plan Year the Employee elects to continue participating);
- the termination of this Plan;
- the date on which the Employee ceases (because of retirement, termination of employment, layoff, reduction in hours, or any other reason) to be an Eligible Employee, provided eligibility may continue beyond such date for purposes of pre-taxing COBRA coverage, as may be permitted by the Administrator on a uniform and consistent basis (but not beyond the end of the current Plan Year) under Section 6.4; or
- the date the Participant revokes his or her election to participate under a circumstance when such change is permitted under the terms of this Plan.

Termination of participation in this Plan will automatically revoke the Participant's elections. The Medical Insurance Benefits will terminate as of the date specified in the Medical Insurance Plan.

Distributions from a Participant's HSA (whether before or after termination of employment) and all other matters relating to a Participant's HSA are outside of this Plan and are to be handled by the Participant and his or her trustee/custodian in accordance with the agreement between them—see Article VII.

3.3 Participation Following Termination of Employment or Loss of Eligibility

If a Participant terminates his or her employment for any reason, including (but not limited to) disability retirement, layoff, or voluntary resignation, and then is rehired within 30 days or less after the date of termination of employment, then the Employee will be reinstated with the same elections that such individual had before termination. If a former Participant is rehired more than 30 days following termination of employment and is otherwise eligible to participate in the Plan, then the individual may make new elections a new hire as described in Section 3.1. Notwithstanding the above, an election to participate in the Premium Payment Component will be reinstated only to the extent that coverage under the Medical Insurance Plans reinstated. Likewise, an HSA Benefit election will only be reinstated if an individual is an HSA-Eligible Individual. If an Employee (whether or not a Participant) ceases to be an Eligible Employee for any reason (other than for termination of employment), including (but not limited to) a reduction of hours, and then becomes an Eligible Employee again, the Employee must complete the waiting period described in Section 3.1 before again becoming eligible to participate in the Plan.

3.4 FMLA Leaves of Absence

Notwithstanding any provision to the contrary in this Plan, if a Participant goes on a qualifying leave under the FMLA, then to the extent required by the FMLA, the Employer will continue to maintain the Participant's Health Insurance Benefits on the same terms and conditions as if the Participant were still an active Employee. That is, if the Participant elects to continue his or her coverage while on leave, the Employer will continue to pay its share of the premium.

An Employer may elect to continue all Health Insurance Benefits coverage for Participants while they are on paid leave (provided Participants on non-FMLA paid leave are required to continue coverage). If so, the Participant's share of the premiums shall be paid by the method normally used during any paid leave (e.g. on a pre-tax Salary Reduction basis if that was the method used before FMLA leave.)

In the event of unpaid FMLA leave (or paid FMLA leave where coverage is not required to be continued), a Participant may elect to continue his or her Health Insurance Benefits during the leave. If the Participant elects to continue coverage while on FMLA leave, then the Participant may pay his or her share of the premium in one of the following ways:

- with after-tax dollars, by sending monthly payments to the Employer by the due date established by the Employer;
- with pre-tax dollars, by having such amounts withheld from the Participant's ongoing Compensation (if any, including unused sick days and vacation days), or pre-paying all or a portion of the premium for the expected duration of the leave on a pre-tax Salary Reduction basis out of pre-leave Compensation. To pre-pay the premium, the Participant must make a special election to that effect prior to the date that such Compensation would normally be made available (pre-tax dollars may not be used to fund coverage during the next Plan Year); or
- under another arrangement agreed upon between the Participant and the Administrator (e.g., the Administrator may fund coverage during the leave and withhold "catch-up" amounts from the Participant's Compensation upon the Participant's return on a pre-tax or after-tax basis).

If the Employer requires all Participants to continue Health Insurance Benefits during an unpaid FMLA leave, the Participant may elect to discontinue payment of the Participant's required premiums until the Participant returns from leave. Upon returning from leave, the Participant will be required to repay the premiums not paid by the Participant during the leave. Payment shall be withheld from the Participant's compensation either on a pre-tax or after-tax basis, as may be agreed upon by the Administrator and the Participant.

If a Participant's Health Insurance Benefits coverage ceases while on FMLA leave (e.g., for non-payment of required contributions), the Participant is entitled to re-enter the Health Insurance Benefits, as applicable, upon return from such leave on the same basis as the Participant was participating in the Plan prior to the leave, or as otherwise required by the FMLA. Participants whose Health Insurance Benefits coverage terminated during the leave are entitled to be automatically reinstated provided coverage for Employees on non-FMLA leave is automatically reinstated upon return from leave.

3.5 Non-FMLA Leaves of Absence

If a Participant goes on an unpaid leave of absence that does not affect eligibility, then the Participant will continue to participate and the premium due for the Participant will be paid by pre-payment before going on leave, by after-tax contributions while on leave, or with catch-up contributions after the leave ends, as may be determined by the Administrator. If a Participant goes on an unpaid leave that affects eligibility, the election change rules in Section 7.4 will apply.

ARTICLE IV. METHOD AND TIMING OF ELECTIONS

4.1 Elections When First Eligible

An Employee who first becomes eligible to participate in the Plan mid-year may commence participation on the first day of the month after the eligibility requirements have been satisfied, provided that an Election Form/Salary Reduction Agreement is submitted to the Administrator before the first day of the month in which participation will commence. An Employee who does not elect to participate when first eligible may not enroll until the next Open Enrollment Period, unless an event occurs that would justify a mid-year election change, as described under Section 8.4. Eligibility for Premium Payment Benefits shall be subject to the additional requirements, if any, specified in the Health Insurance Plan. The provisions of this Plan are not intended to override any exclusions, eligibility requirements or waiting periods specified in the Health Insurance Plan.

4.2 Elections During Open Enrollment Period

During each Open Enrollment Period with respect to a Plan Year, the Administrator shall provide an Election Form/Salary Reduction Agreement to each Employee who is eligible to participate in this Plan. The Election Form/Salary Reduction Agreement shall enable the Employee to elect to participate in the various Components of this Plan for the next Plan Year, and to authorize the necessary Salary Reductions to pay for the benefits elected. The Election Form/Salary Reduction Agreement must be returned to the Administrator on or before the last day of the Open Enrollment Period. If an Eligible Employee makes an election to participate during an Open Enrollment Period, then the Employee will become a Participant on the first day of the next Plan Year. As pertaining to insured benefits, if an Eligible Employee fails to return the Election Form/Salary Reduction Agreement during the Open Enrollment Period, then it will be deemed the Employee has made the same election as in the previous plan year. However, a participate may not make a new election in this Plan until the next Open Enrollment Period, unless an event occurs that would justify a mid-year election change, as described under Section 8.4.

4.3 Irrevocability of Elections

Unless an exception applies (as described in Article VIII), a Participant's election under the Plan is irrevocable for the duration of the Period of Coverage to which it relates.

ARTICLE V. BENEFITS OFFERED AND METHOD OF FUNDING

5.1 Benefits Offered

When first eligible or during the Open Enrollment Period as described under Article IV, Participants will be given the opportunity to elect one or more of the following Benefits:

(a) Premium Payment Benefits, as described in Article VI;
(b) "Cash" as it relates to fully taxed salary. There is an Opt out option.
(c) HSA Benefits as described in Article VII.

In no event shall Benefits under the Plan be provided in the form of deferred compensation.

5.2 Employer and Participant Contributions

(a) *Employer Contributions.* For Participants who elect Health Insurance Benefits described in Article VI, the Employer may contribute a portion of the premium as provided in the open enrollment materials furnished to Employees and/or on the Election Form/Salary Reduction Agreement.

(b) *Participant Contributions.* Participants who elect any of the Health Insurance Benefits described in Article VI may pay for the cost of that coverage on a pre-tax Salary Reduction basis, or with after-tax deductions, by completing an Election Form/Salary Reduction Agreement.

5.3 Using Salary Reductions to Make Contributions

(a) *Salary Reductions per Pay Period.* The Salary Reduction for a pay period for a Participant is, for the Benefits elected, an amount equal to (1) the annual premium for such Benefits (as described in Sections 6.2), divided by the number of pay periods in the Period of Coverage, (2) an amount otherwise agreed upon between the Employer and the Participant, or (3) an amount deemed appropriate by the Administrator (i.e., in the event of shortage in reducible Compensation, amounts withheld may fluctuate).

(b) *Considered Employer Contributions for Certain Purposes.* Salary Reductions are applied by the Employer to pay for the Participant's share of the premiums for the Premium Payment Benefits.

(c) *Salary Reduction Balance Upon Termination of Coverage.* If, as of the date that the elected coverage under this Plan terminates, a Participant's year-to-date Salary Reductions exceed or are less than the Participant's required contributions for the coverage, then the Employer will, as applicable, either return the excess to the Participant as additional taxable wages or recoup the due Salary Reduction amounts from any remaining Compensation.

(d) *After-Tax Contributions for Premium Payment Benefits.* For those Participants who elect to pay their share of the cost of any of the Health Insurance Benefits with after-tax deductions, both the Employee and Employer portions of such premiums will be paid outside of this Plan.

5.4 Funding This Plan

All the amounts payable under this Plan shall be paid from the general assets of the Employer, but Premium Payment Benefits are paid as provided in the applicable insurance policy. Nothing herein will be construed to require the Employer or the Administrator to maintain any fund or to segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in any fund, account or asset of the Employer from which any payment under this Plan may be made. There is no trust or other fund from which Benefits are paid. While the Employer has complete responsibility for the payment of Benefits out of its general assets, it may hire an unrelated third-party paying agent to make Benefit payments on its behalf. The maximum contributions that may be made under this Plan for a Participant is the total of the maximums that may be elected as Employer and Participant Contributions for Premium Payment Benefits, as described in Section 6.2.

ARTICLE VI. PREMIUM PAYMENT COMPONENT

6.1 Benefits

The Health Insurance Benefits that are offered under the Premium Payment Component (but not necessarily available) are benefits under a health, dental vision, indemnity, intensive care, and cancer Insurance Plans, providing medical benefits. The Health Insurance Benefits are subject to the terms and conditions of the Health Insurance Plans. An Eligible Employee can (a) elect benefits under the Premium Payment Component by electing to pay for his or her share of the premiums for Health Insurance Benefits on a pre-tax Salary Reduction basis (Premium Payment Benefits); or (b) elect no benefits under the Premium Payment Component, and to pay for his or her share of the premiums, if any, for Health Insurance Benefits with after-tax deductions outside of this Plan. Unless an exception applies (as described in Article VIII), such election is irrevocable for the duration of the Period of Coverage to which it relates.

6.2 Benefit Premiums (aka Contributions for Cost of Coverage)

The annual premium for a Participant's Premium Payment Benefits is equal to the amount as set by the Employer, which may or may not be the same amount charged by the insurance carrier, if any.

6.3 Medical Insurance Benefits Provided Under the Health Insurance Plan

Medical Insurance Benefits will be provided by the Health Insurance Plan(s), not this Plan. The types and amounts of Health Insurance Benefits, the requirements for participating in the Health Insurance Plan(s), and the other terms and conditions of coverage and benefits of the Health Insurance Plan(s) are set forth in the Health Insurance Plan(s). All claims to receive benefits under the Health Insurance Plan(s) shall be subject to and governed by the terms and conditions of the Health Insurance Plan and the rules, regulations, policies and procedures.

6.4 Health Insurance Benefits; COBRA/State Continuation

Notwithstanding any provision to the contrary in this Plan, to the extent required by COBRA/State Continuation, a Participant and his or her Spouse and Dependents, whose coverage terminates under the Health Insurance Benefits because of a COBRA/State Continuation qualifying event, shall be given the opportunity to continue on a self-pay basis the same coverage that he or she had under the Premium Payment Component the day before the qualifying event for the periods prescribed by COBRA/State Continuation (subject to all conditions and limitations under COBRA/State Continuation), with premiums for such coverage to be paid on a pre-tax basis unless determined otherwise by the Administrator on a uniform consistent basis.

6.5 Opt Out Option

This feature allows an eligible employee the ability to choose not to participate in this Employer's Group Health Plan provided they have health insurance coverage under another Employer's group health plan. This election is for the duration of the Plan Year unless there is a qualified "Change in Status" that would allow the employee to make a new election mid-plan year. There is a cash allotment and schedule of payment that is outlined in the Employee's Hand Book.

ARTICLE VII. HSA COMPONENT

7.1 HSA Benefits

An Eligible Employee can elect to participate in the HSA Component by electing to pay the Contributions on a pre-tax Salary Reduction basis to the Employee's HSA established and maintained outside the Plan by a trustee/custodian to which the Employer can forward contributions to be deposited (this funding feature constitutes the HSA Benefits offered under this Plan). Such election can be increased, decreased, or revoked prospectively at any time during the Plan Year, effective no later than the first day of the next calendar month following the date that the election change was filed.

HSA Benefits cannot be elected with Health FSA Benefits, in any plan including a spouse's plan, unless a Limited Health FSA Option (Vision / Dental / Preventative Care) is selected (if offered). In addition, a Participant who is eligible for reimbursement for Health FSA Benefits (other than the Limited Vision / Dental / Preventive Care) that has an account balance on the last day a Plan Year cannot elect HSA Benefits for any of the first three calendar months following the close of that Plan Year.

7.2 Contributions for Cost of Coverage for HSA; Maximum Limits

The annual Contribution for a Participant's HSA Benefits is equal to the annual benefit amount elected by the Participant. In no event shall the amount elected exceed the statutory maximum amount for HSA contributions applicable to the Participant's High Deductible Health Plan coverage option (i.e. single or family) for the calendar year in which the Contribution is made ($4,300 for single and $8,550 for family are the statutory maximum amount for 2025. An additional catch-up Contribution of $1000 may be made for Participants who are age 55 or older. In addition, the maximum annual Contribution shall be reduced by any matching (or other) Employer Contribution made on the Participant's behalf made under the Plan.

7.4 Recording Contributions for HSA

As described in Section 7.6, the HSA is not an employer-sponsored employee benefits plan—it is an individual trust or custodial account separately established and maintained by a trustee/custodian outside the Plan. Consequently, the HSA trustee/custodian, not the Employer, will establish and maintain the HSA. The HSA trustee/custodian will be chosen by the Participant, not by the Employer. The Employer may, however, limit the number of HSA providers to whom it will forward contributions that the Employee makes via pre-tax Salary Reductions—such a list is not an endorsement of any particular HSA provider. The Plan Administrator will maintain records to keep track of HSA Contributions an Employee makes via pre-tax Salary Reduction, but it will not create a separate fund or otherwise segregate assets for this purpose. The Employer has no authority or control over the funds deposited in a HSA.

7.5 Tax Treatment of HSA Contributions and Distributions

The tax treatment of the HSA (including contributions and distributions) is governed by Code **§** 223.

7.6 Trust/Custodial Agreement; HSA Not Intended to Be an ERISA Plan

HSA Benefits under this Plan consist solely of the ability to make Contributions to the HSA on a pre-tax Salary Reduction basis. Terms and conditions of coverage and benefits (e.g., eligible medical expenses, clam procedures, etc.) will be provided by and are set forth in the HSA, not this Plan. The terms and conditions of each Participant's HSA trust or custodial account are described in the HSA trust or custodial agreement provided by the applicable trustee/custodian to each electing Participant and are not a part of this Plan.

The HSA is not an employer-sponsored employee benefits plan. It is a savings account that is established and maintained by an HSA trustee/custodian outside this Plan to be used primarily for reimbursement of "qualified eligible medical expenses" as set forth in Code **§** 223(d)(2). The Employer has no authority or control over the funds deposited in a HSA. Even though this Plan may allow pre-tax Salary Reduction contributions to an HSA, the HSA is not intended to be an ERISA benefit plan sponsored or maintained by if Employer.

ARTICLE VIII. IRREVOCABILITY OF ELECTIONS: EXCEPTIONS

8.1 Irrevocability of Elections

Except as described in this Article VII, a Participant's election under the Plan is irrevocable for the duration of the Period of Coverage to which it relates. In other words, unless an exception applies, the Participant may not change any elections for the duration of the Period of Coverage regarding:

- Participation in this Plan;
- Salary Reduction amounts; or
- Election of a particular Benefit Package Options.

8.2 Procedure for Making New Election If Exception to Irrevocability Applies

(a) *Timing for When New Election Must Be Made.* A Participant (or an Eligible Employee who, when first eligible under Section 3.1 or during the Open Enrollment Period under Section 3.2, declined to be a Participant) may make a new election within 30 days of the occurrence of an event described in Section 8.4, as applicable, but only if the election under the new Election Form/Salary Reduction Agreement is made on account of and is consistent with the event, and the election is made within any specified time period (e.g., for subsections 8.4(d) through (i), within 30 days of the events described in such subsections).

(b) *Effective Date of New Election.* Elections made pursuant to this Section 8.2 shall be effective for the balance of the Period of Coverage following the change of election unless a subsequent event allows for a further election change. Except as provided in Section 8.4(e) for HIPAA special enrollment rights in the event of birth, adoption, or placement for adoption, all election changes shall be effective on a prospective basis only (i.e., election changes will become effective no earlier than the first day of the next calendar month following the date that the election change was filed, but, as determined by the Administrator, election changes may become effective later to the extent the coverage in the applicable Benefit Package Option commences later).

8.3 Change in Status Defined

A Participant may make a new election upon the occurrence of certain events as described in Section 8.4, including a Change in Status, for the applicable Component. "Change in Status" means any of the events described below, as well as any other events included under subsequent changes to Code § 125 or regulations issued thereunder, which the Administrator, in its sole discretion and on a uniform and consistent basis, determines are permitted under IRS regulations and under this Plan:

(a) *Legal Marital Status.* A change in a Participant's legal marital status, including marriage, death of a Spouse, divorce, legal separation or annulment;

(b) *Number of Dependents.* Events that change a Participant's number of Dependents, including birth, death, adoption, and placement for adoption;

(c) *Employment Status.* Any of the following events that change the employment status of the Participant or his or her Spouse or Dependents: (1) a termination or commencement of employment; (2) a strike or lockout; (3) a commencement of or return from an unpaid leave of absence; (4) a change in worksite; and (5) if the eligibility conditions of this Plan or other employee benefit plan of the Participant or his or her Spouse or Dependents depend on the employment status of that individual and there is a change in that individual's status with the consequence that the individual becomes (or ceases to be) eligible under this Plan or other employee benefit plan, such as if a plan only applies to salaried employees and an employee switches from salaried to hourly-paid, union to non-union, or full-time to part-time (or vice versa), with the consequence that the employee ceases to be eligible for the Plan;

(d) *Dependent Eligibility Requirements.* An event that causes a Dependent to satisfy or cease to satisfy the Dependent eligibility requirements for a particular benefit, such as attaining a specified age, Student status, or any similar circumstance; and

(e) *Change in Residence.* A change in the place of residence of the Participant or his or her Spouse or Dependents that affects the area serviced by an HMO.

8.4 Events Permitting Exception to Irrevocability Rule

A Participant may change an election as described below upon the occurrence of the stated events for the applicable Component of this Plan:

(a) *Open Enrollment Period* A Participant may change an election during the Open Enrollment Period in accordance with Section 3.2.

(b) *Termination of Employment* A Participant's election will terminate under the Plan upon termination of employment in accordance with Sections 3.3 and 3.4, as applicable.

(c) *Leaves of Absence* A Participant may change an election under the Plan upon FMLA leave in accordance with Section 3.4 and upon non-FMLA leave in accordance with Section 3.5.

(d) *Change in Status* A Participant may change his or her actual or deemed election under the Plan upon the occurrence of a Change in Status (as defined in Section 8.3), but only if such election change is made on account of and corresponds with a Change in Status that affects eligibility for coverage under a plan of the Employer or a plan of the Spouse's or Dependent's employer (referred to as the general consistency requirement). A Change in Status that affects eligibility for coverage under a plan of the Employer or a plan of the Spouse's or Dependent's employer includes a Change in Status that results in an increase or decrease in the number of an Employee's family members (i.e., a Spouse and/or Dependents) who may benefit from the coverage.

The Administrator, in its sole discretion and on a uniform and consistent basis, shall determine, based on prevailing IRS guidance, whether a requested change is on account of and corresponds with a Change in Status. Assuming the general consistency requirement is satisfied, a requested election change must also satisfy the following specific consistency requirements in order for a Participant to be able to alter his or her election based on the specified Change in Status:

(1) *Loss of Spouse or Dependent Eligibility; Special COBRA Rules.* For a Change in Status involving a Participant's divorce, annulment or legal separation from a Spouse, the death of a Spouse or a Dependent, or a Dependent's ceasing to satisfy the eligibility requirements for coverage, a Participant may only elect to cancel accident or health insurance coverage for (a) the Spouse involved in the divorce, annulment, or legal separation; (b) the deceased Spouse or Dependent; or (c) the Dependent that ceased to satisfy the eligibility requirements. Canceling coverage for any other individual under these circumstances would fail to correspond with that Change in Status. Notwithstanding the foregoing, if the Participant or his or her Spouse or Dependent becomes eligible for COBRA (or similar health plan continuation coverage under state law) under the Employer's plan (and the Participant remains a Participant under this Plan in accordance with Section 3.2), the Participant may increase his or her election to pay for such coverage (this rule does not apply to a Participants Spouse who becomes eligible for COBRA/State Continuation or similar coverage as a result of divorce, annulment or legal separation).

(2) *Gain of Coverage Eligibility Under Another Employer's Plan.* For a Change in Status in which a Participant or his or her Spouse or Dependent gains eligibility for coverage under a cafeteria plan or qualified benefit plan of the employer of the Participant's Spouse or Dependent as a result of a change in marital status or a change in employment status, a Participant may elect to cease or decrease coverage for that individual only if coverage for that individual becomes effective or is increased under the Spouse's or Dependent's employer's plan. The Administrator may rely on a Participant's certification that the Participant has obtained or will obtain coverage under the Spouse's or Dependent's employer's plan, unless the Administrator has reason to believe that the Participant's certification is incorrect.

(e) *HIPAA Special Enrollment Rights* If a Participant or his or her Spouse or Dependent is entitled to special enrollment rights under a group health plan, as required by HIPAA under Code § 9801(f), then a Participant may revoke a prior election for group health plan coverage and make a new election, provided that the election change corresponds with such HIPAA special enrollment right. As required by HIPAA, a special enrollment right will arise if:

(1) A Participant or his or her Spouse or Dependent declined to enroll in group health plan coverage because he or she had other coverage, and eligibility for such other coverage is subsequently lost due to legal separation, divorce, death, termination of employment, reduction in hours, or exhaustion of the maximum COBRA period, or the other coverage was non-COBRA coverage and employer contributions for such coverage were terminated; or

(2) A new Dependent is acquired because of marriage, birth, adoption, or placement for adoption. An election to add previously eligible Dependents because of a new Spouse or Dependent child shall be considered consistent with the special enrollment right. An election change on account of a HIPAA special enrollment attributable to the birth, adoption, or placement for adoption of a new Dependent child may, subject to the provisions of the underlying group health plan, be effective retroactively (up to 30 days).

(f) *Certain Judgments, Decrees and Orders* If a judgment, decree, or order (an "Order") resulting from a divorce, legal separation, annulment or change in legal custody (including a QMCSO) requires accident or health coverage for a Participant's Dependent child (including a foster child who is a Dependent of the Participant), a Participant may (1) change his or her election to provide coverage for the Dependent child (provided that the Order requires the Participant to provide coverage); or (2) change his or her election to revoke coverage for the Dependent child if the Order requires that another individual (including the Participant's Spouse or former Spouse) provide coverage under that individual's plan and such coverage is actually provided.

(g) *Medicare and Medicaid* If a Participant or his or her Spouse or Dependent who is enrolled in a health or accident plan under this Plan becomes entitled to Medicare or Medicaid (other than coverage consisting solely of benefits under Section 1928 of the Social Security Act providing for pediatric vaccines), the Participant may prospectively reduce or cancel the health or accident coverage of the person becoming entitled to Medicare or Medicaid. Further, if a Participant or his or her Spouse or Dependent who has been entitled to Medicare or Medicaid loses eligibility for such coverage, the Participant may prospectively elect to commence or increase the accident or health coverage of the individual who loses Medicare or Medicaid eligibility.

(h) *Change in Cost*

For purposes of this Section 8.4(h), "similar coverage" means coverage for the same category of benefits for the same individuals (e.g., family to family or single to single). For example, two plans that provide major medical coverage are considered similar coverage. For purposes of this definition, coverage by another employer, such as a Spouse's or Dependent's employer, is treated as similar coverage.

(1) *Increase or Decrease for Insignificant Cost Changes.* Participants are required to increase their elective contributions (by increasing Salary Reductions) to reflect insignificant increases in their required contribution for their Benefit Package Option(s), and to decrease their elective contributions to reflect insignificant decreases in their required contribution. The Administrator, in its sole discretion and on a uniform and consistent basis, will determine whether an increase or decrease is insignificant based upon all the surrounding facts and circumstances, including, but not limited to, the dollar amount or percentage of the cost change. The Administrator, on a reasonable and consistent basis, will automatically effectuate this increase or decrease in affected employees' elective contributions on a prospective basis.

(2) *Significant Cost Increases.* If the Administrator determines that the cost charged to an Employee of a Participant's Benefit Package Option(s) significantly increases during a Period of Coverage, the Participant may (a) make a corresponding prospective increase in his or her elective contributions (by increasing Salary Reductions); (h) revoke his or her election for that coverage, and in lieu thereof, receive on a prospective basis coverage under another Benefit Package Option offered by the Employer that provides similar coverage; or (c) drop coverage prospectively if there is no other Benefit Package Option available that provides similar coverage. The Administrator, in its sole discretion and on a uniform and consistent basis, will decide whether a cost increase is significant in accordance with prevailing IRS guidance.

(3) *Significant Cost Decreases.* If the Administrator determines that the cost of any Benefit Package Option significantly decreases during a Period of Coverage, the Administrator may permit the following election changes: (a) Participants who are enrolled in a Benefit Package Option other than the Benefit Package Option that has decreased in cost may change their election on a prospective basis to elect the Benefit Package Option that has decreased in cost; and (b) Employees who are otherwise eligible under Section 3.1 may elect the Benefit Package Option that has decreased in cost on a prospective basis, subject to the terms and limitations of the Benefit Package Option. The Administrator, in its sole discretion and on a uniform and consistent basis, will decide whether a cost decrease is significant in accordance with prevailing IRS guidance.

8.5 Election Modifications for HSA Benefits May Be Changed Prospectively at Any Time

As set forth in Section 7.1, an election to contribute to an HSA can be increased, decreased revoked at any time on a prospective basis. Such election changes shall be effective no later than the first of the next calendar month following the date that the election change was filed. No Benefit Package Option election changes can occur because of a change in HSA election except as otherwise described in this Article IIV.

8.6 Election Modifications Required by Administrator

The Administrator may, at any time, require any Participant or class of Participants to amend the amount of their Salary Reductions for a Period of Coverage if the Administrator determines that such action is necessary or advisable in order to (a) satisfy any of the Code's nondiscrimination requirements applicable to this Plan or other cafeteria plan; (b) prevent any Employee or class of Employees from having to recognize more income for federal income tax purposes from the receipt of benefits hereunder than would otherwise he recognized; (c) maintain the qualified status of benefits received under this Plan; or (d) satisfy Code nondiscrimination requirements or other limitations applicable to the Employer's qualified plans. In the event contributions need to be reduced for a class of Participants, the Administrator will reduce the Salary Reduction amounts for each affected Participant, beginning with the Participant in the class who had elected the highest Salary Reduction amount, continuing with the Participant in the class who had elected the next highest Salary Reduction amount, and so forth, until the defect is corrected.

ARTICLE IX. APPEALS PROCEDURE

9.1 Procedure If Benefits Are Denied Under This Plan

If a claim for reimbursement under this Plan is wholly or partially denied, claims shall be administered in accordance with the claim procedure set forth in the summary plan description for this Plan. The Committee acts on behalf of the Administrator with respect to appeals.

9.2 Claim Procedures for Health Insurance Benefits

Claim and reimbursement for Health Insurance Benefits shall be administered in accordance with the claim procedures for the applicable Health Insurance Benefit, as set forth in the plan documents and/or summary plan description for the Health Insurance Plan.

ARTICLE X. RECORDKEEPING AND ADMINISTRATION

10.1 Administrator

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

10.2 Powers of the Administrator

The Administrator shall have such duties and powers as it considers necessary or appropriate to discharge its duties. It shall have the exclusive right to interpret the Plan and to decide all matters thereunder, and all determinations of the Administrator with respect to any matter hereunder shall be conclusive and binding on all persons. Without limiting the generality of the foregoing, the Administrator shall have the following discretionary authority:

(a) to construe and interpret this Plan, including all possible ambiguities, inconsistencies and omissions in the Plan and related documents, and to decide all questions of fact, questions relating to eligibility and participation, and questions of benefits under this Plan (provided that, notwithstanding the first paragraph in this Section 10.2, the plan sponsor shall exercise such exclusive power with respect to an appeal of a claim under Section 10.1);
(b) to prescribe procedures to be followed and the forms to be used by Employees and Participants to make elections pursuant to this Plan;
(c) to prepare and distribute information explaining this Plan and the benefits under this Plan in such manner as the Administrator determines to be appropriate;
(d) to request and receive from all Employees and Participants such information as the Administrator shall from time to time determine to be necessary for the proper administration of this Plan;
(e) to furnish each Employee and Participant with such reports with respect to the administration of this Plan as the Administrator determines to be reasonable and appropriate, including appropriate statements setting forth the amounts by which a Participant's Compensation has been reduced in order to provide benefits under this Plan;
(f) to receive, review and keep on file such reports and information concerning the benefits covered by this Plan as the Administrator determines from time to time to he necessary and proper;
(g) to appoint and employ such individuals or entities to assist in the administration of this Plan as it determines to he necessary or advisable, including legal counsel and benefit consultants;
(h) to sign documents for the purposes of administering this Plan, or to designate an individual or individuals to sign documents for the purposes of administering this Plan;
(i) to secure independent medical or other advice and require such evidence as it deems necessary to decide any claim or appeal; and
(j) to maintain the books of accounts, records, and other data in the manner necessary for proper administration of this Plan and to meet any applicable disclosure and reporting requirements.

10.3 Reliance on Participant, Tables, etc.

The Administrator may rely upon the direction, information or election of a Participant as being proper under the Plan and shall not be responsible for any act or failure to act because of a direction or lack of direction by a Participant. The Administrator will also be entitled, to the extent permitted by law, to rely conclusively on all tables, valuations, certificates, opinions and reports that are furnished by accountants, attorneys, or other experts employed or engaged by the Administrator.

10.4 Provision for Third-Party Plan Service Providers

The Administrator, subject to approval of the Employer, may employ the services of such persons as it may deem necessary or desirable in connection with the operation of the Plan. Unless otherwise provided in the service agreement, obligations under this Plan shall remain the obligation of the Employer.

10.5 Fiduciary Liability

To the extent permitted by law, the Administrator shall not incur any liability for any acts or for failure to act except for their own willful misconduct or willful breach of this Plan.

10.6 Compensation of Plan Administrator

Unless otherwise determined by the Employer and permitted by law, any Administrator who is also an Employee of the Employer shall serve without compensation for services rendered in such capacity, but all reasonable expenses incurred in the performance of their duties shall he paid by the Employer.

10.7 Bonding

The Administrator shall be bonded to the extent required by ERISA.

10.8 Insurance Contracts

The Employer shall have the right (a) to contract with one or more insurance companies for the purposes of providing any benefits under the Plan; and (b) to replace any of such insurance companies or contracts. Any dividends, retroactive rate adjustments or other refunds of any type that may become payable under any such insurance contract shall not be assets of the Plan but shall be the property of, and he retained by, the Employer, to the extent that such amounts are less than aggregate Employer contributions toward such insurance.

10.9 Inability to Locate Payee

If the Administrator is unable to make payment to any Participant or other person to whom a payment is due under the Plan because it cannot ascertain the identity or whereabouts of such Participant or other person after reasonable efforts have been made to identify or locate such person, then such payment and all subsequent payments otherwise due to such Participant or other person shall he forfeited following a reasonable time after the date any such payment first became due.

10.10 Effect of Mistake

In the event of a mistake as to the eligibility or participation of an Employee, or the allocations made to the account of any Participant, or the amount of benefits paid or to he paid to a Participant or other person, the Administrator shall, to the extent it deems administratively possible and otherwise permissible under Code *Section 125* or the regulations issued thereunder, cause to be allocated or cause to be withheld or accelerated, or otherwise make adjustment of, such amounts as it will in its judgment accord to such Participant or other person the credits to the account or distributions to which he/she is properly entitled under the Plan. Such action by the Administrator may include withholding of any amounts due the Plan or the Employer from Compensation paid by the Employer.

ARTICLE XI GENERAL PROVISIONS

11.1 Expenses

All reasonable expenses incurred in administering the Plan are currently paid by the Employer.

11.2 No Contract of Employment

Nothing herein contained is intended to be or shall be construed as constituting a contract or other arrangement between any Employee and the Employer to the effect that such Employee will be employed for any specific period of time. All Employees are considered employed at the will of the Employer.

11.3 Amendment and Termination

This Plan has been established with the intent of being maintained for an indefinite period of time. Nonetheless, the Employer may amend or terminate all or any part of this Plan at any time for any reason by resolution of the Employer's Board or by any person or persons authorized by the Board to take such action, and any such amendment or termination will automatically apply to the Related Employers that are participating in this Plan.

11.4 Governing Law

This Plan shall be construed, administrated, and enforced according to the laws of the State of Wisconsin to the extent not superseded by the Code, ERISA or any other federal law.

11.5 Code and ERISA Compliance

It is intended that this Plan meet all applicable requirements of the Code and ERISA, and of all regulations issued thereunder. This Plan shall be construed, operated and administered accordingly, and in the event of any conflict between any part, clause or provision of this Plan and the Code and/or ERISA, the provisions of the Code and ERISA shall be deemed controlling, and any conflicting part, clause or provision of this Plan shall he deemed superseded to the extent of the conflict.

11.6 No Guarantee of Tax Consequences

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under this Plan will be excludable from the Participant's gross income for federal, state or local income tax purposes. It shall be the obligation of each Participant to determine whether each payment under this Plan is excludable from the Participant's gross income for federal, state and local income tax purposes, and to notify the Administrator if the Participant has any reason to believe that such payment is not so excludable.

11.7 Indemnification of Employer

If any Participant receives one or more payments or reimbursements under this Plan on a tax-free basis, and such payments do not qualify for such treatment under the Code, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal income taxes, Social Security taxes, or other taxes from such payments or reimbursements.

11.8 Non-Assignability of Rights

The right of any Participant to receive any reimbursement under this Plan shall not be alienable by the Participant by assignment or any other method and shall not be subject to claims by the Participant's creditors by any process whatsoever. Any attempt to cause such right to be so subjected will not be recognized, except to such extent as may be required by law.

11.9 Headings

The headings of the various Articles and Sections (but not subsections) are inserted for convenience of reference and are not to be regarded as part of this Plan or as indicating or controlling the meaning or construction of any provision.

11.10 Plan Provisions Controlling

In the event the terms or provisions of any summary or description of this Plan, or of any other instrument, are in any construction interpreted as being in conflict with the provisions of this Plan as set forth in this document, the provisions of this Plan shall be controlling.

11.11 Severability

Should any part of this Plan subsequently be invalidated by a court of competent jurisdiction, the remainder of the Plan shall be given effect to the maximum extent possible.

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising the Stanley-Boyd School District Employees Cafeteria Plan, Stanley-Boyd School District has caused this Plan to be executed in its name and on its behalf, on this _____________Day of December 2024.

Stanley-Boyd School District

By: ____

Witness: ____
Signature