

**THE UNIVERSITY OF NORTH DAKOTA
PREMIUM CONVERSION CAFETERIA PLAN
SUMMARY PLAN DESCRIPTION**

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SUMMARY

**THE UNIVERSITY OF NORTH DAKOTA
PREMIUM CONVERSION CAFETERIA PLAN**

INTRODUCTION

We have amended the "Premium Payment Plan" that we previously established for you and other eligible employees. Under this Plan, you will be able to pay for insurance coverage that we make available to you with a portion of your pay before Federal income or social security taxes are withheld.

Read this Summary Plan Description carefully so that you understand the provisions of our amended Plan and the benefits you will receive. This SPD describes the Plan's benefits and obligations as contained in the legal Plan document, which governs the operation of the Plan. The Plan document is written in much more technical and precise language. If the non-technical language in this SPD and the technical, legal language of the Plan document conflict, the Plan document always governs. Also, if there is a conflict between an insurance contract and either the Plan document or this Summary Plan Description, the insurance contract will control. If you wish to receive a copy of the legal Plan document, please contact the Administrator.

This SPD describes the current provisions of the Plan which are designed to comply with applicable legal requirements. The Plan is subject to federal laws, such as the Internal Revenue Code and other federal and state laws which may affect your rights. The provisions of the Plan are subject to revision due to a change in laws or due to pronouncements by the Internal Revenue Service (IRS) or other federal agencies. We may also amend or terminate this Plan. If the provisions of the Plan that are described in this SPD change, we will notify you.

We have attempted to answer most of the questions you may have regarding your benefits in the Plan. If this SPD does not answer all of your questions, please contact the Administrator (or other plan representative). The name and address of the Administrator can be found in the Article of this SPD entitled "General Information About the Plan."

**I
ELIGIBILITY**

1. When can I become a participant in the Plan?

Before you become a Plan member (referred to in this Summary Plan Description as a "Participant"), there are certain rules which you must satisfy. First, you must meet the eligibility requirements and be an active employee. After that, the next step is to actually join the Plan on the "entry date" that we have established for all employees. The "entry date" is defined in Question 3 below.

2. What are the eligibility requirements for our Plan?

You will be eligible to join the Plan once you have satisfied the conditions for coverage under our group medical plan. Of course, if you were already a participant before this amendment, you will remain a participant.

3. When is my entry date?

You can join the Plan on the same day you can enter our group medical plan.

4. What must I do to enroll in the Plan?

You will automatically become a Participant in this Plan once you have satisfied the preceding requirements. If you do not want any or all of the benefits offered under the Plan, you may elect not to receive such benefits in accordance with the procedure as explained in this Summary.

**II
OPERATION**

1. How does this Plan operate?

Before the start of each Plan Year, you will be able to elect not to receive any or all of the benefits under the Plan. If you do not make such an election, then some of your upcoming pay will be paid to the Plan. The money will be used to pay for insurance coverage or contributed to a Health Savings Account for you. The portion of your pay that is contributed to pay the premium expense or contributed to a Health Savings Account is not subject to Federal income or Social Security taxes. In other words, the plan allows you to use tax-free dollars to pay for insurance coverage which you normally pay for with out-of-pocket, taxable dollars, or contribute to a Health Savings Account. In addition, we will make Employer contributions to the Plan that you may also use to pay for premiums. (See the Article entitled "General Information About Our Plan" for the definition of "Plan Year.")

**III
CONTRIBUTIONS**

1. How much of my pay may the Employer redirect?

Each year, we will automatically contribute on your behalf enough of your compensation to pay for the insurance coverage provided unless you elect not to receive any or all of such coverage. These amounts will be deducted from your pay over the course of the year.

2. How much will the Employer contribute each year?

We may contribute a discretionary amount which we will determine prior to the beginning of each Plan Year. This contribution can be used for any benefit in the Plan and will be made on a pro rata basis during the year. If you elect not to participate, the Employer will not contribute to the Plan on your behalf.

3. What happens to contributions made to the Plan?

Each Plan Year, contributions will automatically be used to pay the premium expenses for the insurance coverage you have selected and contributions to a Health Savings Account unless you elect not to participate in the Plan.

4. When must I decide what insurance coverage I want?

If you are already covered by any of the insured benefits offered by this Plan, you will automatically become a Participant to the extent of the premium for such insurance unless you elect, during the election period (defined below), not to participate in the Plan.

5. When is the election period for our Plan?

You will make your initial election on or before your entry date. (You should review Section I on Eligibility to better understand the eligibility requirements and entry date.) Then, for each following Plan Year, the election period is established by the Administrator and applied uniformly to all Participants. It will normally be a period of time prior to the beginning of each Plan Year. The Administrator will inform you each year about the election period. (See the Article entitled "General Information About Our Plan" for the definition of Plan Year.)

6. May I change my elections during the Plan Year?

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. You are permitted to change elections if you have a "change in status" and you make an election change that is consistent with the change in status. Currently, Federal law considers the following events to be a change in status:

- Marriage, divorce, death of a spouse, legal separation or annulment;
- Change in the number of dependents, including birth, adoption, placement for adoption, or death of a dependent;
- Any of the following events for you, your spouse or dependent: termination or commencement of employment, a strike or lockout, commencement or return from an unpaid leave of absence, a change in worksite, or any other change in employment status that affects eligibility for benefits;
- One of your dependents satisfies or ceases to satisfy the requirements for coverage due to change in age, student status, or any similar circumstance; and
- A change in the place of residence of you, your spouse or dependent that would lead to a change in status, such as moving out of a coverage area for insurance.

However, with respect to the Health Savings Account, you may modify or revoke your elections without having to have a change in status.

There are detailed rules on when a change in election is deemed to be consistent with a change in status. In addition, there are laws that give you rights to change health coverage for you, your spouse, or your dependents. If you change coverage due to rights you have under the law, then you can make a corresponding change in your elections under the Plan. If any of these conditions apply to you, you should contact the Administrator.

If the cost of a benefit provided under the Plan increases or decreases during a Plan Year, then we will automatically increase or decrease, as the case may be, your salary redirection election. If the cost increases significantly, you will be permitted to either make corresponding changes in your payments or revoke your election and obtain coverage under another benefit package option with similar coverage, or revoke your election entirely.

If the coverage under a Benefit is significantly curtailed or ceases during a Plan Year, then you may revoke your elections and elect to receive on a prospective basis coverage under another plan with similar coverage. In addition, if we add a new coverage option or eliminate an existing option, you may elect the newly-added option (or elect another option if an option has been eliminated) and make corresponding election changes to other options providing similar coverage. If you are not a Participant, you may elect to join the Plan. There are also certain situations when you may be able to change your elections on account of a change under the plan of your spouse's, former spouse's or dependent's employer.

7. May I make new elections in future Plan Years?

Yes, you may. For each new Plan Year, you may change the elections that you previously made. You may also choose not to participate in the Plan for the upcoming Plan Year. If you do not make new elections during the election period before a new Plan Year begins, we will assume you want your elections for insured benefits only to remain the same and you will not be considered a Participant for the non-insured benefit options under the Plan for the upcoming Plan Year.

IV BENEFITS

1. What insurance coverage may I purchase?

Under our Plan, you can purchase the following insurance coverage:

- Health care premiums under our insured group medical plan.
- Our dental insurance plan.
- Our group-term life insurance plan.
- Our cancer insurance plan.
- Our vision insurance plan.
- Other insurance coverage that we may provide.

Certain limits may apply on the amount of coverage that we obtain on your behalf. The insurance contracts will normally control.

The Administrator may terminate or modify Plan benefits at any time, subject to the provisions of any insurance contracts providing benefits described above. We will not be liable to you if an insurance company fails to provide any of the benefits described above. Also, your insurance will end when you leave employment, are no longer eligible under the terms of any insurance policies, or when insurance terminates.

Any benefits to be provided by insurance will be provided only after (1) you have provided the Administrator the necessary information to apply for insurance, and (2) the insurance is in effect for you.

If you cover your children up to age 26 under your insurance, you can pay for that coverage through the Plan.

2. May I direct Plan contributions to my Health Savings Account?

Yes. Any monies that you do not apply toward available benefits can be contributed to your Health Savings Account, which enables you to pay for expenses which are not covered by our insured medical plan and save taxes at the same time. Please see your Plan Administrator for further details.

V BENEFIT PAYMENTS

1. When will I receive benefit payments?

The amount of pay you contribute to the Plan and the Employer contributions will be used to pay the premiums for the insurance coverage that is available. The provisions of the insurance policies will control what benefits will be paid and when.

2. Family and Medical Leave Act (FMLA)

If you take leave under the Family and Medical Leave Act, you may revoke or change your existing elections for health insurance and group-term life insurance. If your coverage in these benefits terminates, due to your revocation of the benefit while on leave or due to your non-payment of contributions, you will be permitted to reinstate coverage for the remaining part of the Plan Year upon your return.

If you continue your coverage during your unpaid leave, you may pre-pay for the coverage, you may pay for your coverage on an after-tax basis while you are on leave, or you and your Employer may arrange a schedule for you to "catch up" your payments when you return.

3. What happens if I terminate employment?

If you terminate employment during the Plan Year, you will remain covered by insurance, but only for the period for which premiums have been paid prior to your termination of employment.

- (a) Your Health Savings Account amounts will remain yours even after your termination of employment.

4. Will my Social Security benefits be affected?

Your Social Security benefits may be slightly reduced because when you receive tax-free benefits under our Plan, it reduces the amount of contributions that you make to the Federal Social Security system as well as our contribution to Social Security on your behalf.

VI
HIGHLY COMPENSATED EMPLOYEES

1. Do limitations apply to highly compensated employees?

Under the Internal Revenue Code, highly compensated employees generally are Participants who are shareholders or highly paid. You will be notified by the Administrator each Plan Year whether you are a highly compensated employee.

If you are within these categories, the amount of contributions and benefits for you may be limited so that the Plan as a whole does not unfairly favor those who are highly paid, their spouses or their dependents.

Plan experience will dictate whether contribution limitations on highly compensated employees will apply. You will be notified of these limitations if you are affected.

VII
GENERAL INFORMATION ABOUT OUR PLAN

This Section contains certain general information which you may need to know about the Plan.

1. General Plan Information

The University of North Dakota Premium Conversion Cafeteria Plan is the name of the Plan.

Your Employer has assigned Plan Number 501 to your Plan.

The provisions of your amended Plan become effective on August 1, 2019. Your Plan was originally effective on July, 1 1993.

Your Plan's records are maintained on a twelve-month period of time. This is known as the Plan Year. The Plan Year begins on January 1 and ends on December 31, except for the short Plan Year which will begin on June 1, 2018 and end on December 31, 2018.

2. Employer Information

Your Employer's name, address, and identification number are:

The University of North Dakota
264 Centennial Drive, Stop 7127
Grand Forks, North Dakota 58202-7127
45-6002491

3. Plan Administrator Information

The name, address and business telephone number of your Plan's Administrator are:

The University of North Dakota
264 Centennial Drive, Stop 7127
Grand Forks, North Dakota 58202-7127
701-777-4423

The Administrator keeps the records for the Plan and is responsible for the administration of the Plan. The Administrator will also answer any questions you may have about our Plan. You may contact the Administrator for any further information about the Plan.

4. Service of Legal Process

The name and address of the Plan's agent for service of legal process are:

The University of North Dakota
264 Centennial Drive, Stop 7127
Grand Forks, North Dakota 58202-7127

5. Type of Administration

The type of Administration is Insurer Administration.

**VIII
ADDITIONAL PLAN INFORMATION**

1. Insurance Procedures

Claims that are insured will be handled in accordance with procedures contained in the insurance policies. All other general requests should be directed to the Administrator of our Plan.

**IX
SUMMARY**

The money you earn is important to you and your family. You need it to pay your bills, enjoy recreational activities and save for the future. Our premium payment plan will help you keep more of the money you earn by lowering the amount of taxes you pay. The Plan is the result of our continuing efforts to find ways to help you get the most for your earnings.

If you have any questions, please contact the Administrator.

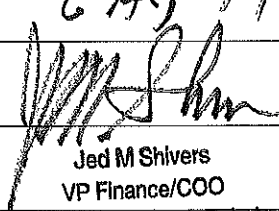
ADOPTING RESOLUTION

The undersigned authorized representative of The University of North Dakota (the Employer) hereby certifies that the following resolutions were duly adopted by the Employer on _____, and that such resolutions have not been modified or rescinded as of the date hereof.

RESOLVED, that the form of amended Cafeteria Plan effective August 1, 2019, presented to this meeting is hereby approved and adopted and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the Plan.

The undersigned further certifies that attached hereto as Exhibits A and B, respectively, are true copies of The University of North Dakota Premium Conversion Cafeteria Plan as amended and restated, and the Summary Plan Description approved and adopted in the foregoing resolutions.

Date: 6 Aug '19

Signed: 

Jed M Shivers
VP Finance/COO
University of North Dakota