

SUMMARY OF MATERIAL MODIFICATIONS

Important Notice

April 22, 2021

This Summary of Material Modifications (“SMM”) describes the COBRA subsidy provided under the American Rescue Plan Act of 2021. All provisions of this SMM will terminate as of September 30, 2021. All other provisions of the Plan remain unchanged.

The following is important information that may apply to you, and so you should carefully read it and keep it with your Summary Plan Description.

Special COBRA Premium Assistance

The American Rescue Plan Act of 2021 provides temporary COBRA assistance for certain Assistance Eligible Individuals (AEI). An AEI means a COBRA qualified beneficiary who meets the following requirements during the period from April 1, 2021 through September 30, 2021:

- Is eligible for COBRA continuation coverage by reason of a qualifying event that is a reduction in hours (such as reduced hours due to change in a business’s hours of operations, a change from full-time to part-time status, taking of a temporary leave of absence, or an individual’s participation in a lawful labor strike, as long as the individual remains an Employee at the time that hours are reduced) or an involuntary termination of employment (not including a termination for gross misconduct); and
- Timely elects COBRA continuation coverage.

COBRA Premium Assistance

The COBRA assistance is available from April 1, 2021 up to September 30, 2021, for AEIs who timely and properly elect COBRA continuation coverage under the Plan. AEIs are not required to pay the normal COBRA premiums for coverage during this period. The Plan will treat the AEI as having paid the full premium required for COBRA continuation coverage.

Termination of Eligibility for COBRA Premium Assistance

The AEI’s eligibility for premium assistance terminates on the earliest of:

1. The end of the maximum required period of continuation coverage for the AEI under the COBRA rules or the applicable State or Federal law (or regulation); or
2. The date that the AEI becomes eligible for Medicare benefits under Title XVIII of the Social Security Act; or
3. The date the AEI become eligible for health coverage under another group health plan, such as a group health plan sponsored by a new employer or a spouse’s employer (not including excepted benefits, a qualified small employer health reimbursement arrangement (QSEHRA), or a health flexible spending arrangement (FSA));
4. The termination of the Plan; or

5. September 30, 2021.

If an AEI receiving premium assistance for COBRA continuation coverage under this provision becomes eligible for coverage under another group health plan (other than those noted above) or Medicare, the AEI is required to notify the Plan in writing. This notification must be provided to the Plan in the time and manner as is specified by the Secretary of Labor. If an AEI fails to provide this notification at the required time and in the required manner, the individual may be subject to a tax penalty.

Additional COBRA Election Period

The American Rescue Plan Act of 2021 provides an additional election period for AEIs. An AEI whose qualifying event occurred prior to April 1, 2021 and who did not elect COBRA continuation coverage when it was first offered or who elected COBRA continuation coverage but is no longer enrolled, may be eligible for this additional COBRA election opportunity.

If the AEI is eligible for an additional election period, the AEI must elect such COBRA continuation coverage within 60 days of receipt of a notice of the COBRA election period. If the AEI does not elect coverage within 60 days of receipt of the notice, the AEI forfeits the right to COBRA premium assistance. The AEI may continue the coverage in effect at the time of the qualifying event, or, if applicable, change the medical plan option.

The additional election period does not extend the period of COBRA continuation coverage beyond the original maximum period. An AEI may choose to begin COBRA continuation coverage prospectively from the date of the election, or, if the AEI's qualifying event occurred on or before April 1, 2021, choose to start coverage as of April 1, 2021, even if the AEI receives an election notice and makes such election at a later date.

***NOTE:** The extended deadline relief provided in the Notice of Extension of Certain Timeframes for Employee Benefit Plans, Participants, and Beneficiaries Affected by the COVID-19 Outbreak "Joint Notice" and Notice 2021-01 does not apply to the 60-day notice or election periods related to COBRA premium assistance.*

Please note that this is a modification to all applicable Summary Plan Descriptions for health (medical, dental and vision, as applicable), and shall be deemed to amend the Plan document. In the event of conflict, this document controls.