

**Flexible Benefits Plan
Waiver of Participation**

To: All Employees

Re: Helping Your Paycheck Buy More!

Participation in a Flexible Benefits Plan (also known as a Section 125 plan, cafeteria plan or flex plan) allows you to use a portion of your paycheck before paying taxes to purchase benefits offered by your employer. This money will be used on your behalf for the payment of insurance premiums and during the year, if applicable, you will have access to this money for reimbursement of your out-of-pocket health care and dependent day care expenses. When you use tax-free dollars for these benefits, you realize an increase in your spending power and substantial tax savings. The taxes saved through plan participation include state, federal and Social Security. Please be aware that a reduction in Social Security taxes might reduce your retirement benefits.

Premium Conversion - Section 125 of the Internal Revenue Code allows you to pay your share of eligible insurance premiums on a pre-tax basis. This component of the Flexible Benefits Plan provides you with the opportunity to pay those premiums pre-tax. If you choose to participate in this component of the plan, you need not complete this form. However, you will need to complete an enrollment form. If you choose not to participate, please indicate your decision below and return this form to the payroll department.

Flexible Spending Accounts - This component of a Flexible Benefits Plan allows you to pay for out-of-pocket expenses (health care and/or dependent care) with the amount of your paycheck you have chosen to contribute on a pre-tax basis to these accounts. If your employer offers this plan component and you choose to participate, you need not complete this form. However, you will need to complete an enrollment form indicating the amount of your compensation you wish to defer. If you choose not to participate, please indicate your decision below and return this form to the payroll department.

Health Savings Account - This component of a Flexible Benefits Plan allows you to pay for out-of-pocket health care expenses with the amount of your paycheck you have chosen to contribute on a pre-tax basis to this account. If your employer offers this plan component and you choose to participate, you need not complete this form. However, you will need to complete an enrollment form indicating the amount of your compensation you wish to defer. If you choose not to participate, please indicate your decision below and return this form to the payroll department.

If you choose to participate in any or all of the benefit components offered by your employer under the Flexible Benefits Plan, you may not change or cancel your premium conversion or flexible spending account election(s) during a plan year unless you experience a "change-in-family-status" event. Those events include: marriage; divorce; legal separation; annulment; a change in the number of legal tax dependents; termination or commencement of employment by you, your spouse or your dependent; and, a change in worksite of you, your spouse or your dependent. Any change must be directly related to, and consistent with, the "change-in-family-status" event.

If you choose to participate in the health savings account component of the plan, you may increase, decrease or cease participation prospectively at any time.

Waiver

I hereby waive participation in all pre-tax benefits offered by my employer under its Flexible Benefits Plan. I understand that, if I have enrolled for insurance coverage on a separate benefit enrollment form, I will pay my share of the contribution with post-tax payroll deductions. Unless I experience a "change-in-family-status" event, I understand that I may not elect pre-tax benefits until the next anniversary date and any post-tax coverages shall be outside the plan.

Employer Name: _____

Date: _____

Employee Signature