

RESOLUTION #09-0601-03

Approve and adopt Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)

Whereas, the Board of Trustees previously adopted a Code Section 125 plan referred to as the Flexible Benefits Plan (the "Plan"), and

Whereas, effective April 1, 2009, the Children's Health Insurance Program Reauthorization Act of 2009 permits a plan to allow special enrollment for eligible but not enrolled employees or dependent child consistent with the requirement set forth in the Act, and

Whereas, effective June 1, 2009 the Employer desires to amend the Plan as set forth in the attached Summary of Material of Modifications to allow for a Special Enrollment Right that is consistent with the requirements set forth in the Act, and

NOW, THEREFORE, BE IT RESOLVED, by the Liberty Township Board of Trustees of Delaware County, Ohio, that the Board has hereby reviewed the attached Summary of Material Modifications and does hereby approve the adoption of the Special Enrollment Right as set forth therein;

BE IT FURTHER RESOLVED, that the undersigned, being all of the members of the Board of Trustees of Liberty Township, Delaware County (the "Employer"), hereby adopt the following Resolution by unanimous consent and direct that this Consent Resolution be entered in the minute books of the Employer.

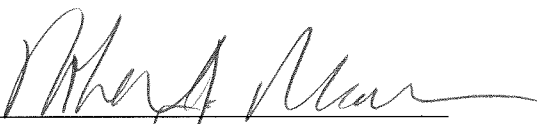
BE IT FURTHER RESOLVED, that the Township Administrator is authorized to execute attendant documents as necessary.


This Resolution shall be in force and become effective immediately upon its execution.

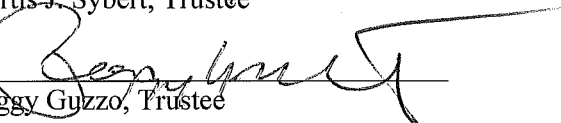
Motion made by Sybert and seconded by Mann.

Vote: yes Ms. Guzzo yes Mr. Mann yes Mr. Sybert


6-1-09
Date


Robert Mann, Trustee


Curtis J. Sybert, Trustee


Peggy Guzzo, Trustee

CERTIFIED BY:


Mark S. Gerber, Fiscal Officer

**ACTIONS TAKEN AND RESOLUTIONS ADOPTED BY CONSENT
OF THE BOARD OF DIRECTORS OF
Liberty Township, Delaware County**

The undersigned, being all of the members of the Board of Directors of Liberty Township, Delaware County (the "Employer"), hereby adopt the following Resolution by unanimous consent and direct that this Consent Resolution be entered in the minute books of the Employer.

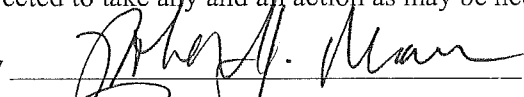
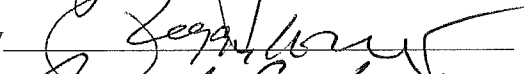

WHEREAS, the Employer previously adopted a Code Section 125 plan, referred to as the Flexible Benefits Plan (the "Plan");

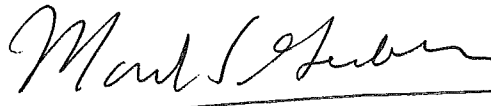
WHEREAS, effective April 1, 2009, the Children's Health Insurance Program Reauthorization Act of 2009 (the "Act") permits a Plan to allow special enrollment for eligible but not enrolled employees or dependent child who either (1) lose coverage under a Medicaid or a State Children's Health Insurance Plan (SCHIP) under titles XIX and XXI of the Social Security Act, respectively, or (2) become eligible for group health plan premium assistance under Medicaid or SCHIP ("Special Enrollment Right"); and

WHEREAS, effective [effective date of amendment] the Employer desires to amend the Plan as set forth in the attached Summary of Material of Modifications to allow for a Special Enrollment Right that is consistent with the requirements set forth in the Act; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors has hereby reviewed the attached Summary of Material Modifications and does hereby approves the adoption of the Special Enrollment Right as set forth therein;

BE IT FURTHER RESOLVED that the officers of the Employer are authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

By		Date	6/1/09
By		Date	6/1/09
By		Date	6.1.9

Certified By:

Mark S. Gerber, Fiscal Officer



May 11, 2009

Dear Mr. Anderson,

Enclosed you will find your group's Section 125 Summary of Material Modification that complies with the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). Please read, sign and date the second page, and return a copy to HR Butler; the original copy should be filed with your Section 125 Documentation.

Please take a moment to read the brief explanation enclosed explaining the affects of the Children's Health Insurance Program Reauthorization Act of 2009 on your Cafeteria Plan. You may also visit the website provided for further details on your specific state.

Please make your \$50.00 check payable to: **HR Butler**

Thank you,

A handwritten signature in cursive script that reads "Erin Copas".

ErinCopas | Flex & HRA Specialist | HR Butler
614.923.2900 ext. 117
614.923.2368



Affect of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) on Cafeteria Plans

The Children's Health Insurance Program Reauthorization Act of 2009, signed February 4 expands the current State Children's Health Insurance Plans (SCHIPS). There are 4 areas in which CHIPRA can affect your cafeteria plan:

- Adds the possibility of a premium subsidy for participation in an employer group health plan.
- Adds new special enrollment rights for employees or dependents losing or gaining eligibility to Medicaid or SCHIPS coverage.
- Adds a new requirement for plans to provide notice to employees regarding premium assistance opportunities available under state law and to report relevant data to the state.
- Adds a civil penalty of up to \$100 per day for failure to comply with the notice and disclosure requirements.

CHIPRA allows states to offer a premium assistance subsidy to eligible low-income children and their families for "qualified employer-sponsored coverage". The subsidy can be made to the employer or to the employee. Qualified employer-sponsored coverage is one that qualifies a creditable coverage as a group health plan under section 2701(c)(1) of the Public Health Service Act, i.e. an employee welfare benefit plan. Coverage that can be subsidized must meet some conditions: 1) employers must contribute 40 percent of the cost; 2) the benefit package must meet an actuarial equivalency test to the CHIP coverage or children are eligible for supplemental benefits and cost-sharing protections; and 3) subsidies may not be used to purchase high deductible plans and/or benefits provided under flexible health spending accounts. Please contact your state's Medicaid office for more information regarding a possible premium subsidy.

The Act also amends ERISA to establish special enrollment rights associated with Medicaid or SCHIP coverage. In practical terms, the plan must allow employees and dependents to enroll in the employer plan if 1) the employee or dependents' Medicaid or SCHIP coverage is terminated due to a loss of eligibility or 2) the employee or dependent becomes eligible for the subsidized coverage under Medicaid or SCHIP. The employee must notify the plan within 60 days of the termination or becoming eligible. These special enrollment rights require a Summary of Material Modification (SMM), which is enclosed in this package along with your revised SCHIP Summary Plan Description.

The plan will also have to provide a notice to employees about the premium assistance opportunities available under state law. The plan administrator will also be responsible for reporting information to their state to 1) determine whether participants in the plan are eligible for premium assistance and 2) to determine the SCHIP program's duty to provide supplemental benefits.

For more information on Ohio's SCHIP please visit: <http://www.govbenefits.gov> – select the **benefits** tab, then select **Ohio**; the SCHIP is listed under "**Ohio Healthy Start (SCHIP)**".

**SAMPLE SECTION 125 PLANAMENDMENT
AND SUMMARY OF MATERIAL MODIFICATIONS
FOR 2009 PLAN YEAR**

Caution: The attached sample Summary of Material Modifications provides sample language to allow, in accordance with the Children's Health Insurance Program Reauthorization Act of 2009 (the "Act"), special enrollment rights for employees and dependents who lose coverage under a Medicaid or State Children's Health Insurance Program or gain premium assistance from the State for employer sponsored group health plan coverage. The special enrollment right is effective April 1, 2009. Excise taxes and penalties (up to \$100 a day) may be imposed if a group health plan fails to comply with the special enrollment rights.

The amendment package is provided solely for illustrative purposes and may not apply to your particular factual situation. It should not be used "as is". Consult with your legal advisor to adapt this approach to your specific plan and factual situation.

CAUTION: Certain aspects of the Act are currently unclear and subject to interpretation. For example, the Act is not clear on whether an employee may change his or pre-tax election if the employee or dependent child drops the employer sponsored coverage and enrolls in a state sponsored health plan. The Act is also unclear as to whether a previously eligible but un-enrolled Spouse and unaffected dependents are eligible to enroll upon the occurrence of an event. The Plan sponsor should discuss this SMM, as well as any other potential alternative interpretations, with qualified legal counsel and make any necessary revisions before distributing the SMM.

**SUMMARY OF MATERIAL MODIFICATIONS TO THE SECTION 125 PLAN
(the "Plan")**

This document summarizes important changes to your Section 125 Plan. If you have any questions regarding the changes summarized in this Summary of Material Modifications ("SMM"), you should contact HR Butler. You should keep a copy of this SMM with your Summary Plan Description for future reference.

Effective April 1, 2009, eligible employees and participants will have a "Special Enrollment Right" under the Flexible Benefits Plan that allows certain eligible but un-enrolled employees and Participants to enroll in a Benefit Plan Option that is group health plan if the dependent child or employee: (1) loses coverage under a Medicaid Plan under Title XIX of the Social Security Act; (2) loses coverage under State Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act; or (3) becomes eligible for group health plan premium assistance under Medicaid or SCHIP. The eligible employee or participant must request an election change to enroll in group health plan coverage within 60 days from the date (1) the coverage terminates under the Medicaid or SCHIP plan or (2) the employee or dependent child is determined eligible for state premium assistance.

If you believe you are eligible for a Special Enrollment, you must contact the Administrator to request an election form as soon as possible. A request for enrollment must be made in writing on the form provided by the Administrator. A request for a Special Enrollment right must be made within 60 days of an event described above that occurs on or after April 1, 2009.