

SUPPLEMENTAL PARTICIPATION AGREEMENT

This is a Board Resolution Concerning Participation in the SISC Flex Plan

A Participation Agreement is made and entered into this ____ day of _____, 20____, between SISC, and _____ (hereinafter referred to as the “Qualified Employer”).

WHEREAS, there exists a Cafeteria Plan (consisting of a Premium Payment Plan, a Health Care Spending Account, and a Dependent Care Spending Account) entered into on the ____ day of _____, 20__ namely the SISC Flex Plan, called the “Plan”, established by the Qualified Employer (a copy being attached hereto as Exhibit “A” and made a part hereof by reference); and

WHEREAS, the Plan provides that a Qualified Employer may, with the consent of SISC, adopt the Plan and participate therein by a properly executed document evidencing said intent of said Qualified Employer;

NOW, THEREFORE, the Qualified Employer hereby becomes a party to the Plan, effective the ____ day of _____, 20____, and the Qualified Employer hereby consents to such adoption and participation upon the following terms:

1. The categories of employees that are eligible to participate in the Premium Payment plan, Health Care Spending Account, and/or Dependent Care Spending Account shall be designated by a Qualified Employer on the appendix attached to this Supplemental Participation Agreement. It is not necessary that employees be covered in at least one of the SISC Medical Plans in order to be eligible to participate in the SISC Flex Plan.
2. When an organization ceases participation in a SISC Medical Plan, that organization’s coverage under the SISC Flex Plan terminates. Should this termination occur in the middle of the SISC Flex Plan Year, the terminating organization is required to pay monthly administration fees for each of the SISC Flex Health Care and Dependent Care Participants until the end of the plan year. These administrative fees are specified in the Administrative Contract.
3. It is the intention of the parties that the Qualified Employer shall be a party to the Plan and treated in all respects as the Qualified Employer thereunder, with its employees to be considered as the Employees and Participants, as the case may be, thereunder.
4. However, the participation of the Qualified Employer in the Plan shall in no way diminish, augment, modify, or in any way affect the rights and duties of the Qualified Employer, its Employees, or Participants, under the Plan.
5. The execution of this Agreement by this Qualified Employer shall be construed as the adoption of the Plan in every respect, or any part thereof as specified in Exhibit A, as if said Plan had this date been executed by the Qualified Employer, except as otherwise expressly provided herein or in any amendment that may subsequently be adopted hereto.

6. All actions required by the Plan to be taken by SISC shall be effective with respect to the Qualified Employer if taken by SISC, and the Qualified Employer hereby designates SISC as its agent for such purposes.
7. By participating in the Plan, each Qualified Employer understands and agrees that in the event the Internal Revenue Service or any state or political subdivision thereof should ever assess or impose any taxes, charges and/or penalties upon any benefits received under the Plan, the recipient of the benefit will be responsible for those amounts, without contribution from SISC.
8. The periods for filing of Salary Reduction Agreement election forms shall be as established by the Qualified Employer as long as they are in accordance with SISC requirements and the Internal Revenue Code.
9. If a Participant fails to claim any amounts in the Qualified Health Care or Dependent Care Expense account by the time allowed in the flex plan, such amounts shall not be carried over to reimburse the Participant for expenses incurred during a subsequent Plan Year and rights to such amounts shall be forfeited by the Participant.
10. If a Qualified Employer maintains any Flex plans in addition to the SISC Flex Plan, the Qualified Employer is responsible for ensuring that the contribution amounts, when aggregated between the existing Flex plans, are in compliance with maximums specified under IRS Code Sections 125 and 129.
11. All forfeitures under this Plan shall be used first to offset any losses experienced by SISC during the Plan Year as a result of making reimbursements with respect to any Participant in excess of the contributions made by such Participant via salary reductions. Second, forfeitures shall be used to reduce SISC's cost of administering this Plan.

IN WITNESS WHEREOF, the Qualified Employer and SISC have caused this Supplemental Participation Agreement to be executed in their respective names on the date first above written.

QUALIFIED EMPLOYER:

 [Name of Qualified Employer]

By: _____ Date: _____

Authorized District Official

Qualified Employer Federal I.D. Number: _____

SPONSOR:

Self-Insured Schools of California (SISC)

By: _____ Date: _____

Appendix to Supplemental Participation Agreement

DESIGNATION OF EMPLOYEES ELIGIBLE TO PARTICIPATE IN SISC FLEX PLAN

The employees that are eligible to participate in the SISC Flex Plan are (check all that apply):

_____ Certificated employees (including management)

_____ Classified employees (including management)

_____ Part time employees. For this purpose a part time employee shall mean an employee that works less than 20 hours per week (not considered a 50% employee).