

## **Article II — Participation**

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## Article II — Participation

### § 20C-201 Commencement of Participation.

Every Qualified Employee shall become eligible to participate in this Plan on the *later* (a) the Effective Date, or (b) the date he/she becomes a Qualified Employee.

### § 20C-202 Cessation of Participation.

(a) **In General.** Except as otherwise provided in this § 20C-202, a Participant will cease to be a Participant on the date he/she ceases to be a Qualified Employee.

(b) **Termination of Plan.** A Participant will cease to be a Participant in this Plan no later than the date as of which this Plan is terminated.

(c) **Expenses Incurred Prior to Cessation of Participation.** Notwithstanding anything to the contrary contained in this Section, a former Participant remains entitled to benefits under this Plan with respect to Qualifying Medical Care Expenses incurred prior to the cessation of his/her participation, under the same terms, conditions, and procedures applicable to Participants.

### § 20C-203 Reinstatement of Former Participant.

A former Participant may become a Participant in this Plan again in accordance with the provisions of § 20C-201.

### § 20C-204 Covered Family Members.

A Spouse or Dependent of a Participant shall be a Covered Family Member for such period of time as the person is a Spouse or Dependent, and the Participant is a Participant under this Plan.

## § 20C-205 Waiver of Coverage.

(a) **Annual Option.** A Qualified Employee may permanently opt-out of and waive coverage under this Plan in any December, effective on the immediately following January 1. If the Qualified Employee had been a Participant, he/she shall cease to be a Participant on that January 1.

(b) **On Request.** A Qualified Employee may decline and waive coverage under this Plan at any time upon request. If the Qualified Employee had been a Participant, he/she shall cease to be a Participant on the date the request is filed with the Employer. A person who declines coverage under this subsection (b) may request to receive coverage in the future if he/she is a Qualified Employee at that time. In that event, he/she shall become a Participant on the date the request is filed with the Employer.

(c) **Termination of Employment.** Upon termination of employment, if any remaining amounts in a Participant's HRA Account are not forfeited under the terms of this Plan, the Participant may permanently opt out of and waive future reimbursements from this Plan for expenses incurred after the date of the termination.

## § 20C-206 Continuation of Coverage.

(a) **COBRA.** The Employer is not obligated to provide federal COBRA continuation coverage under this Plan because it normally employs fewer than twenty employees. 42 U.S.C. § 300bb-1(b)(1); 29 U.S.C. § 1161(b); Treas. Regs. § 54.4980B-2 (Q&A 5). However, if the number of employees should increase or the legal requirements change such that the federal COBRA continuation coverage rules do apply to this Plan, this Plan shall provide such coverage to the extent required by law and elected by the qualified beneficiaries, subject to the payment of monthly premiums in an amount described in subsection (d).

(b) **Pennsylvania Mini-COBRA.** The Employer is also not obligated to provide the shorter-duration Pennsylvania mini-COBRA continuation coverage under this Plan because it is a self-insured plan and not group policy issued by an "insurer", and because it is a dental-only and vision-only plan. 40 PA. STAT. ANN. § 764j(g)(4), (5). However, if the legal requirements change such that the Pennsylvania mini-COBRA continuation coverage rules do apply to this Plan, this Plan shall provide such coverage to the extent required by law and elected by the covered employee and/or eligible dependent, subject to the payment of monthly premiums in an amount described in subsection (d).

(c) [RESERVED]

(d) **Premiums.**

(1) **In General.** The amount of the monthly premium to be paid by each qualified beneficiary (or by an employee or former employee qualified beneficiary for coverage for himself/herself and his Spouse and Dependents) for continuation coverage under this Plan for any month in a given calendar year shall be equal to one hundred two percent (102%) of the Maximum Coverage Amount for that calendar year, divided by twelve (12), and multiplied by the Applicable Percentage for that calendar year as described below.

(2) **2015.** The Applicable Percentage for calendar year 2015 shall be twenty-five percent (25%).

(3) **Other Years.** The Applicable Percentage for calendar years after 2015 shall be determined as of December 31 of the preceding year, and shall be the percentage equivalent of the fraction whose numerator is the total amount of reimbursements paid by the Plan for expenses incurred during the preceding year, and whose denominator is equal to the number of Participants participating in the Plan during the preceding year multiplied by the Maximum Coverage Amount for the preceding year.