Flexible Benefit Plan

Summary Plan Description

Adopted By:

The Yahnis Company

Effective Date:

October 1, 2012

SUMMARY PLAN DESCRIPTION

PART 1. GENERAL INFORMATION ABOUT THE PLAN

Your Employer (hereinafter “the Employer") is pleased to sponsor an employee benefit plan known as the Flexible Benefit Plan (“the Plan") for you and all eligible Employees. The Plan allows you to choose from several different benefit programs (referred to as "Benefit Options") according to your individual needs, and allows you to reduce your pay before taxes are deducted (“pre-tax contributions”) to pay for the Benefit Options that you elect. This Plan helps you, because the Benefit Options you elect are non-taxable (i.e., you save Social Security and federal and state income taxes on the amount of your salary reduction).

This Summary Plan Description (“SPD”) describes information relating to the Plan and is intended to give you an overview of the plan and how it works. For example, the Plan Information Summary includes plan details such as eligibility requirements and available Benefit Options. The SPD describes the basic features of the Plan, how it operates, and how you can get the maximum advantage from it.

The Plan is also established pursuant to a written Plan Document into which the SPD has been incorporated. If there is a conflict between the Plan Document and the SPD, the SPD will govern. Certain terms in this document are capitalized. Capitalized terms reflect important terms that are specifically defined in this SPD or in the Plan Document into which this SPD is incorporated. You should pay special attention to these terms as they play an important role in defining your rights and responsibilities under the Plan.

Participation in the Plan does not give any Participant the right to be retained in the employ of the Employer or any other right not specified in the Plan. If you have any questions regarding your rights and responsibilities under the Plan, you may also contact the Plan Administrator.

PART 2. FLEXIBLE BENEFIT PLAN SUMMARY

Q-1. What is the purpose of the Plan?

The purpose of the Plan is to allow eligible Employees to pay for certain eligible benefits (“Benefit Options”) with pre-tax contributions, therefore saving valuable tax dollars and increasing take-home income. The tax savings created by the plan are further explained below. The Benefit Options to which you may contribute with pre-tax contributions under the Plan are described in the Plan Information Summary. You will receive information from your Employer during each annual enrollment period explaining the Benefit Options offered for the next Plan Year and eligible for pre-tax coverage. Rules regarding pre-tax contributions are described in more detail in this SPD.

Q-2. Who can participate in the Plan?

Each Employee who satisfies the Plan’s eligibility requirements will be eligible to participate in the Plan. If you meet these requirements, you may become a Participant as of the Plan Entry Date. The Eligibility Requirements and the Plan Entry Date are described in the Plan Information Summary. Those Employees who participate in the Plan and pre-tax for eligible benefits are "Participants.” You may use this Plan to pay for Benefit Options covering only yourself and your tax dependents as defined in IRS Code Section 152 (except as otherwise defined in Code Section 105(b) and expanded, as applicable, by ERISA Section 714). The terms of eligibility of this Plan do not override the terms of eligibility of each of the Benefit Options. In other words, if you are eligible to participate in this Plan, it does not necessarily mean you are eligible to participate in all of the Benefit Options. For details regarding eligibility provisions, benefit amounts, and premium schedules for each of the Benefit Options, please refer to the plan summary for each Benefit Option or contact the Employer.

Q-3. When does my participation in the Plan end?

Your coverage under the Plan ends on the earliest of the following to occur:

(i) The date that you make an election not to participate in accordance with the terms of the Plan;
(ii) The date that you no longer satisfy the eligibility requirements of this Plan or all of the Benefit Options;
(iii) The date that you terminate employment with the Employer; or
(iv) The date that the Plan is either terminated or amended to exclude you or the class of Employees of which you are a member.

If your employment with the Employer is terminated during the Plan Year, or you otherwise cease to be eligible, your participation in the Plan will automatically end, and you will not be able to make any more pre-tax contributions under the Plan, including any Pre-tax Contributions from severance pay except as otherwise provided pursuant to policies and procedures established by the Plan Administrator. If you are re-hired within the same Plan Year and are eligible for the Plan (or you become eligible again), you may make new elections if you are re-hired or become eligible again more than 30 days after your employment terminated or you otherwise lost eligibility (subject to any limitations imposed by the Benefit Option(s)). If you are re-hired or again become eligible again within 30 days of termination, your Plan elections that were in effect when you terminated employment or lost eligibility will be reinstated and remain in effect for the remainder of the Plan Year. This 30-day "step back into" rule is mandated by IRS rules in Code Section 125.

Q-4. How do I become a participant?

If you have satisfied the eligibility requirements, you may become a Participant by automatic enrollment (*see below*) or by signing an individual Salary Reduction Agreement in which you agree to pay your share of the cost of the Benefit Options that you elect with pre-tax contributions. [Where applicable, you will be provided a Salary Reduction Agreement on or before your Eligibility Date, and you must complete the form and submit it to the Plan Administrator (per the instructions provided) during one of the election periods described below]. You may also enroll during the year if you previously elected not to participate and you experience a qualifying event that allows you to become a participant during the year. If that occurs, you must complete an election change form during the Election Change Period described below.

Automatic Election: In lieu of a Salary Reduction Agreement, this Plan is designed to allow automatic enrollment. With automatic enrollment, if you are participating in any of Benefit Options and you paying for coverage with salary reductions, the Employer will automatically sign you up for the Plan so that you are experiencing pre-tax benefits and tax savings. Automatic enrollment is used for the benefit of Participants. Where automatic enrollment is used, there is nothing that you need to sign to participate – enrollment will be handled by the Employer. If you wish for any reason to decline participation in the Plan and pay any portion of premiums for Benefit Options with post-tax dollars, you may waive coverage by completing a waiver form available from the Plan Administrator.

In some cases, the Employer may require you to pay your share of the Benefit Option coverage that you elect with pre-tax Contributions. If that is the case, your election to participate in the Benefit Option(s) will constitute an election under this Plan.

Q-5. What are tax advantages and disadvantages of participating in the Plan?

By participating in the Plan, you save federal income tax, FICA (Social Security), and state income taxes (for each state where applicable) on all salary reductions for eligible premiums under the Plan. Consider the following example to illustrate the potential tax savings under the Plan:

Example: You are married and have one child. The Employer pays for 80% of your medical insurance premiums, but only 40% for your family. You pay $2,400 in premiums ($400 for your share of the Employee-only premium, plus $2,000 for family coverage under the Employer's major medical insurance plan). You earn $50,000 and your spouse (a student) earns no income. You file a joint tax return.

	If you participate in the Plan		If you do not participate in the Plan
1. Gross Income	$50,000		$50,000
2. Salary Reductions for Premiums	$2,400 (pre-tax)		$0
3. Adjusted Gross Income	$47,600		$50,000
4. Standard Deduction	($9,700)		($9,700)
5. Exemptions	($9,300)		($9,300)
6. Taxable Income	$28,600		$31,000
7. Federal Income Tax (Line 6 x applicable tax schedule)	($3,590)		($3,950)
8. FICA Tax (7.65% x Line 3 Amount)	($3,641)		($3,825)
9. After Tax Contributions	($0)		($2,400)
10. Pay after taxes and contributions	$40,365		$39,821
11. Take Home Pay Difference	$544		

Plan participation will reduce the amount of your taxable compensation. Under some limited circumstances there could be a decrease in your Social Security benefits and/or other benefits (e.g., pension, disability, and life insurance) that are based on taxable compensation. If you need further assistance with that issue, you may wish to consult an accountant or tax advisor.

Q-6. What are the election periods for entering the Plan?

The Plan has three basic election periods: (i) the Initial Election Period, (ii) the Annual Election Period, and (iii) the Election Change Period, which is the period following the date you have a Change in Status Event (described below). The following is a summary of the Initial Election Period and the Annual Election Period.

6a. What is the Initial Election Period?

If you want to participate in the Plan when you are first hired or become eligible, you must enroll during the Initial Election Period described in the enrollment materials you receive. If you make an election during the Initial Election Period, your participation in this Plan will begin on the later of your Eligibility Date or the first pay period coinciding with or next following the date that your election is received. The effective date of coverage under the Benefit Options will be effective on the date established in the governing documents of the Benefit Options. The election that you make during the Initial Election Period is effective for the remainder of the Plan Year and generally cannot be changed during the Plan Year unless you have a Change in Status Event. If you do not make an election during the Initial Election Period, you will be deemed to have elected not to participate in this Plan for the remainder of the Plan Year. Failure to make an election under this Plan generally results in no coverage under the Benefit Options; however, the Employer may provide coverage under certain Benefit Options automatically. These automatic benefits are called “default benefits.” Any default benefits provided by your Employer will be identified in the enrollment material. In addition, your share of the contributions for such default benefits may be automatically withdrawn from your pay on a pre-tax basis. You will be notified in the enrollment material whether there will be a corresponding pre-tax contribution for such default benefits.

6b. What is the Annual Election Period?

The Plan also has an Annual Election Period during which you may enroll if you did not enroll during the Initial Election Period or change your elections for the next Plan Year. The Annual Election Period will be identified in the enrollment material distributed to you prior to the Annual Election Period. The election that you make during the Annual Election Period is effective the first day of the next Plan Year and cannot be changed during the Plan Year unless you have a Change in Status Event. Where applicable, if you fail to complete, sign, and file a Salary Reduction Agreement during the Annual Election Period, you may be deemed to have elected to continue participation in the Plan with the same Benefit Option elections that you had on the last day of the Plan Year in which the Annual Election period occurred (adjusted to reflect any increase/decrease in applicable premium/contributions). This is called an "Evergreen Election." Alternatively, the Plan Administrator may deem you to have elected not to participate in the Plan for the next Plan Year if you fail to make an election during the Annual Election Period. The consequences of failing to make an election under this Plan during the Annual Election Period are described in the Plan Information Summary.

The Plan Year is generally a 12-month period. The beginning and ending dates of the Plan Year are described in the Plan Information Summary.

Q-7. How is my Benefit Option coverage paid for under this Plan?

This Plan allows you to pay for any Benefit Option coverage that you elect with pre-tax contributions. Alternatively, your Employer allows you to pay your share of the contributions with after-tax contributions if you choose to do so. However, the default setting of the Plan is that all Employee contributions for Benefit Options will be paid with pre-tax payroll deductions.

When you elect to participate in an eligible Benefit Option, an amount equal to your share of the annual cost of those Benefit Options that you choose divided by the applicable number of pay periods you have during that Plan Year is deducted from each paycheck after your election date. If you use pre-tax contributions, the deduction is made before any applicable federal and/or state taxes are withheld.

Your Employer may choose to pay for a portion of the cost of the Benefit Options you elect with Employer Contributions. The amount of Employer Contributions towards the cost of the Benefit Option(s) for each Participant and/or level of coverage is subject to the sole discretion of the Employer and it may be adjusted upward or downward in the Employer's discretion at any time. The Employer Contribution amount will be calculated for each Plan Year in a nondiscriminatory manner and may be based upon your dependent status, commencement or termination date of your employment during the Plan Year, and such other factors that the Employer deems relevant. In no event will any Employer Contribution be disbursed to you in the form of additional, taxable compensation except as otherwise provided in the Plan Information Summary (such as in the case of a cashable Benefit Credit).

The Employer may provide you with Employer Contributions over which you have discretion to allocate the contributions to one or more Benefit Options available under the Plan. These elective employer contributions are called “Flex Credits” or “Benefit Credits.” If any Flex Credits or Benefit Credits are provided by the Employer, they will be described in detail in the Plan Information Summary.

Q-8. Under what circumstances can I change my election during the Plan Year?

Generally, you cannot change your pre-tax elections during the Plan Year. There are certain exceptions. First, your election will automatically terminate if you terminate employment or lose eligibility under this Plan or under all of the Benefit Options that you have chosen. Second, you may change your election during the Plan Year if you satisfy the following conditions (determined by federal law):

(a) You experience a Change in Status Event that affects your eligibility under this Plan and/or a Benefit Option; or
(b) You experience a significant cost or coverage change; and
(c) You complete and submit a written Election Change Form within 30 days of the event.

The following is a summary of the applicable Change in Status Events and cost or coverage changes.

1. **Changes in Status**. If one or more of the following Changes in Status occur, you may revoke your old election and make a new election, provided that both the revocation and new election are on account of, and correspond with, the Change in Status. Those occurrences which qualify as a Change in Status include the events described below, as well as any other events which the Plan Administrator determines are permitted under subsequent IRS regulations:

- Change in your legal marital status (such as marriage, legal separation, annulment, divorce, or death of your Spouse);
- Change in the number of your tax Dependents (such as the birth of a child, adoption or placement for adoption of a Dependent, or death of a Dependent);
- Any of the following events that change the employment status of you, your Spouse, or your Dependent that affect benefit eligibility under a flexible benefit plan (including this Plan) or other employee benefit plan of yours, your Spouse, or your Dependents. Such events include any of the following changes in employment status: termination or commencement of employment, a strike or lockout, a commencement of or return from an unpaid leave of absence, a change in worksite, switching from salaried to hourly-paid, union to non-union, or part-time to full-time; incurring a reduction or increase in hours of employment; or any other similar change which makes the individual become (or cease to be) eligible for a particular employee benefit;
- Event that causes your Dependent to satisfy or cease to satisfy an eligibility requirement for a particular benefit (such as attaining a specified age, getting married, or ceasing to be a student); or
- Change in your, your Spouse's, or your Dependent's place of residence.

If a Change in Status occurs, you must inform the Plan Administrator and complete a new election for pre-tax contributions within 30 days of the event.

If you wish to change your election based on a Change in Status, you must establish that the revocation is on account of, and corresponds with, the Change in Status. The Plan Administrator (in its sole discretion) shall determine whether a requested change is on account of, and corresponds with, a Change in Status. As a general rule, a desired election change will be found to be consistent with a Change in Status Event if the event affects coverage eligibility. A Change in Status affects coverage eligibility if it results in an increase or decrease in the number of dependents who may benefit under the plan.

In addition, you must also satisfy the following specific requirements in order to alter your election based on that Change in Status:

- *<u>Loss of Dependent Eligibility</u>*. For accident and health benefits (e.g., health, dental and vision coverage, accidental death and dismemberment coverage), a special rule governs which type of election change is consistent with the Change in Status. For a Change in Status involving your divorce, annulment, or legal separation from your Spouse; the death of your Spouse or your Dependent; or your Dependent ceasing to satisfy the eligibility requirements for coverage, your election to cancel accident or health benefits for any individual other than your Spouse involved in the divorce, annulment, or legal separation, your deceased Spouse or Dependent, or your Dependent that ceased to satisfy the eligibility requirements, would fail to correspond with that Change in Status. Hence, you may only cancel accident or health coverage for the affected Spouse or Dependent.

Example: Employee Mike is married to Sharon, and they have one child. The employer offers a calendar year plan that allows employees to elect no health coverage, employee-only coverage, employee + 1 coverage, or family coverage. Before the plan year, Mike elects family coverage for himself, his wife Sharon, and their child. Mike and Sharon subsequently divorce during the plan year. Sharon loses eligibility for coverage under the plan, while the child is still eligible for coverage under the plan. Mike now wishes to cancel his previous election and elect no health coverage. The divorce between Mike and Sharon constitutes a Change in Status. An election to cancel coverage for Sharon is consistent with this Change in Status. However, an election to cancel coverage for Mike and/or the child is not consistent with this Change in Status. In contrast, an election to change to employee + 1 coverage would be consistent with this Change in Status.

- You may increase your election to pay for COBRA coverage under the Employer's plan for yourself (if you still have pay) or any other individual who lost coverage but is a still a tax dependent (e.g. a child who lives with you and to whom you provide over half of their support but who has lost eligibility under the Plan).
- _Gain of Coverage Eligibility under Another Employer's Plan_. For a Change in Status in which you, your Spouse, or your Dependent gain eligibility for coverage under another employer's flexible benefit plan (or qualified benefit plan) as a result of a change in your marital status or a change in your, your Spouse's, or your Dependent's employment status, your election to cease or decrease coverage for that individual under the Plan would correspond with that Change in Status only if coverage for that individual becomes effective or is increased under the other employer's plan.
- _Group Term Life Insurance, Disability Income, or Dismemberment Benefits_. In the case of group term life insurance or disability income and dismemberment benefits, if you experience any Change in Status, you may elect to either increase or decrease coverage.

Example: Employee Mike is married to Sharon and they have one child. The employer's plan offers a flexible benefit plan which funds group-term life insurance coverage (and other benefits) through salary reduction. Before the plan year Mike elects $10,000 of group-term life insurance. Mike and Sharon subsequently divorce during the plan year. The divorce constitutes a Change in Status. An election by Mike either to increase or to decrease his group-term life insurance coverage would be consistent with this Change in Status.

2. **Special Enrollment Rights**. If you, your Spouse, and/or a Dependent are entitled to special enrollment rights under a group health plan, you may change your election to correspond with the special enrollment right. Thus, for example, if you declined enrollment in medical coverage for yourself or your eligible Dependents because of outside medical coverage and eligibility for such coverage is subsequently lost due to certain reasons (such as legal separation, divorce, death, termination of employment, reduction in hours, or exhaustion of COBRA period), you may be able to elect medical coverage under the Plan for yourself and your eligible Dependents who lost such coverage. Furthermore, if you have a new Dependent as a result of marriage, birth, adoption, or placement for adoption, you may also be able to enroll yourself, your Spouse, and your newly acquired Dependents, provided that you request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption. An election change that corresponds with a special enrollment must be prospective, unless the special enrollment is attributable to the birth, adoption, or placement for adoption of a child, which may be retroactive up to 30 days back to the date of the birth, adoption, or placement for adoption.

The Plan is designed to allow all special enrollment rights allowed by HIPAA and other federal regulations, including special enrollment that is provided when you are eligible for premium assistance under Medicaid or the Children's Health Insurance Program (CHIP). If you are eligible for health coverage from your employer, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage but need assistance in paying their health premiums.

If you or your Dependents are already enrolled in Medicaid or CHIP you can contact your state Medicaid or CHIP office to find out if premium assistance is available. If you or your Dependents are <u>not</u> currently enrolled in Medicaid or CHIP, and you think you or any of your Dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial 1-877-KIDS NOW or <u>www.insurekidsnow.gov</u> to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your Dependents are eligible for premium assistance under Medicaid or CHIP, your employer's health plan is required to permit you and your Dependents to enroll in the plan – as long as you and your dependents are eligible, but not already enrolled in the employer's plan. This is called a "special enrollment" opportunity, and you must request coverage within 60 days of being determined eligible for premium assistance.

For more information on special enrollment rights, you can contact either:

U.S. Department of Labor
Employee Benefits Security Administration
www.dol.gov/ebsa
1-866-444-EBSA (3272)

U.S. Department of Health and Human Services
Centers for Medicare & Medicaid Services
www.cms.hhs.gov
1-877-267-2323, Ext. 61565

Please refer to the group health plan description for an explanation of other special enrollment rights. Contact the Plan Administrator if you believe you may qualify for a special enrollment right based on your situation (or that of your Dependent(s)).

3. **Certain Judgments, Decrees, and Orders**. If a judgment, decree, or order from a divorce, separation, annulment, or custody change requires your Dependent child (including a foster child who is your tax Dependent) to be covered under this Plan, you may change your election to provide coverage for the Dependent child. If the order requires that another individual (such as your former Spouse) cover the Dependent child, and such coverage is actually provided, you may change your election to revoke coverage for the Dependent child.

4. **Entitlement to Medicare or Medicaid.** If you, your Spouse, or a Dependent becomes entitled to Medicare or Medicaid, you may cancel that person's accident or health coverage. Similarly, if you, your Spouse, or a Dependent who has been entitled to Medicare or Medicaid loses eligibility for such, you may, subject to the terms of the Plan, elect to begin or increase that person's accident or health coverage.

5. **Change in Cost**. If the Plan Administrator notifies you that the cost of your coverage under the Plan significantly increases or decreases during the Plan Year, regardless of whether the cost change results from action by you (such as switching from full-time to part-time) or the Employer (such as reducing the amount of Employer contributions for a certain class of Employees), you may make certain election changes. If the cost significantly increases, you may choose either (a) to make an increase in your contributions, (b) revoke your election and receive coverage under another Benefit Option which provides similar coverage, or (c) drop coverage altogether if no similar coverage exists. If the cost significantly decreases, you may revoke your election and elect to receive coverage provided under the option that decreased in cost. For insignificant increases or decreases in the cost of Benefit Options, however, the Plan Administrator will automatically adjust your election contributions to reflect the minor change in cost. The Plan Administrator (in its sole discretion) will determine whether the requirements of this Part are met.

> *Example*: Employee Mike is covered under an indemnity option of his employer's accident and health insurance coverage. If the cost of this option significantly increases during a period of coverage, the Employee may make a corresponding increase in his payments or may instead revoke his election and elect coverage under an HMO option.

6. **Change in Coverage**. If the Plan Administrator notifies you that your coverage under the Plan is significantly curtailed, you may revoke your election and elect coverage under another Benefit Option which provides similar coverage. If the significant curtailment amounts to a complete loss of coverage, you may also drop coverage if no other similar coverage is available. Further, if the Plan adds or significantly improves a benefit option during the Plan Year, you may revoke your election and elect to receive, on a prospective basis, coverage provided by the newly-added or significantly improved option, so long as the newly added or significantly improved option provides similar coverage. Also, you may make an election change that is on account of and corresponds with a change made under another employer plan (including a plan of the Employer or another employer), so long as: (a) the other employer plan permits its participants to make an election change permitted under the IRS regulations; or (b) this Plan permits you to make an election for a period of coverage which is different from the period of coverage under the other employer plan. Finally, you may change your election to add coverage under this Plan for yourself, your Spouse, or your Dependent if such individual(s) loses coverage under any group health coverage sponsored by a governmental or educational institution. The Plan Administrator (in its sole discretion) will determine whether the requirements of this Part are satisfied.

<u>Other Election Rules</u>: With the exception of special enrollment resulting from birth, placement for adoption or adoption, all election changes are prospectively effective from the date of the election or such later time as determined by the Plan Administrator. Additionally, the Plan's Administrator reserves the right to adjust or modify your pre-tax election(s) during the Plan Year if you are a Key Employee or Highly Compensated Individual (as defined by the IRS Code) and such a mid-year adjustment is necessary to prevent the Plan from failing applicable non-discrimination testing required by IRS law**.**

Also, an election under this Plan may be modified during the Plan Year if you are a Key Employee or Highly Compensated Individual (as defined by the Internal Revenue Code), if necessary to prevent the Plan from becoming discriminatory within the meaning of the applicable federal income tax law**.**

If coverage under a Benefit Option ends, the corresponding pre-tax contributions for that coverage will automatically end. No election is needed to stop the contributions.

Q-9. What happens to my participation under the Plan if I take a leave of absence?

The following is a general summary of the rules regarding participation in the Plan during a leave of absence. In general, the beginning of a leave of absence constitutes a qualifying even that allows a participant to make certain election changes consistent with the leave. If coverage is to be continued, it must be paid for in accordance with the Plan (see below). The specific election changes that you can make under this Plan upon a leave of absence are described here and in the Benefit Option summaries for each included benefit. If you have any questions about how a particular leave of absence scenario affects your benefits and pre-tax elections, contact the Plan Administrator.

(a) If you go on a qualifying unpaid leave under the Family and Medical Leave Act of 1993 ("FMLA"), the Employer will continue to maintain your Benefit Options that provide health coverage on the same terms and conditions as though you were still active, to the extent required by FMLA (e.g., the Employer will continue to pay its share of the contribution to the extent you opt to continue coverage).

(b) Your Employer may elect to continue all health coverage while you are on paid leave (provided Participants on non-FMLA paid leave are required to continue coverage). If so, you will pay your share of the contributions by the method normally used during a paid leave (for example, with pre-tax contributions if that is what was used before the FMLA leave).

(c) In the event of unpaid FMLA leave (or paid leave where coverage is not required to be continued), if you opt to continue your group health coverage, you may pay your share of the contribution in one of the following ways:

   (i) With after-tax dollars while you are on leave;
   (ii) You may pre-pay all or a portion of your share of the contribution for the expected duration of the leave with pre-tax contributions from your pre-leave pay or with post-tax contributions. The only limitation is that pre-payments of pre-tax contributions may not generally be used to fund coverage during the next Plan Year; or
   (iii) By other arrangements established by the Plan Administrator.

   The payment options provided by the Employer will be established in accordance with Code Section 125, FMLA, and the Employer's policies and procedures regarding leaves of absence and will be applied uniformly to all Participants.

(d) If your coverage ceases while on FMLA leave (e.g., for non-payment of required contributions), you will be permitted to re-enter the Plan and the Benefit Option(s) upon return from such leave on the same basis as you were participating in the plans prior to the leave, or as otherwise required by the FMLA. Your coverage under the Benefit Options providing health coverage may be automatically reinstated provided that coverage for Employees on non-FMLA leave is automatically reinstated upon return from leave.

(e) The Plan Administrator may in its discretion continue your group health coverage for the duration of the leave following your failure to pay the required contribution. Upon return from leave, you will be required to repay the contribution in a manner agreed upon by you and the Employer.

(f) If you are commencing or returning from unpaid FMLA leave, your election under this Plan for Benefit Options providing non-health benefits shall be treated in the same manner that elections for non-health Benefit Options are treated with respect to Participants commencing and returning from unpaid non-FMLA leave.

(g) If you go on an unpaid non-FMLA leave of absence (e.g., personal leave, sick leave, etc.) that does not affect eligibility in this Plan or a Benefit Option offered under this Plan, then you will continue to participate and the contribution due will be paid by pre-payment before going on leave, by after-tax contributions while on leave, or with catch-up contributions after the leave ends, as may be determined by the Administrator. If you go on an unpaid leave that affects eligibility under this Plan or a Benefit Option, the election change rules described herein will apply. The Plan Administrator will have discretion to determine whether taking an unpaid non-FMLA leave of absence affects eligibility.

Q-10. How long will the Plan remain in effect?

Although the Employer expects to maintain the Plan indefinitely, it has the right to modify or terminate the Plan at any time and for any reason. Plan amendments and terminations will be conducted in accordance with the terms of the Plan Document.

Q-11. What happens if my request for a benefit under this Plan (e.g., an election change or other issue relevant to pre-tax contributions) is denied?

You will have the right to a full and fair review process. Contact the Plan Administrator for details on how to appeal an adverse determination under the Plan.

PART 3. CASH BENEFITS

During any Plan Year, the maximum salary reduction amount a Participant can elect under this Plan cannot exceed the sum of the cost of the Benefit Options offered under this Plan. Any part of this maximum salary reduction amount that you do not elect will be paid to you as regular, taxable compensation. Where applicable, any Benefit Credits not used towards the cost of Benefit Options made available under the Plan will revert to the Employer and will be forfeited by the Employee.

PART 4. PLAN INFORMATION SUMMARY

Employer Details

Name of Organization:	The Yahnis Company
Plan Administrator:	The Yahnis Company
Acceptance of Legal Process:	The Yahnis Company
Federal Employer ID Number:	57-1090832
Address of Plan Sponsor:	823 St. Claire Drive Florence, SC 29501

Plan Details

Plan Name:	The Yahnis Company Flexible Benefits Plan
Plan No.:	518
Effective Date of this SPD:	October 1, 2012
Plan Year Basis:	10/1 – 9/30
	The Plan is designed to operate on a 12-month basis. A short plan year may be used at implementation or when needed to move Plan concurrent with Benefit Options.

Plan Funding

The Plan is self-funded, with no trust arrangement.

Eligibility Requirements

Eligible Employees include those who are active and full-time with a customary weekly employment schedule equal to or greater than 30 hours. Anyone who is covered by a collective bargaining agreement is not eligible, unless the agreement expressly provides for participation in this Plan.

The Eligibility Waiting Period for the Plan is: 6 months

The Plan Entry Date is the date when an Employee meeting eligibility requirements may begin participation in the Plan. The Plan Entry Date is: First day of the following month after Eligibility Waiting Period.

Benefit Options

The following benefits, which are sponsored and maintained by the Employer for the benefit of eligible Employees, are offered under the plan:

Group Health Insurance
Group Dental Insurance
Group Vision Insurance
Supplemental Insurance Products

In the absence of a waiver, any Employee cost for premiums will be automatically deducted on a pre-tax basis.

Benefits Excluded

The following benefits, which are sponsored and maintained by the Employer for the benefit of Eligible Employees, are specifically excluded from pre-tax coverage under this Plan:

Long Term Disability Insurance
Short Term Disability Insurance
Group Life Insurance

Authority of Plan Documents

The terms and conditions of the separate Benefit Options offered under this Plan are contained in separate, written documents governing each respective benefit, which will govern in the event of a conflict between the flex plan and a term of a Benefit Option. To that end, each such separate document, as amended or subsequently replaced, is incorporated by reference as if fully recited herein.

Important: This SPD is intended to summarize the benefits under the Plan. Please contact the Plan Administrator if you need further information about any Plan details.