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HEALTH INSURANCE BUY-OUT PROGRAM Summary of Provisions

The Health Insurance Buy-Out Program is available to employees who are currently enrolled in an RFMH Health Insurance Plan and meet the eligibility requirements outlined below. Participants will receive an annual cash payment for opting out of RFMH health insurance coverage.

Eligibility Requirements

Employees must have been enrolled in a RFMH health plan for the previous two full calendar years and be enrolled in the Health Insurance Plan on December 31 of the current year.

Enrollment/Participation

- Employees must submit a completed Health Buy Out enrollment form during the annual Open Enrollment period, but no later than December 31st of the current calendar year; and
- Complete and submit a signed health insurance form waiving participation in their current RFMH health insurance plan during the annual Open Enrollment period.

Reimbursement

- Payments are processed during the first quarter of each calendar year for all enrolled in the previous year's program.
- Reimbursement will be \$1,000 for those who were enrolled in Individual coverage immediately prior to opting out; and \$1,750 for those who were enrolled in family coverage immediately prior to opting out.
- Any employee participating in the health insurance buy-out program who terminates employment with RFMH prior to January 1 of any calendar year will forfeit reimbursement.
- Employees on leave without pay during the year will receive a pro-rated reimbursement. The exception would be employees on leave without pay under the Family Medical Leave Act (FMLA). Time credited to FMLA would be treated as time worked.
- Payments made in conjunction with this program will be subject to withholding taxes and deductions in the same manner as regular salaried payments.

Future Reinstatement to a RFMH Health Plan

Any employee who enrolls in the buy-out program may re-enroll in a RFMH Health Plan at a future date, but they will forfeit reimbursement in full and will be subject to RFMH policies for health insurance enrollment.

If reinstatement is not due to a qualifying event, employees will be considered a "late enrollee" and as

such, coverage would not take effect until the first day of the third month following the month the employee applied for coverage. A qualifying event would allow an employee to be reinstated to a health plan immediately.

Listed below are qualifying events under which an eligible employee may re-enroll in the health plan without being subject to a waiting period. In order to avoid a waiting period, re-enrollment must take place within 30 days of the qualifying event.

- The employee has a change in family status (e.g. marriage, birth, death, legal separation, divorce)
- The employee's spouse loses coverage due to termination of employment and must apply for coverage for the spouse.
- The employee's spouse has a change in employment status which results in either acquiring or losing eligibility for health insurance coverage.
- The employee receives a divorce or legal separation and is required under court order to provide health insurance coverage for the employee's eligible dependent children.
- There is a significant change in the employee's or the employee's spouse's health coverage which is attributable to the spouse's employment.

This program is run annually and concurrently with Open Enrollment. Although this program is expected to continue in future years, the program can be canceled by RFMH at any time.