

**Lay Long-Term Disability and Life Insurance Plan
Plan Sponsor Adoption Agreement
*Exhibit A***

Lay Employee Eligibility Elections

This *Exhibit A* is incorporated by reference into and becomes a part of the Adoption Agreement entered into by and between Plan Sponsor and the General Board. This *Exhibit A* allows Plan Sponsor to make certain elections regarding Employee eligibility under the Plan.

Part I – Active Employee Coverage

A. Lay Employee Coverage

Please indicate by checking the box below whether Plan Sponsor elects to cover its Lay Employees in the Plan.

☐ Plan Sponsor hereby **elects** to cover its Lay Employees in the Plan subject to the terms of Plan.

To be eligible, Lay Employees must satisfy the requirements of the Plan and its insurance policies.

Plan Sponsor may elect to establish additional eligibility requirements beyond the basic criteria of the Plan. If Plan Sponsor wishes to establish such requirements, please indicate Plan Sponsor elections below in Part II, as appropriate. Plan Sponsor has a duty to clearly communicate these additional requirements for coverage to its Lay Employees.

B. Clergy person Coverage for Employer Plan Sponsors (who have not adopted CPP)

Plan Sponsors of this Plan that are non-Conference employers and that have not adopted CPP to cover Clergy persons appointed to serve them, will have *all* Clergy persons in their service treated as Lay Employees for the purpose this Plan. Such Clergy persons will be eligible for coverage through the Plan under the same rules and circumstances that Plan Sponsor elects in this *Exhibit A* for its Lay Employees. Plan Sponsors subject to this rule should not complete *Exhibit B*.

Notwithstanding the foregoing, this rule will not apply to local churches with an appointed Clergy person who could be eligible for CPP through the Conference.

Part II – Eligibility Requirements for Active Employees

A. Minimum Requirement: Hours of Service

Employees must work at least 1,040 hours in a Plan Year (approximately 20 hours a week) to be eligible for coverage under the Plan. A Clergy person covered as a Lay Employee under the Plan is deemed to work at least 1,040 hours in a Plan Year if his or her appointment is ½ time or greater, or he or she works at least 1,040 hours as a Lay Employee.

If Plan Sponsor wishes to require that Employees be regularly scheduled for more than 1,040 hours in a Plan Year to be eligible for coverage, please select one of the following:

- ☐ Plan Sponsor **elects** to require that Lay Employees be regularly scheduled to work no less than 1,560 hours in a Plan year (approximately 30 hours a week) to be eligible for coverage in the Plan. Clergypersons covered as Lay Employees must be appointed to at least $\frac{3}{4}$ time appointment or work at least 1,560 hours as a Lay Employee, to be eligible for coverage in the Plan.
- ☐ Plan Sponsor **elects** to require that Lay Employees be regularly scheduled to work an amount that it considers to be full-time, _____ hours per Plan Year (*multiply hours per week by 52 to calculate hours per year*), to be eligible for coverage in the Plan. Clergypersons covered as Lay Employees must be appointed to a full time appointment, to be eligible for coverage in the Plan.

B. Minimum Requirement: Age

Employees must be at least 15 years old to be eligible for coverage under the Plan.

If Plan Sponsor wishes to require that Employees be an age greater than 15 to be eligible for coverage, please select one of the following:

- ☐ Plan Sponsor **elects** to require that Employees attain an age greater than 15; Plan Sponsor requires its Employees be at least:
 - ☐ 18 years old to be eligible for coverage in the Plan.
 - ☐ 21 years old to be eligible for coverage in the Plan.

C. Waiting Period

The waiting period is the amount of time an Employee must work for his or her Plan Sponsor before he or she becomes eligible for coverage in the Plan. Plan Sponsor may choose a waiting period that new Employees must satisfy before becoming eligible for coverage in the Plan.

Plan Sponsor **elects** that new Employees must satisfy the following waiting period:

- ☐ a zero (0) month waiting period, i.e., no waiting period.
- ☐ a three (3) month waiting period.
- ☐ a six (6) month waiting period.
- ☐ a twelve (12) month waiting period.

Note: Service that an Employee accrues in a prior plan of the Plan Sponsor in the year preceding Plan Sponsor's adoption of this Plan will be applied toward the waiting period that Plan Sponsor elects under this Plan.

Part III – Retired Employee Coverage

Please indicate by checking the box below whether Plan Sponsor elects to cover its Retired Employees in the Lay Life Component of the Plan. If Plan Sponsor does not complete this Part III, no Retired Employees will be covered in the Plan.

- ☐ Plan Sponsor **elects not** to provide life insurance coverage to Retired Employees.
- ☐ Plan Sponsor **elects** to provide life insurance coverage, under the terms of the Plan, to Employees who have retired from employment in accordance with Plan Sponsor's retirement policy.

Minimum Requirement: Years of Coverage

An Employee must have been covered in the Plan for at least five (5) consecutive years, immediately preceding retirement, to be eligible for coverage as a Retired Employee. Alternatively, if the Employee has not been covered five continuous years due to a break in coverage resulting from an uncovered leave of absence that lasted no longer than one year, the Employee will be eligible for coverage as a Retired Employee if he or she has been serving at or employed by the Plan Sponsor (including the leave of absence) for at least five consecutive years.

Plan Sponsor may elect to require that Employees serve or be covered in the Plan for additional years beyond the Plan's 5-year minimum rule. If Plan Sponsor wishes to make such an election, it should elect to do so below. Plan Sponsor has a duty to clearly notify its Employees of this additional requirement.

- ☐ Plan Sponsor **elects** to require Employees to be covered in the Plan 10 consecutive years preceding retirement to be eligible for coverage as a Retired Employee, i.e., 5 years beyond the Plan's basic 5-year requirement.
- ☐ Plan Sponsor **elects** to require Employees to be covered in the Plan 15 consecutive years preceding retirement to be eligible for coverage as a Retired Employee, i.e., 10 years beyond the Plan's basic 5-year requirement.
- ☐ Plan Sponsor **elects** to require Employees to be covered in the Plan 20 consecutive years preceding retirement to be eligible for coverage as a Retired Employee, i.e., 15 years beyond the Plan's basic 5-year requirement.

Note: New Plan Sponsors: An Employee's service/coverage under the prior life insurance plan of a new Plan Sponsor will be credited toward satisfying the Plan's five-year coverage requirement for Retired Employee eligibility (or toward the Plan Sponsor's longer elected service requirement), provided that such Employees had coverage under the prior plan as of the effective date of the Adoption Agreement.

Part IV – Leaves of Absence

Lay Employees taking a leave of absence may be eligible to for continued coverage in the Plan, subject to the Plan terms, for up to 60 days from the beginning of such leave of

absence, if the Plan Sponsor continues to pay the Required Premium for coverage of such Lay Employee. If the leave of absence is a leave subject to the Family and Medical Leave Act of 1993 (FMLA) or a similar applicable state family medical leave law, the Lay Employee may be eligible for continued coverage in the Plan, subject to the Plan terms, for up to 12 weeks from the beginning of such leave of absence, if the Plan Sponsor continues to pay the Required Premium for coverage of the Lay Employee.

☐ Plan Sponsor **elects not** to continue coverage for Employees on the leaves of absence described in this Part IV.

☐ Plan Sponsor **elects** to continue coverage for Employees on the leaves of absence described in this Part IV for the applicable period of time that the Employee is eligible to continue coverage on such leave of absence, i.e., 60 days or 12 weeks.

Note: An Employee returning to work from a leave of absence, a result of which the Employee lost coverage, will have coverage reinstated when he or she returns to active employment, so long as he or she returns to active employment within 12 months of the beginning of the leave. He or she will not have to satisfy a new waiting period.

Part V – Coverage Requirements

Plan Sponsor must cover all eligible Employees that Plan Sponsor has *elected* to make eligible under the terms of the Plan through this Adoption Agreement. Plan Sponsor hereby agrees to abide by this coverage requirement and to pay all required premiums for such coverage of eligible Employees. Plan Sponsor is not required to pay premiums for Employees not eligible under the terms of the Plan, Policy or this *Exhibit A*.