

# ALLEN COUNTY CODE TITLE 1 GENERAL PROVISIONS

## ARTICLE 8 FLEXIBLE COMPENSATION PLAN

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### **1-8-11 Chapter 1: Introduction**

The Flexible Compensation Plan has been established by the Allen County Board of Commissioners, a municipal corporation, the Plan being organized for the benefit of its employees. It is maintained according to the terms of this instrument. It is the intention of the corporation that the Plan qualify as a “cafeteria plan” within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, by providing employees with a choice between cash and benefits under the plans maintained by the corporation.

#### **1-8-1-1**

The effective date of the adoption of this Plan is May 1, 1989.

### **1-8-2 Chapter 2: Definitions**

The following words and phrases, when used in this Plan, shall have the following meanings:

#### **1-8-2-1**

“Board of Commissioners” means the Board of Commissioners of Allen County, Indiana.

#### **1-8-2-2**

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

#### **1-8-2-3**

“County” means Allen County, Indiana, organized and existing under the laws of the State of Indiana.

#### **1-8-2-4**

“County Plan” means any plan or program, as amended from time to time, of the County providing a Nontaxable Benefit. Such Plans are the Health and Welfare plans maintained

by the County and described under separate written documents and incorporated herein by reference.

#### **1-8-2-5**

“Compensation” means the basic wages and salary which are paid by the County to a Participant. It does not include overtime pay, bonuses, and other non-base pay.

#### **1-8-2-6**

“Employee” means any person who is employed by the County on a full-time basis. The term “employee” shall not include any temporary employees or any employees who perform services on a part-time basis, that is, less than 30 hours per week.

#### **1-8-2-7**

“Expense” means any expense paid or incurred by a Participant, the reimbursement of which by the County would not be includable in the Income of such Participant under any provision of the Code.

#### **1-8-2-8**

“Non-taxable Benefit” means any benefit attributable to County contributions to the extent that such benefit is not currently taxable to the Participant under the Internal Revenue Code upon the receipt of the benefit. These Non-taxable Benefit (s) are referenced under separate written plans.

#### **1-8-2-9**

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time.

#### **1-8-2-10**

“Participant” means an Employee participating in the Plan. Such Employee must satisfy the eligibility requirements of Section 3.01 hereof.

#### **1-8-2-11**

“Plan” means the Board of Commissioners of Allen County, Indiana Flexible Compensation Plan.

### **1-8-2-12**

“Plan Administrator” means the person or persons designated to administer the Plan pursuant to Section 7.01 hereof.

### **1-8-2-13**

“Plan Year” means the 12-month period commencing on January 1 of each successive year and ending December 31.

### **1-8-2-14**

“Taxable Benefit” means cash.

### **1-8-2-15**

“Construction” means the masculine gender, where appearing in the Plan shall be deemed to include the feminine gender, unless the context clearly indicates to the contrary.

## **1-8-3 Chapter 3: Eligibility**

### **1-8-3-1**

The individuals who are eligible to participate hereunder are all employees who are covered, or who are eligible to be covered, under the County’s Health and Welfare Plan.

### **1-8-3-2 Termination of Eligibility**

If a participant ceases to be an employee, or ceases to otherwise be covered, or eligible to be covered, under the County’s Health and Welfare Plan, participating in this Plan will automatically terminate.

## **1-8-4 Chapter 4: Benefits**

### **1-8-4-1**

Any amount paid or incurred to purchase the following group coverage under the County’s Health and Welfare Plan: Medical, Disability, Vision, Dental Benefits, unreimbursed medical expenses and Group Term Life Insurance, if applicable, in amounts up to \$50,000

### **1-8-4-2**

A participant shall submit a request to the Plan Administrator to purchase or provide benefits. Such request shall state:

- a) The amount of compensation which Participant desires the County to use to purchase or provide a Non-taxable Benefits (s); and
- b) The Non-taxable Benefit(s) the Participant desires the County to purchase or provide to him; and
- c) The amount of Taxable Benefit which the employee will receive as compensation. The maximum amount available for the Taxable Benefit is the amount paid by the employee through salary reduction to purchase the following group coverage's under the County's Health and Welfare Plan: Medical, Disability, Vision, Dental Benefits, unreimbursed medical expenses and Group Term Life Insurance amounts up to \$50,000.

### **1-8-4-3**

The request required by Section 4.2 above shall be submitted to the Plan Sponsor prior to the commencement of a Plan Year in which the Non-taxable Benefits and Taxable Benefits are provided to the Participant. Such request applies to the entire Plan year, and may only be changed during the Plan Year if such change is one account of and consistent with on the following events:

- a) Marriage;
- b) Divorce;
- c) Death or spouse or child;
- d) Birth or adoption of child; or
- e) Termination of employment of spouse.

## **1-8-5 Chapter 5: Contribution**

### **1-8-5-1**

A participant shall be entitled to elect to have up to the amount payable by an employee used the County, to purchase or provide a Non-taxable Benefit(s) as stated in Section 4.1 above through salary reduction.

## **1-8-6 Chapter 6: Amendment And Termination**

### **1-8-6-1**

The Board of Commissioners of the County may amend or terminate this Plan at any time by duly adopted resolution.

## **1-8-6-2**

All benefits shall cease upon the day that Plan is terminated unless otherwise provided by the Board of Commissioners or other provision of this Plan.

## **1-8-7 Chapter 7: Administration**

### **1-8-7-1**

The Administrator or the County is hereby designated as the Plan Administrator to serve until resignation or removal by the Board of Commissioners and appointment of a successor by duly adopted resolution of the Board.

### **1-8-7-2**

The Plan Administrator shall exercise such authority and responsibility as he deems appropriate in order to comply with ERISA, including, but not limited to, any documents and notifications required to be given to Participants and annual reports required to be filed with the Internal Revenue Service and the Department of Labor.

## **1-8-8 Chapter 8: Miscellaneous**

### **1-8-8-1**

This Plan shall not be deemed to constitute a contract between the County and any Participant or to be a consideration or inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the County or to interfere with the right of the County to discharge any Participant or Employee at any time regardless of the effect which such discharge will have upon him as a Participant of the Plan.

### **1-8-8-2**

This Plan shall be construed and enforced in accordance with laws of the State of Indiana to the extent non pre-empted by Federal law.

## **1-8-9 Chapter 9: Execution**

### **1-8-9-1**

In WITNESS WHEREOF, and as evidence of adoption of this Plan by County, it has caused the same to be executed by its Board of Commissioners on the 1<sup>st</sup> day of March 1989.