Macon County

SECTION 125 CAFETERIA PLAN
(PREMIUM CONVERSION ONLY)

Restatement Effective July 1, 2015

Macon County

SECTION 125 CAFETERIA PLAN

TABLE OF CONTENTS

INTRODUCTION

Effective July 1, 2015, Macon County hereby adopts the restated Macon County Flexible Benefit Plan for the benefit of its Employees.

The purpose of the Plan is to enable Employees who become covered under the Plan to elect payment of premiums for various coverages in lieu of cash compensation. With respect to benefit coverages, this Plan only concerns Premium Expenses and/or flexible spending account benefits. This Plan has no effect on the benefits or claim payments made under each benefit plan or area of benefit coverage.

The Plan is intended to qualify as a "cafeteria plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and comply with any other applicable provisions of law, including without limitation, Sections 105 and 106 of the Code.

ARTICLE I

DEFINITIONS

The following terms when used herein shall have the following meanings, unless a different meaning is plainly required by the context. Capitalized terms are used throughout the Plan text for terms defined by this and other sections.

1.01 Agreement means the agreement executed by the Company pursuant to Article IX whereby such Company adopts the Plan.

1.02 Change in Status means any of the events described under Code Section 125 and the regulations issued thereunder, as well as any subsequent changes to the Code or such regulations and interpretations thereof, that the Plan administrator, in its sole discretion, recognizes on a uniform and consistent basis, including the following:

(a) Legal Marital Status: Events that change an Employee's legal marital status, including marriage, death of a Spouse, divorce, legal separation, and annulment.

(b) Number of Dependents: Events that change an Employee's number of Dependents, including birth, death, adoption, and placement for adoption.

(c) Employment Status: Any of the following events that change the employment status of the Employee, the Employee's Spouse, or the Employee's Dependent: a termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence; and a change in worksite. In addition, if the eligibility conditions of the cafeteria plan or other employee benefit plan of the Employer of the Employee, Spouse, or Dependent

depend on the employment status of that individual and there is a change in the individual's employment status with the consequence that the individual becomes, or ceases to be, eligible under that plan, then that change constitutes a change in employment under this section of the Plan. For example, if a plan only applies to salaried employees and an employee switches from salaried to hourly-paid with the consequence that the employee ceases to be eligible for the plan, then that change constitutes a change in employment status under this section of the Plan.

(d) Dependent Eligibility Requirements: Events that cause an Employee's Dependent to satisfy, or cease to satisfy, eligibility requirements for coverage on account of attainment of age, student status, or any similar circumstance.

(e) Residence: A change in the place of residence of the Employee, Spouse, or Dependent.

(f) Adoption Assistance. For purposes of adoption assistance provided through a cafeteria plan, the commencement or termination of an adoption proceeding.

The "Changes of Benefit Elections" section of this Plan in Article IV sets out the requirements that must be met in order for an Employee to change his or her election during a Coverage Period on account of a Change in Status.

1.03 Code means the Internal Revenue Code of 1986, as amended from time to time. Any reference to any section of the Code shall be deemed to include any applicable regulations and rulings pertaining to such section and shall also be deemed a reference to comparable provisions of future laws.

1.04 Committee means the individual or individuals appointed by the Company to carry out the administration of the Plan. In the event the Committee has not been appointed, or resigns from a prior appointment, the Company shall be deemed to be the Committee.

1.05 Company means Macon County that has adopted this Plan and any successor thereto. The Company is the sponsor and the administrator of the Plan.

1.06 Compensation means the total cash remuneration received by a Participant from the Employer during a Coverage Period prior to any reductions pursuant to an Enrollment Form authorized hereunder and prior to any salary reduction pursuant to any of the following: (a) another cafeteria plan; (b) a Code Section 132(f)(4) plan; or (c) a Code Section 401(k), 403(b), 408(k), or 457(b) plan or arrangement, as may be applicable.

1.07 Coverage Period means the Plan Year, provided that, for any Employee who becomes a Participant after the start of a Plan Year, the initial Coverage Period shall mean the period commencing on the effective date of such Participant's participation and extending through the remainder of the Plan Year.

1.08 Dependent means a Participant's Spouse and/or child(ren) and any other person meeting the definition of Code Section 152 who are eligible to receive benefits hereunder in accordance with the Enrollment Form.

1.09 Effective Date of this restated plan means **July 1, 2015**, or such later date an adopting Employer adopts the Plan for its Employees. The original Plan was adopted January 1, 2008.

1.10 Election Period means the period designated by the Company, and communicated to Employees in advance, preceding each Coverage Period during which Participants may make elections under the Plan (except for any Employee who first becomes eligible to be a Participant during a Coverage Period, in which case section 4.03 shall apply). Such Election Period shall be a period of no less than two (2) weeks.

1.11 Employee means any person employed by the Employer who is eligible to receive a benefit under this Plan for which the Employee must pay Premium Expenses. The term shall specifically exclude self-employed individuals described in Code Section 401(c).

1.12 Employer means the Company and any other employer that adopts this Plan pursuant to section 6.01.

1.13 Enrollment Form means an agreement between the Participant and the Employer under which the Participant agrees to reduce his Compensation in exchange for a qualified benefits plan as permitted under Section 125 of the Code, to the extent such benefit is offered under this Plan, and to have an equivalent amount contributed by the Employer for the purchase of the benefit elected by the Participant. The Enrollment Form shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the Enrollment Form (after taking this Plan into account) and subsequently does not become currently available to the Participant.

1.14 Participant means any Employee who becomes a Participant pursuant to Article II.

1.15 Plan means the Macon County Section 125 Cafeteria Plan.

1.16 Plan Administrator means Macon County.

1.17 Plan Year means the twelve (12) month period commencing each July 1 and ending each June 30.

1.18 Premium Expenses means the Participant's cost for benefits elected by the Participant, that are made available under this Plan as may be permitted under Code Section 125 and as described in section 4.01 of the Plan, including Appendix I. The maximum amount of Premium Expenses permitted during the Plan Year shall be determined periodically by the Employer and shall be based upon costs of the particular benefit and the Employer's allocation of those costs among the Employer and the Employee. The Employer may in its discretion allocate all or a portion of the cost to the Employee.

1.19 Salary Reduction means the amount by which a Participant's Compensation shall be reduced on a pre-tax basis to cover the Premium Expenses attributable to the benefit(s) elected pursuant to Article IV.

1.20 Similar Coverage means coverage for the same category of benefits for the same individuals (e.g., family to family or single to single). For example, two plans that provide coverage for major medical are considered to be Similar Coverage. A health flexible spending account is not Similar Coverage for an accident or health plan that is not a flexible spending account. Coverage by another employer, such as a Spouse's or Dependent's employer, may be treated as Similar Coverage.

1.20 Spouse means the legally married husband or wife of a Participant.

ARTICLE II

PARTICIPATION

2.01 Eligibility

Each Employee who as of the Effective Date of this Plan receives benefits pursuant to a program described in Appendix I and who has Premium Expenses for that benefit, shall be eligible to participate in this Plan as of the Effective Date. Any new Employee is eligible to participate in this Plan as of the date coinciding with his eligibility for a benefit program described in Appendix I.

2.02 Enrollment

Each Employee who is eligible to participate in the Plan may, during the applicable Election Period, complete an Enrollment Form approved by the Employer. After electing to receive a benefit and agreeing to pay for the Premium Expense by Salary Reduction with pre-tax dollars, the Employee shall become a Participant in this Plan. The election made on the Enrollment Form shall be irrevocable until the end of the applicable Coverage Period unless the Participant is entitled to change his election pursuant to Article IV of this Plan. If a current Participant fails to provide a completed Enrollment Form to the Employer during the Election Period for an upcoming Plan Year, then section 4.02 shall control.

2.03 Termination of Participation

Participation in this Plan of a Participant shall terminate on (a) his termination of employment for any reason, (b) the date on which he is no longer eligible for benefits hereunder, or (c) the termination of this Plan.

2.04 Rehires

If a Participant's coverage under this Plan is terminated because of the Participant's termination of employment, and the Participant is rehired during the same Coverage Period and within 30 days of the termination of employment, he or she may be permitted to resume participation in this Plan, provided that any Enrollment Form in effect prior to termination of employment is reinstated, and provided that the individual may again begin participation in the applicable benefit program. Notwithstanding the preceding sentence, if an event has occurred after termination and prior to rehire that would otherwise permit a change in election, the rehired Employee may be permitted to change the prior election accordingly. If an individual is rehired more than 30 days following his immediately preceding termination of employment, such Employee shall be treated as a new Employee for purposes of his or her elections under this Plan.

Nothing in this section 2.04 or in any other section of the Plan shall take precedence over the terms and conditions of the documentation for the benefits offered under this Plan, and such other documentation shall control as to eligibility for that benefit at any point in time and as to all other matters relating to that benefit to the extent there is any inconsistency between the Plan and the underlying documentation for any benefit offered hereunder.

ARTICLE III

CONTRIBUTIONS

3.01 Salary Reduction

If an eligible Employee elects the benefits described in section 4.01, pursuant to the applicable election procedure in Article IV, his Compensation shall be reduced in an amount equal to his Premium Expenses. Such amount shall be deducted ratably during the Plan Year from the Participant's Compensation.

3.02 Application of Contributions

As soon as reasonably practical after each payroll period, the Employer shall apply the aggregate Salary Reduction to provide the benefit(s) elected by the affected Participants.

ARTICLE IV

ELECTION OF BENEFITS

4.01 Premium Expenses

Each eligible Employee shall have the right to elect to pay Premium Expenses under the Plan for benefits identified in Appendix I, on a Salary Reduction pre-tax basis. Such election shall be evidenced on forms provided by the Employer.

It is specifically provided that the only rights being granted to Participants under this Plan are the rights to pay Premium Expenses through Salary Reduction. The Employer in no way guarantees, pursuant to this Plan, a Participant's eligibility for any benefit provided under any other employee benefit plan.

4.02 Annual Elections

During the Election Period, each eligible Employee shall be given the opportunity to elect, on an Enrollment Form provided by the Employer, benefits as set forth in Appendix I. Any such election shall be effective for any Premium Expenses incurred during the Coverage Period beginning on the date following the end of the Election Period. In the event an eligible Employee or Participant shall not complete an Enrollment Form during the annual Election Period with respect to a reimbursement account that may be provided as a benefit hereunder, such failure to complete shall be deemed to be an election to not participate and to discontinue participation in such reimbursement account. In other words, participation in any reimbursement account requires an affirmative election to participate or to continue participation. However, as to any benefit option that is not a reimbursement account, the failure to complete an Enrollment Form during the annual Election Period shall be deemed to be consent to continue in effect the prior year's election, if any.

4.03 Elections by New Employees

A new Employee's Election Period shall be the period from his acceptance of an offer of employment through the date he becomes eligible to receive coverage for a benefit available under this Plan, or such other date as determined by the Committee. If the new Employee does not complete an Enrollment Form and deliver it to the Employer before such date, he may not make an election until the next subsequent Election Period. Any election pursuant to this section 4.03 shall not be effective until the first day of the month following the receipt of the Enrollment Form by the Employer (or such other date established by the Committee), and shall be limited to the Premium Expenses incurred in the portion of the Coverage Period for which the election is made.

4.04 Irrevocability of Elections

In general, an Employee's election of benefits under the Plan will be irrevocable for the duration of the Coverage Period. However, the Participant may be permitted to make an election change under this Plan subject to the provisions of the "Changes of Benefit Elections" section described below.

4.05 Changes of Benefit Elections

It is intended that this Plan shall allow, to the fullest extent provided by IRS regulations and authority, changes in benefit elections. An Employee who is permitted to make an election change under this section of the Plan must do so no later than 30 days (or 31 days if authorized by the underlying benefit program) of the event as described below in this Section 4.05. An Employee may revoke an election of benefits during a Coverage Period and/or make a new election only as provided in this section of the Plan. Further, even though an election change may be allowed under this section of the Plan, any such change desired shall not be allowed if allowing the desired change would be contrary to the terms of the document(s) governing the benefit to which the change of election applies. All election changes or new elections allowed shall be effective no sooner than the first day of the payroll period coinciding with or next following the date on which the Employee files a new Enrollment Form with the Plan administrator or makes a change thereto with the Plan administrator, except that elections to add medical coverage for a newborn or newly adopted Dependent child pursuant to the special enrollment rights described in (a) below may be retroactive in accordance with the special enrollment. Elections made pursuant to this section of the Plan shall be effective for the remainder of the Coverage Period in which the election is made, unless a subsequent event allows a further election change.

The Plan Administrator, in its sole discretion, has the discretionary authority to make all determinations required in order to determine whether the appropriate requirements have been met so that an Employee may change a benefit election, including the determination of any factual or legal question, including regulatory and other authority, and the interpretation of any provision of the Plan and application of the Plan.

(a) Special Enrollment Rights. An Employee may revoke an election for coverage under a group health plan during a Coverage Period and make a new election that corresponds with any special enrollment rights provided under the group health plan in accordance with the Health Insurance Portability and Accountability Act ("HIPAA") under Code Section 9801(f).

(b) Changes in Status. An Employee may revoke an election during a Coverage Period and make a new election for the remaining portion of the Coverage Period (referred to as an election change) if, under the facts and circumstances, a Change in Status has occurred and the election change satisfies the consistency rules described below.

(1) Consistency Rule in General. An election change satisfies the consistency rule requirements only if the election change is on account of and corresponds with the Change in Status that affects eligibility for coverage under the benefit. For accident or health coverage and group-term life insurance, a Change in Status that affects eligibility includes a Change in Status that results in an increase or decrease in the number of an Employee's family members or Dependents who may benefit from coverage. An election change also satisfies the consistency rule requirements if the election change is on account of and corresponds with a Change in Status that affects expenses eligible for reimbursement under a dependent care reimbursement plan under Code Section 129 or an adoption assistance program under Code Section 137. In certain circumstances, additional requirements must be met in order to satisfy the consistency rule, as further explained below in subparagraph (2).

(2) In addition, if a Change in Status occurs as described below, then additional requirements must be met in order to satisfy the consistency rule requirements as follows:

(A) Divorce, Death, Cessation of Dependent Status. If the Change in Status is the Employee's divorce, annulment, or legal separation from a Spouse, the death of a Spouse or Dependent, or a Dependent ceasing to satisfy the Dependent Eligibility Requirements (as defined above in Article I), then an Employee's election to cancel any benefit that is accident or health coverage for any individual other than the Spouse involved in the divorce, annulment, or legal separation, the deceased Spouse or Dependent, or the Dependent that ceased to satisfy the Dependent Eligibility Requirements, respectively, fails to correspond with that Change in Status. As an example, if a Dependent dies or ceases to satisfy the Dependent Eligibility Requirements, an election to cancel any accident or health coverage for any other Dependent, for the Employee, or for the Spouse, fails to correspond with that Change in Status and thus would not satisfy the consistency rule requirements.

(B) Becoming Covered Under Another Employer's Plan. If as a result of a Change in Status that involves either legal marital status or employment status, an Employee, Spouse, or Dependent gains eligibility for coverage under a cafeteria plan or benefit program that is sponsored by the employer of the Employee's Spouse or the Employee's Dependent, then an Employee's election under this Plan to cease or decrease coverage for that individual under this Plan corresponds with that Change in Status only if coverage for that individual becomes applicable or is increased under the cafeteria plan or such other benefit plan sponsored by the employer of the Employee's Spouse or the Employee's Dependent.

(C) Special Rule if Life/Disability Coverage is Offered. With respect to group-term life insurance or disability coverage that may be available

under the Plan, an election to increase coverage (or an election to decrease coverage) in response to a Change in Status is deemed to correspond with that Change in Status as required by the consistency rule.

(D) Exception for COBRA. If the Employee, Spouse, or Dependent becomes eligible for COBRA continuation or similar state-law continuation coverage under any benefit which is subject to said continuation, the Employee may elect to increase payments under the Plan in order to pay for the continuation coverage.

(c) Judgment, Decree, or Order. If a judgment, decree, or order (collectively referred to as an "order") resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order as defined by ERISA Section 609), requires accident or health plan coverage for an Employee's child or for a foster child who is a Dependent of the Employee, and if such coverage is available and is provided for under the documents governing the benefit, then pursuant to such an order, the Plan may change the Employee's election to provide coverage for the child if the order requires coverage for the child under the Employee's plan; or the Plan may permit the Employee to change the Employee's election in order to cancel coverage for the child if the order requires the Spouse, former spouse, or other individual to provide coverage for the child and that coverage is, in fact, provided.

(d) Entitlement to Medicare or Medicaid. If an Employee, Spouse, or Dependent who is enrolled in an accident or health plan of the Employer becomes entitled to coverage by becoming enrolled under Part A or Part B of Title XVIII of the Social Security Act (Medicare) or Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928 of the Social Security Act providing for the program for distribution of pediatric vaccines, the Employee may make a prospective election change to cancel or reduce coverage for that Employee, Spouse, or Dependent under the accident or health plan. In addition, if an Employee, Spouse, or Dependent who has been entitled to such coverage under Medicare or Medicaid loses eligibility for such coverage, the Employee may make a prospective election to commence or increase coverage for that Employee, Spouse, or Dependent under the accident or health plan.

(e) Cost Changes. THIS SECTION IS NOT APPLICABLE TO MEDICAL REIMBURSEMENT ACCOUNT PLANS.

(1) Insignificant Cost Changes. If the cost charged to an Employee for a benefit increases or decreases during a Coverage Period by an insignificant amount and Employees are required to make a change in their payment, the Plan may, on a reasonable and consistent basis, automatically make a prospective increase (or decrease) in affected Employees' Salary Reduction accordingly to reflect the new cost.

(2) Significant Cost Changes. If the cost charged to an Employee for a benefit option significantly increases or significantly decreases during a Coverage Period, affected Employees may make a corresponding change in election under the Plan. Changes that may be made include commencing participation in the Plan for the option with a decrease in cost. In the case of an increase in cost, the Employee may revoke an election for that coverage and, in lieu thereof, either receive on a prospective basis coverage under another option providing Similar Coverage; or the Employee may drop coverage if no other option providing Similar Coverage is available. Example: If the cost of an indemnity option under an accident or health plan significantly increases during a Coverage Period, Employees who are covered by the indemnity option may make a corresponding prospective increase in their payments or may instead elect to revoke their election for the indemnity option and, in lieu thereof, elect coverage under another option, including an HMO option, or drop coverage under the accident or health plan if no other option is offered.

(3) Application of Cost Changes. For purposes of this section, a cost increase or decrease refers to an increase or decrease in the amount of the elective contributions (i.e., Salary Reduction) under the Plan, whether that increase or decrease results from an action taken by the Employee (such as switching between full-time and part-time status) or from an action taken by the Employer (such as reducing the amount of employer contributions for a class of Employees).

(4) Special Rules for Dependent Care. This section of the Plan related to cost changes applies in the case of a dependent care reimbursement plan under Code Section 129 only if the cost change is imposed by a dependent care provider who is not a relative of the Employee. For this purpose, a relative is an individual who is related as described in Code Sections 152(a)(1) through (8), incorporating the rules of Code Sections 152(b)(1) and (2), and includes, for example, a Spouse, a son or daughter or other descendant, a stepson or stepdaughter, a brother or sister, a stepbrother or stepsister, a father or mother or other ancestor, a stepfather or stepmother, a nephew or niece, an uncle or aunt, a son-in-law, a daughter-in-law, a father-in-law, a mother-in-law, a brother-in-law, or a sister-in law. This special rule, as set forth in this section, shall be construed so that a cost change also occurs if the Participant increases the salary of a non-relative household employee who provides dependent care services for the Participant.

(f) Coverage Changes. THIS SECTION IS NOT APPLICABLE TO MEDICAL REIMBURSEMENT ACCOUNT PLANS.

(1) Significant Curtailment Without Loss of Coverage. If an Employee (or an Employee's Spouse or Dependent) has a significant curtailment of coverage under a Benefit during a Coverage Period that is not a loss of coverage as

described below in paragraph (f)(3) (for example, there is a significant increase in the deductible, the co-pay, or the out-of-pocket cost sharing limit under an accident or health plan), then any Employee who has been participating in the Plan and receiving that coverage may revoke his or her election for that coverage and, in lieu thereof, elect to receive on a prospective basis coverage under another option providing Similar Coverage. Coverage is significantly curtailed only if there is an overall reduction in coverage provided under the Plan so as to constitute reduced coverage generally. Thus, in most cases, the loss of one particular physician in a network does not constitute a significant curtailment. [Example for Dependent Care: If due to a child starting school, the hours required for child care services are reduced, the change in hours will be treated as a coverage change, and a Participant may decrease his or her election under a Section 129 dependent care reimbursement plan accordingly.

(2) Significant Curtailment With Loss of Coverage. If an Employee (or an Employee's Spouse or Dependent) has a significant curtailment that is a loss of coverage as described below in paragraph (f)(3), then the Employee may revoke his or her election under the Plan and, in lieu thereof, may elect either to receive on a prospective basis coverage under another option providing Similar Coverage or to drop coverage if no Similar Coverage is available.

(3) Loss of Coverage. A loss of coverage means a complete loss of coverage under the benefit option (including the elimination of a benefit option, an HMO ceasing to be available in the area where the individual resides, or the individual losing all coverage under the option by reason of an overall lifetime or annual limitation). In addition, the Plan administrator, in its discretion, may treat the following as a loss of coverage: (a) a substantial decrease in the medical care providers available under the option (such as a major hospital ceasing to be a member of a preferred provider network or a substantial decrease in the physicians participating in a preferred provider network or in an HMO); (b) a reduction in the benefits for a specific type of medical condition or treatment with respect to which an Employee (or an Employee's Spouse or Dependent) is currently in the course of treatment; or (c) any other similar fundamental loss of coverage.

(4) Addition or Improvement of a Benefit Option. If a plan adds a new benefit option, or if coverage under an existing benefit option is significantly improved during a Coverage Period, then eligible Employees (whether or not they have previously made an election under the Plan or have previously elected the benefit option) may revoke their election under the Plan and, in lieu thereof, make an election on a prospective basis for coverage under the new or improved benefit option. [Example for Dependent Care: If a Participant finds a new child care provider, whether the new care provider is a household employee, a family member, or an independent person or entity, the situation is similar to a new benefit option becoming available under the Plan

and may be treated as such. As a result, a Participant may change his or her election under a Code Section 129 dependent care reimbursement plan.

(5) Change in Coverage Under Another Employer Plan. An Employee may make a prospective election change that is on account of and corresponds with a change made under another employer plan (including a plan of the same Employer or of another employer) if (a) the other cafeteria plan or benefit option permits Participants to make an election change that would be permitted by IRS regulations under Code Section 125, as generally described in this section of the Plan; or (b) this Plan permits Participants to make an election for a Coverage Period that is different from the Coverage Period under the other cafeteria plan or benefit option. Example: If a Participant's Spouse is covered by a health plan sponsored by the Spouse's employer, and that plan has a plan year that differs from the Plan Year under this Plan, then this Plan will allow the Participant to add the Spouse if the Participant certifies that the Spouse will elect no coverage under the plan of the Spouse's employer during annual enrollment for the other plan and there is no reason to believe that the certification is incorrect.

(6) Loss of Coverage Under Other Group Health Coverage. An Employee may make an election on a prospective basis to add coverage under the Plan for the Employee, the Employee's Spouse, or the Employee's Dependent if such Employee, Spouse, or Dependent loses coverage under any group health coverage sponsored by a governmental or educational institution, including any one of the following: (a) A State's Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act; (b) A medical care program of an Indian tribal government as defined in Code Section 7701(a)(40), the Indian Health Service, or a tribal organization; (c) A State health benefits risk pool; or (d) A Foreign government group health plan.

(h) Revocation of Participation Related to ACA Elections. Participants may revoke their election under the Plan during the current Plan Year, as permitted by IRS Notice 2014-55, as follows:

(1) Revocation due to Reduction in Expected Hours of Service to Less than 30 Hours Per Week. Participant may revoke their election for the current Plan Year if the following conditions are met:

a) When Participant elected to participate in Plan for the current Plan Year, Participant was eligible for (based on working 30 or more hours per week, as determined by Employer) and enrolled in the Employer's Group Health Plan;

b) There has been a change in Participant's employment status and/or schedule with Employer such that Participant is expected to average less than 30 hours per week on average;

c) Participant has completed a written notification to the Plan Administrator of their intent to revoke their election and terminate

participation in Employer's group health plan due to intended enrollment in another group health plan or health insurance coverage which provides minimum essential coverage no later than the first day of the second month following the month that includes the date the original coverage is revoked.

(2) Revocation due to Enrollment in Qualified Health Plan. Participant may revoke their election for the current Plan Year if the following conditions are met:

a) Participant is also eligible for and enrolled as a participant in Employer's Group Health Plan;

b) Participant is eligible for enrollment in the Health Insurance Marketplace created under the Affordable Care Act due to a Special Enrollment Period triggering event or seeks enrollment during the Marketplace's Annual Open Enrollment Period;

c) Participant has completed a written notification to the Plan Administrator of the revocation of their election under this Plan and termination of their participation under the Employer's' Group on the day prior to the effective date of their new coverage on a Qualified Health Plan.

4.06 Participation During Leaves of Absence

The Family and Medical Leave Act ("FMLA") generally requires a covered Employer to offer coverage under any group health plan for the duration of a leave that is required to be extended by the FMLA, whether the leave is paid or unpaid. The group health plan coverage is to be offered under the same conditions as coverage would have been provided if the Employee had been continuously working during the entire leave period. The Employee has the right to keep this coverage by continuing to pay his or her cost of the premium. The requirements for Employees on paid FMLA leave are generally addressed by the FMLA and its regulations, which allow premium payments to be continued on the same basis as existed prior to the leave. The provisions below address benefit election choices under this Plan when the Employee is on an unpaid FMLA leave. Nothing herein shall be construed to alter the terms of any underlying benefit plan documentation and should not be construed to grant coverage under a benefit when the documentation for that benefit would not allow coverage to continue during a leave of absence.

(a) Health Benefits. Notwithstanding anything herein to the contrary and to the extent required by the FMLA, an eligible Employee may be permitted to terminate one or more health-related benefit elections (such as for group health coverage or for a medical reimbursement spending account) if the Employee takes an unpaid FMLA leave of absence. If such Employee terminates the receipt of a health benefit, or if the Employee continues the coverage yet coverage terminates because the Employee fails to pay the required premium, then there will be no coverage under the health benefit following such termination, and expenses

incurred after termination are not eligible for payment. On timely return from an FMLA leave, the Employee shall be entitled to resume Plan participation under the same terms and conditions that existed prior to the leave. However, any terms and conditions that may have changed for active Employees also apply to the Employee returning from an FMLA leave.

Upon return from an FMLA leave during which coverage terminated, the Employer may require reinstatement into a health benefit that is a medical reimbursement spending account, provided that Employees on a non-FMLA leave are also required to be reinstated into the spending account. Upon reinstatement, whether or not required, the Employee may not retroactively elect spending account coverage for claims incurred during the period when the coverage was terminated. The Employee may resume coverage at the level in effect prior to the beginning of the leave, thus increasing premium payments upon return from the leave or, alternatively, the Employee may elect to resume coverage at a reduced level, continuing premium payments in the same amount as in effect before the leave. For example, if an Employee has elected $1,200 of annual coverage under a medical reimbursement account ($100 pre-tax funding monthly) and is on an FMLA leave during April, May, and June, during which coverage ceases, Employee on return from the leave in July may resume coverage at $1,200 by paying $150 per month from July through December. Alternatively, the Employee may resume coverage at the reduced level of $900 annually by paying $100 per month from July through December.

In lieu of allowing an employee to elect to terminate the receipt of health-related benefits, the Employer may provide that health-related coverage automatically continues and allow the Employee to discontinue payment of his or her required premium during the period of the FMLA leave. Should this happen, the Employer has the right to recover the Employee's share of the premiums when the Employee returns to work, or as may otherwise be allowed by the FMLA.

If an Employee goes on an unpaid FMLA leave and chooses to continue one or more health-related benefits, the Employee may pay his or her share of the premium by one of the following methods. The optional methods provided below are to be offered in accordance with regulations under Code Section 125 relating to cafeteria plans and FMLA leaves, and in accordance with the Employer's practices and procedures:

(1) Pre-Pay. An Employee may pre-pay the premium for the expected duration of the leave either with after-tax dollars or with pre-tax dollars. Pre-tax dollars may not be used to pre-pay coverage during the subsequent Plan Year, and pre-payment may not be the sole method made available.

(2) Pay-As-You-Go. An Employee may make premium payments during the course of the leave by sending such payments as directed by the Employer, on a payroll period basis, or on any other basis as authorized.

Contributions under this option are generally made on an after-tax basis. Coverage may cease if payments are not timely made, in accordance with the FMLA and its requirements. Alternatively, the Employer may choose to continue the health coverage of the Employee who fails to pay premiums. In such case, the Employer may recoup the premiums paid on the Employee's behalf, as authorized by regulations.

(3) Catch-Up. An Employee may make an advance agreement with the Employer that coverage will continue during the leave and that the Employee will not pay premiums until returning from the leave, after which time the Employee will catch-up those premium payments.

(4) Other. If any other option is made available to Employees on non-FMLA leave, then such option is also available to Employees on FMLA leave.

An Employee on FMLA leave has the right to revoke or change elections under the same terms and conditions as are available to active employees, as addressed in Articles I and IV of this Plan.

(b) Non-Health Benefits. If an Employee goes on an FMLA leave, then entitlement to non-health benefits shall be determined by the Employer's policies and procedures for providing such benefits when an Employee is on a leave not covered by the FMLA, and also by the terms of the underlying benefit plan documentation. It is possible that an Employer may continue the Employee's non-health benefits while on FMLA leave in order to ensure that the Employee is eligible to be reinstated in the benefit upon return from leave as may be required by the FMLA. In such a case, the Employer is entitled to recoup the costs incurred for paying the Employee's share of the premium. Such costs may be recovered on any basis allowed by law.

If an Employee goes on a leave of absence that is not covered by the FMLA, such absence may constitute a Change in Status as addressed in Articles I and IV of this Plan. The ability of such Employee to continue any underlying benefit shall be determined by the terms and conditions of the underlying benefit plan documentation and by the Employer's policies and procedures. If the benefit can be continued, then this Plan accommodates the ability to pay for the benefit on a pre-tax basis where Compensation is available during the leave.

ARTICLE V

ADMINISTRATION

5.01 Plan Administration

The operation of the Plan shall be under the supervision of the Committee. It shall be a principal duty of the Committee to see that the Plan is carried out in accordance with its

terms, and for the exclusive benefit of Participants in the Plan. The Committee shall have full power and discretion to administer the Plan in all of its details; subject, however, to the pertinent provisions of the Code. The Committee's discretionary powers, in addition to all other powers provided by this Plan, shall include, but shall not be limited to, the following authority:

(a) to make and enforce such rules and regulations as the Committee deems necessary or proper for the efficient administration of the Plan;

(b) to interpret the Plan; the Committee's interpretations thereof rendered in good faith shall be final and conclusive on all persons claiming benefits under the Plan;

(c) to decide all questions of fact and/or law concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided under the Plan; and

(d) to appoint such agents, counsel, accountants, consultants and actuaries as may be required to assist in administering the Plan.

Further, the Committee is empowered to limit or modify the elections of highly compensated employees, highly compensated individuals, or key employees to the extent necessary to comply with any applicable non-discrimination requirements; however, any such limitation or modification shall be made in a uniform and consistent manner and shall not have the effect of circumventing any provision of the Code.

The Committee shall have the authority to allocate among its members or employees any of its duties and responsibilities under the Plan or may designate persons other than members or employees to carry out any of its duties and responsibilities. Any such designation shall carry with it the discretionary power of the Committee as set forth above, as to those duties and responsibilities that are so designated.

5.02 Insurance and Plans of Benefits

This Plan shall not affect the terms of any contract of insurance. An insurance company shall continue to have exclusive authority and discretion to interpret its contract and to manage and control any funds held by it to the extent permitted under the terms of any agreement or contract of insurance with the Employer. Further, this Plan shall not affect the terms of any program of benefits, whether insured or self-funded.

5.03 Examination of Records

The Employer shall make available to each Participant such records as pertain to the Participant, for examination at reasonable times during normal business hours.

5.04 Claims for Benefits

Any claim for benefits which arises under an insurance contract or a benefit program specified in section 4.01 shall be made in accordance with the terms of that contract or benefit program.

ARTICLE VI

PARTICIPATION BY OTHER EMPLOYERS

6.01 Adoption of Plan

With the consent of the Company, any Employer which is treated as a single employer with the Company under subsections (b), (c), or (m) of Section 414 of the Code, or a successor company thereto, may become a participating Employer under the Plan by

(a) taking such action as shall be necessary to adopt the plan,

(b) filing with the Committee a copy of an executed adoption agreement in a form specified by the Company and attached to this Plan in Appendix II, and

(c) taking such other action as may be necessary or desirable to put the Plan into effect with respect to such Employer.

6.02 Withdrawal from Participation

Any Employer may withdraw from participating in the Plan at any time by filing with the Committee a copy of a resolution of its board of directors to that effect and giving notice of its intended withdrawal to the Company prior to the effective date of withdrawal. Notwithstanding the above, the Company may prohibit the withdrawal of an Employer if such withdrawal would cause the Plan to fail to satisfy any requirement under Section 125 of the Code.

6.03 Company Authorized to Act for Employers

Each Employer which shall become a participating Employer pursuant to section 6.01 shall be deemed to have appointed the Company to exercise on its behalf all the powers and authorities hereby conferred upon the Company by the terms of the Plan, including, but not by way of limitation, the power to amend and terminate the Plan. The authority of the Company to act as such shall continue until such Employer shall withdraw from the Plan. Notwithstanding the foregoing, the Company shall not have the authority to amend the Adoption Agreement executed by another Employer.

ARTICLE VII

AMENDMENT OR TERMINATION OF PLAN

7.01 Amendment or Termination

The Company reserves the right to amend, modify, revoke or terminate the Plan at any time, in whole or in part, without the consent of any Participant or Dependent. The authority to make any such changes to the Plan rests with the Committee or the appropriate authorized officers or other representatives of the Company.

ARTICLE VIII

MISCELLANEOUS

8.01 Plan Interpretation

This Plan document sets forth the provisions of this Plan. This Plan shall be read in its entirety and not severed except as provided in section 8.05.

8.02 Non-Alienation of Benefits

No benefit, right or interest of any person hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, seizure, attachment or legal, equitable or other process or be liable for, or subject to, the debts, liabilities or other obligations of such person, except as otherwise required by law.

8.03 Limitation on Participant Rights

Nothing appearing in or done pursuant to the Plan shall be held or construed:

(a) to give any person any legal or equitable right against any Employer or the Committee, except as expressly provided herein or provided by law; or

(b) to create a contract of employment with any Participant, to obligate the Employer to continue the service of any participating Employee or to affect or modify his or her terms of employment in any way.

8.04 Governing Law

This Plan is governed by Section 125 of the Internal Revenue Code and the regulations issued thereunder, to the extent that such Code section addresses a provision provided in this Plan. In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not addressed by Section 125 of the Internal Revenue Code or

not otherwise preempted by federal law, the provisions of this Plan shall be construed, enforced and administered according to the laws of the State of North Carolina.

8.05 Severability

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

8.06 Captions

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan or in any way shall affect the Plan or the construction of any provision thereof.

8.07 Non-Gender Clause

Whenever used in this Plan, the masculine gender shall include the feminine and the plural form shall include the singular.

ARTICLE IX

ADOPTION OF THE PLAN

IN WITNESS WHEREOF, the authorized representative of the Company whose name appears below has executed the restated Plan document this 1st day of July, 2015 to be effective **July 1, 2015.**

ATTEST: (SEAL)

Macon County

By mike Decker
(Witness)

By

Title County Manager

APPENDIX I

The following benefits are offered pursuant to Plan section 4.01, as authorized by Section 125 of the Code.

- ☑ Group Health Insurance
- ☑ Life Insurance
- ☐ Short-Term Disability
- ☐ Long-Term Disability
- ☐ Health Savings Account Contributions
- ☑ Dental Insurance
- ☑ Vision Insurance
- ☐ Other: _____

APPENDIX II

ADOPTION AGREEMENT FOR THE
MACON COUNTY
SECTION 125 CAFETERIA PLAN

Macon County hereby adopts the Macon County Section 125 Cafeteria Plan (the Plan) in accordance with section 6.01 of the Plan as an adopting Employer this 1st day of July, 2015, to be effective July 1, 2015.

ATTEST: (SEAL)

By mike Decker
(Witness)

Macon County

By _____

Title County Manager

25