

YOUR TEANECK PUBLIC SCHOOLS PREMIUM ONLY PLAN

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YOUR PREMIUM ONLY PLAN

Your Teaneck Public Schools Premium Only Plan is effective January 1, 2010. This Plan allows you to use pre-tax benefit dollars through payroll deduction to pay for benefit options made available to you through the Company. This is a summary of the plan. It is not intended to describe every detail.

Participation in the Premium Only Plan

Eligibility: You are eligible to participate in this Plan if you are a full-time employee of the Company.

Enrollment Procedure: If you are eligible to participate, and elect to do so, you must decide which of the available options you want to purchase. These options are listed in the "Schedule of Available Coverages" appearing at the end of this summary. Then, you must sign a Salary Reduction Agreement under which you agree to reduce your earnings for the plan year on a pre-tax basis, to pay for your share of the cost of the benefit options that you select. The plan year is the 12-month period starting each January 1 and ending on the next December 31. However, if you enroll during a plan year, the plan year is the part of the plan year that remains after you enroll.

A copy of the Salary Reduction Agreement is included at the end of this summary.

You must be careful in deciding whether or not you want to participate, because if you decide to do so, you will generally not be able to change your election until the next open enrollment period established by the Company. (See "Election Changes", below.)

As a newly eligible employee, if you elect not to participate, you will generally not have another opportunity to do so until the next open enrollment period. If you do enroll, you must do so again during the open enrollment periods for each subsequent plan year.

Effect of Non-Participation (Premium Waiver)

If you elect not to participate in the medical expense coverage available under this Plan, you will be deemed to have elected cash compensation, to the extent allowable, in lieu of that coverage. However, in order to receive this additional compensation, you must provide proof that you have other health coverage. This additional compensation is fully taxable to the Employee and will be paid in two equal installments in January and July.

To the extent that other coverages besides medical are available to you under this Plan, if you decide not to fund any one or more of them with pre-tax salary reductions, you can still elect them, but you will have to pay your share of the cost of the elected coverage(s) with after-tax salary deductions apart from this Plan.

ELECTION CHANGES

In general, as noted above, once you elect to participate in the Plan, you cannot change your election until the next open enrollment period. However, there are some exceptions to this rule that may allow you to change or revoke your election earlier. These are briefly described below. If you have an event that appears to fall within one of these categories, you should consult your Benefits Administrator within 30 days to discuss your options and, if eligible to do so, change your election.

Exceptions: The following are exceptions to irrevocability. These events, explained in more detail below, may entitle you to change an election under the Plan.

- Open Enrollment.
- Termination of Employment.
- Changes in Status.
- Special Enrollment Rights under HIPAA.
- Judgments, Decrees and Court Orders.
- Entitlement to Medicare or Medicaid.
- Changes in costs.
- Changes in coverage.

Open Enrollment: You may change your Premium Only Plan election during any open enrollment period.

Termination of Employment: Termination of your employment with the Company will result in termination of your participation in the Plan, except as otherwise provided in the section "Cessation of Participation".

Changes in Status: You may make a new election if a change in status occurs. A "change in status" is any one of the following events, and may also include any other event that may apply due to a subsequent change to IRS Code §125 or the regulations that apply to it, as determined by the Plan Administrator.

- *A Change in Legal Marital Status:* Events such as marriage, divorce, death of a spouse, legal separation or annulment.
- *A Change in the Number of Dependents:* Events such as a birth or adoption, or the death of a dependent.

- *A Change in Employment Status:* Events that affect the work status of you, your spouse or dependents, such as,
 - The termination or start of employment.
 - A strike or lockout
 - The start of or return from an unpaid leave of absence.
 - A worksite change.
 - A change in employment status (e.g., from full time to part time, or vice versa, or a shift in status from union to non-union) that affects your eligibility or the eligibility of your spouse or a dependent for a particular benefit under this Plan or another employee benefit plan.
- *A Change in a Dependent's Eligibility Status:* Events that affect a dependent's status for a benefit, e.g., a change in student status or attainment of a limiting age for an available coverage (for example, a medical insurance plan).
- *A Change in Residence:* A change in the residence of you, your spouse or a dependent.

You may change an election under this Plan if an applicable Change in Status, as defined above, occurs. However, as determined by the Plan Administrator, the change must be on account of and consistent with the change in status that led to the right to make the change.

For example, if you get divorced, you may only elect to cancel an elected coverage as it applies to your ex-spouse, not to yourself or to any dependents. Canceling coverage for yourself and/or your dependents would not be consistent with the event that led to the right to make the change.

If a change in status occurs that entitles you or your spouse or a dependent to a continuation of an elected coverage under the Plan pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA), you may increase your salary reduction election to cover the cost of such continued coverage. However, this does not apply in a case where your spouse becomes eligible for the COBRA continuation due to his/her divorce, separation or annulment from you.

Special Enrollment Rights Under HIPAA: The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires certain enrollment rights under group health plans. For example, if you or your spouse or a dependent with other group health coverage declined to enroll in a group health plan and later loses the other coverage (e.g., due to a divorce or the death of a spouse), HIPAA gives that person the right to enroll in the declined plan. As another example, if a person who previously declined coverage for his/her dependents under a group health plan acquires a new dependent (e.g., due to a marriage or the birth of a

child), HIPAA allows that person to enroll the new dependent and any other previously eligible dependents in the plan.

If you, your spouse or a dependent is entitled to such a right, you may revoke a prior election under this Premium Only Plan with respect to any available group health coverage and make a new election consistent with that right under HIPAA, as determined by the Plan Administrator.

Judgments, Decrees and Court Orders: If a judgment, decree or court order (including a Qualified Medical Child Support Order) requires health coverage for your child, then, if you are required to provide that coverage, you may change your prior election under this Plan in order to meet that requirement.

Conversely, if a person other than you is required to provide the coverage, you may change a prior election under this Plan accordingly, provided that the other person provides the required coverage.

Entitlement to Medicare or Medicaid: If you are enrolled in this Plan, and you or your spouse or a dependent also become enrolled in Medicare or Medicaid, then you may change a prior election under this Plan to either cancel the coverage entirely, or remove the coverage on the person who became so enrolled.

Conversely, if a spouse or dependent who is enrolled in Medicare or Medicaid subsequently loses that coverage, you may then change your prior election to begin or increase the coverage for that person

(Note: This provision does not apply if the person's Medicare coverage consists solely of the benefits provided under the Social Security Act for pediatric vaccines.)

Changes in Cost: If the cost of a coverage elected by you under this Premium Only Plan increases or decreases insignificantly, as determined by the Plan Administrator, then your salary reduction contributions for that coverage will be automatically increased or decreased accordingly.

If the cost of a coverage under this Premium Only Plan significantly increases, as determined by the Plan Administrator, then you have the following options:

- You may increase your salary reduction contributions for the applicable option in view of the increase.
- You may revoke the election for the applicable coverage and become covered instead for a similar option provided by the Company apart from this Plan, or by your spouse's employer, if such coverage is available.

If the cost of a coverage under this Plan significantly decreases, as determined by the Plan Administrator, then the following options are available:

- If you are already participating in the Plan, you may revoke a coverage option that has not decreased in cost and elect instead the coverage option that has decreased in cost.
- If you are not a participant, you may prospectively elect the coverage that has decreased in cost.

Change in Coverage: For the purposes of this provision:

- “Significantly curtailed” or “significant curtailment” means, with respect to a coverage elected under the Plan, an overall reduction in such coverage so as to constitute reduced coverage generally.
- “Loss of coverage” means a complete loss of coverage (e.g., due to the elimination of a coverage under this Plan, or due to an HMO option ceasing to be available where you reside). An event such as the following may also be considered a loss of coverage under this Plan:
 - A substantial decrease in the number of providers available in a preferred provider network.
 - A reduction in the benefits available for a medical condition or treatment that you, a spouse or a dependent is currently suffering from or undergoing.
 - Any other similar fundamental loss with respect to a coverage that is available under this Plan.

The Plan Administrator, with respect to the following, shall determine whether a curtailment is significant or whether there has been a loss of coverage.

Significant Curtailment without Loss of Coverage: If the Plan Administrator determines that your benefits under an elected coverage, or under a spouse’s or dependent’s coverage under another plan of his/her employer, is significantly curtailed without a loss of coverage (e.g., due to a large increase in the annual deductible under a medical plan), you may change your election under this Plan and instead elect another similar coverage, if any, that is available.

Significant Curtailment with a Loss of Coverage: If the Plan Administrator determines that your coverage under an elected option, or a spouse’s or dependent’s coverage under his/her employer’s plan, is significantly curtailed such that there is a loss of coverage during a period of coverage under this Plan, then you may revoke the election for the affected coverage, and, if similar coverage is available, prospectively elect the similar coverage.

Addition or Significant Improvement of a Coverage Option: If, during a period of coverage, and as determined by the Plan Administrator in its sole discretion, a

new coverage is made available under this Premium Only Plan, or an existing coverage is significantly improved (e.g., by the addition of a new benefit), then the Plan Administrator may allow the following election changes:

- If you have already elected another coverage option, you may revoke that election and elect instead the new or improved option.
- If you previously declined enrollment in the Plan, you may prospectively elect the new or improved coverage.

Loss of Other Group Health Coverage: In the event you or your spouse or a dependent loses group health coverage sponsored by a governmental or educational institution, then you may change your prior election and increase your salary reduction contributions to either add the Plan's group health coverage or fund such coverage for the spouse and/or dependent.

Governmental or educational institutions include, but are not limited to, the following:

- A state children's health insurance program (SCHIP) under Title XXI of the Social Security Act;
- A medical care program of an Indian Tribal government;
- The Indian Health Service, or a tribal organization;
- A state health benefits risk pool;
- A foreign government group health plan.

Change in an Election under Another Employer's Plan: If it is allowable under the Code, you may make an election change that is due to and consistent with a change under another employer plan of this or another employer. For example, if your spouse or dependent decides to end coverage under his/her employer's group health plan during that employer's open enrollment period, you may be able to change your prior election with respect to this Plan's options in order to provide replacement health coverage for the spouse or dependent. The Plan Administrator, in its sole discretion and on a uniform and consistent basis, will decide whether a requested change of this type is allowable.

Procedure for Making a New Election If a Valid Exception Applies:

Time Frames: If you, whether you already participating in this Plan or not, are entitled to make a new election (outside of an open enrollment period) due to a valid exception, as described above, you must do so within 30 days after the event causing the exception. However, a change in status (e.g., a divorce) causing a person to become ineligible for a health plan automatically results in a

corresponding election change, whether or not it is requested within the 30 day period.

Effective Date of New Election: Election changes made during an open enrollment period become effective on the first day of the following plan year. Except for HIPAA special enrollment rights due to a birth, adoption or placement for adoption (which are effective immediately), other valid election changes become effective, for the remainder of the then current plan year, as of the first day of the calendar month that follows the date the election change was filed. However, if the change involves participation in a Plan option that is not in force as of that day, the effective date will be further deferred until the option becomes effective.

LEAVES OF ABSENCE

If you go on a leave of absence that qualifies under the federal Family Medical Leave Act (FMLA), then, to the extent required by the FMLA, the Company will continue to maintain your election under the same terms and conditions as if you were still actively at work, subject to the following rules:

- If the Company requires the continuation of the elected coverages during a paid leave, your salary reduction contributions for the coverages shall continue to be paid as required during any paid leave (e.g., on a pre-tax salary reduction basis). (Your Company can require continuation only if Employees on a non-FMLA paid leave are also required to continue participation in the Plan.)
- If the leave is unpaid, or is a paid leave during which coverage under the options is not required to be continued, you can elect to either continue or discontinue your participation in the Plan. If you elect to continue, then you may continue to pay your share of the contributions in one of the following ways:
 - With after-tax dollars while on leave.
 - With pre-tax dollars (to the extent that you receive compensation during the leave), or by pre-paying all or part of the contributions for the elected coverage(s) for the expected length of the leave on a pre-tax salary reduction basis from your pre-leave compensation.
 - By another arrangement agreed to by both you and the Plan Administrator. For example, the Company may pay for coverage during the leave and withhold amounts from your compensation upon your return from the leave.
- If the leave is unpaid and your Company requires the continuation of this Premium Only Plan, then you may elect to discontinue the payment of

your share of the contributions for the elected coverages until your return from leave. Upon returning from the leave, you must then repay the unpaid contributions according to the method established by the Company for doing so.

If your elected coverages cease during an FMLA leave of absence for a reason such as the non-payment of required salary reduction contributions, then the rules of the FMLA govern the obligations of the Company with respect to your re-entry into the Plan.

If you go on a leave of absence that does not qualify under the FMLA, but does not affect your eligibility for participation in the Plan, then you can continue to participate and can continue your salary reduction contributions for the elected coverages according to the method established by the Plan Administrator. If the leave affects such eligibility, then the rules under "Change in Status," above, apply.

CESSATION OF PARTICIPATION

You will cease to be a participant in this Plan as of the first to occur of the following:

- The date the Company terminates this Plan.
- The date on which you cease to meet the eligibility requirements for participation (e. g., due to retirement, layoff, termination of employment).
- The date you stop making your required contributions for the elected coverages.

Regardless of the above, there are some circumstances during an absence from work (e.g., sickness, leave of absence) under which the Company may consider you as still being eligible for participation in the Plan. Therefore, if you become absent from work for any reason, see the Benefits Administrator for information about your options.

Also, if your employer is subject to COBRA, and your participation in this Plan ends due to the termination of your employment, you may be entitled to continue any health care option that you elected under this Plan. The Benefits Administrator will inform you of any rights that you may have under this federal law if your participation in this Plan ends.

Effect of the Uniformed Services Employment and Reemployment Rights Act or 1994 (USERRA)

If you have elected an available health coverage under the Plan and leave work to perform “uniformed service” (as that term is defined in this federal law) you are entitled, subject to your payment of the required contributions for the coverage, to continue participation in the Plan until the first to occur of the following:

- The end of a 24-month period starting on the date you left work due to the service.
- The date on which you fail to return to work after the service, or to apply for reemployment.
- The date on which the Plan terminates.

If, upon completion of the uniformed service, your participation in the Plan and the coverage are reinstated after terminating, the coverage cannot be made subject to any waiting period or exclusion that would not have applied if the coverage had continued during the period of uniformed service.

BENEFITS WITH RESPECT TO DEPENDENTS

The benefits of this Plan, as they relate to dependents, apply only with respect to persons who qualify as dependents under the Code. Under the Code, a person is deemed to be a “dependent” if he/she is either a qualifying child or a qualifying relative of the taxpayer.

To be a “qualifying child”, a person must meet these criteria:

- The person has a specific family-type relationship to the taxpayer.
- The person does not provide more than half of his/her own support.
- The person has the same place of residence as the taxpayer for more than half of the year.
- The person does not turn 19 (24 if a full-time student) by the end of the Plan Year. (If the person is totally and permanently disabled, as defined in Code §22(e)(3), at any time during the calendar year, this age requirement does not apply.)

To be a “qualifying relative”, a person must meet these criteria:

- The person has a specific family-type relationship to the taxpayer.
- The person is not a qualifying child of any other taxpayer.
- The person receives more than half of his/her support from the taxpayer.
- The person’s annual gross income is less than the Code §151 limit. (This does not apply to health plans.)

With respect to a child who:

- Receives over half of his/her support during the calendar year from parents who (a) are divorced or legally separated under a decree of divorce or separate maintenance, (b) are separated under a written separation agreement, or (c) who live apart at all times during the last six months of the calendar year, and
- Is in the custody of one or both of his/her parents for more than half of the calendar year,

that child shall be considered the dependent of both parents.

However, anything to the contrary notwithstanding, benefits for a dependent child will be provided according to the requirements of a QMCSO, even if the child who is the subject of the QMCSO does not meet the definition of “Dependent.”

No person can be considered a dependent of more than one employee. If both you and your spouse are employed by a participating employer, a child may be covered by you or your spouse, but not both.

TAXES

Your participation in this Premium Only Plan may have federal or state tax consequences. Consult a tax advisor for an analysis of any tax implications.

For example, Social Security taxes are not deducted from your pre-tax salary reductions under this Plan. Therefore, under certain circumstances (i.e., if your earnings are below the Social Security Taxable Wage Base), your participation in this Plan could result in a reduction of the Social Security benefit you receive at retirement.

As another example, if you are covering dependent children under a health care option offered under this Plan, your participation in this Plan could affect your eligibility for the Supplemental Earned Income Credit for Health Insurance Premiums allowed under the tax code. Therefore, you need to determine whether it is more advantageous to take the full tax credit or to fund the health care option with pre-tax dollars under this Plan.

FUTURE OF THE PLAN

This Plan is based on the Company's understanding of the current applicable provisions of the Internal Revenue Code. We reserve the right to amend or terminate this Plan if, in our judgment, changes in the Code make it advisable to do so. If this happens, it will not affect any benefit to which you were entitled before the Plan was amended or ended.

ERISA RIGHTS STATEMENT

As a participant in this Premium Only Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all plan participants shall be entitled to:

- Receive information about your Plan and benefits.
- Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites and union halls, all documents governing the Plan, including insurance contracts and collective bargaining agreements.

- Obtain, upon 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 an updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of any required annual financial report. The Plan Administrator is required by law to furnish each participant with a copy of any such summary annual report.
- Continue the Plan for yourself, your spouse or dependents if there is a loss of coverage under the Plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review the summary plan description and the documents governing the Plan on the rules governing your COBRA continuation coverage rights.

Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties upon the people who are responsible for the operation of the 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, your union, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

Enforce Your Rights

If your claim for a welfare 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 from the Plan, if required, 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 Plan 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. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order or a medical child support order, you may file suit in 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 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.

This Summary Plan Description

This is a brief summary of the Premium Only Plan. The Plan, and your specific rights to benefits under it, is governed solely by the Plan document. If there is any discrepancy between this summary and the Plan document, the language of the Plan document will govern.

ADMINISTRATIVE FACTS

Plan Sponsor:

Teaneck Public Schools
One Merrison Street
Teaneck, NJ 07666

Plan Administrator:

Sean Gately
One Merrison Street
Teaneck, NJ 07666

Plan Identification Number:

The Employer Identification Number (EIN) assigned to Teaneck Public Schools by the Internal Revenue Service is 22-6002337. The Plan Number (PN) assigned to the plan described in this summary is 501.

Agent for Service of Legal Process:

The Plan Administrator.

Classification and Funding:

The Plan described in this summary is classified as a welfare benefits plan by the Department of Labor. [It is funded by both employer and employee contributions.]

Not a Contract of Employment

No provision of the Plan described in this summary is to be considered a contract of employment. The Company's rights with respect to disciplinary actions and the termination of employees are in no way changed by the provisions of the Plan.

SCHEDULE OF AVAILABLE COVERAGES

Group Major Medical Coverage

Group Prescription Drug Coverage

Group Dental Expense Coverage

Group Vision Care Coverage

SALARY REDUCTION AGREEMENT

<input type="checkbox"/> Correction
<input type="checkbox"/> Change of Personal Information
<input type="checkbox"/> Change of Family Status
<input type="checkbox"/> Transfer (Effective Date: _____)
<input type="checkbox"/> Termination (Effective Date: _____)
<input type="checkbox"/> Division (_____)

PERSONAL INFORMATION

Last Name	First Name	Middle Initial	Social Security Number
Home Address	Street	City	State
Date of Birth: / /		Sex: <input type="checkbox"/> Male <input type="checkbox"/> Female	Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married
		Date of Hire: / /	

AGREEMENT

I have read and understand the explanation I have received regarding the benefit option(s) available to me under the Company's Premium Only Plan. I understand that I have the right to allow the Company to reduce my compensation on a pretax basis during the plan year (or the part of it that remains) and to apply this reduced amount toward the cost of the option(s) that I have elected. I further understand that if the cost of my elected option(s) changes from time to time, my share of the cost, and the amount by which my compensation is reduced, may be automatically adjusted accordingly.

I acknowledge that this agreement is irrevocable unless there is a change in status. A change in status includes, but is not limited to, the following events: marriage; divorce or legal separation; death of a spouse or dependent; birth or adoption of a child; a change in the number of my dependents; a termination or commencement of employment; a strike or lockout; commencement of or return from an unpaid leave of absence; a change of worksite; a change in my or my spouse's employment status that affects eligibility for participation in this or another cafeteria plan; a change in my residence or in the residence of my spouse or dependents; or my dependent either satisfying or ceasing to satisfy eligibility requirements for a coverage due to attainment of an age, a change in student status or similar circumstances.

By signing below, I hereby authorize the Company to adjust my compensation based on the benefit option(s) that I have elected. I further understand that the benefit option(s) that I have elected and this Agreement will remain in force throughout the plan year (or the part of it that remains), unless there is a change in status, as described above.

Employee Signature

Date

Company Representative

Date