

COMMUNITY CONNECTIONS INC

Section 125 Premium Only Plan ("Plan")

Summary Plan Description

COMMUNITY CONNECTIONS INC ("Company")
721 STEDMAN ST
KETCHIKAN AK 99901

This booklet describes the Section 125 Premium Only Plan for Eligible Employees of the above-named Company and any of its divisions, affiliates and subsidiaries covered under these provisions.

Information Applicable to Plan 503

Employer Identification Number
92-0112719

**The Benefits In This Booklet Are Effective
1/1/2025**

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INTRODUCTION

This document describes the Company's Section 125 Premium Only Plan. It is a summary of the official Plan documents that govern the operation of the Plan. If you have any questions about the material in this document, or if you would like to review the official Plan document, please contact your Human Resources Representative.

This summary is meant to be consistent with the Plan document and is intended to comply with Section 125 of the Internal Revenue Code.

This document is also intended to comply with the Patient Protection and Affordable Care Act ("ACA"). As such, Employees are allowed to make pre-tax salary reduction contributions for health benefits for children who have not attained age 27 as of the end of the taxable year, who pursuant to ACA, are properly enrolled in coverage for such benefits.

The above provisions do not, and are not intended in any way to, expand the definition of "child" contained in any applicable medical, dental and/or vision plans.

DEFINITIONS

Certain terms used in this summary will be capitalized and are described as follows:

Child. The son, daughter, stepson, or stepdaughter of the Employee, and a Child includes both a legally adopted individual of the Employee and an individual who is lawfully placed with the Employee for legal adoption by the Employee. A Child also includes an "eligible foster child," defined as an individual who is placed with the Employee by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

Company. The Company identified on the title page of this Summary Plan Description and any affiliated Company that adopts the Plan according to the legal documents under which the Plan is established.

Employee. A person who customarily works with the Company.

Plan Administrator. The person or entity responsible for the day-to-day functions and management of the Plan. The Plan Administrator may employ persons or firms to perform certain Plan connected services. The Plan Administrator is the Company.

Plan Fiduciary. The person or entity who has the authority to control and manage the operation and administration of the Plan. The Plan Fiduciary is the Company.

Plan Year. The Plan is administered according to its designated benefit Plan Year, which coincides with the plan year of its employee health benefit plan.

Salary Reduction Agreement. The form provided by the Plan Administrator which permits the Company to reduce an Employee's current salary to purchase benefits under the Plan on behalf of the Employee.

ELIGIBILITY AND ENROLLMENT

You are eligible to participate in the Plan if you are an Employee of the Company and you have been employed for at least 30 days. You become a participant on the first pay period after you meet the eligibility requirements and you enroll. To enroll, you must sign the Salary Reduction Agreement provided by the Company. The Salary Reduction Agreement will be automatically renewed each year unless you otherwise notify the Company in writing.

Such qualified insurance premium apply to you, your spouse or your dependents (as defined in Section 152 of the Code), as well as your Children who have not attained age 27 as of the end of the taxable year.

If you do not complete the Salary Reduction Agreement during a designated open enrollment period, your participation in the qualified insurance premium portion of the Plan will automatically renew on its designated subsequent benefit Plan Year at the new amounts.

HOW THE PLAN WORKS

ELECTION OF BENEFITS

Prior to the beginning of each Plan Year, you will designate your insurance coverage. As noted, if you do not complete the Salary Reduction Agreement during a designated open enrollment period for the qualified insurance premium portion of the Plan, your participation will automatically renew on its designated subsequent benefit Plan Year at the new amounts. The available choices are all qualified insurance premiums.

If you elect to participate in the Plan, then you pay for your coverage on a pre-tax basis. Paying for benefits with money which has not yet been taxed may, therefore, increase your take home pay. The result is additional spendable income. You must notify the Company's Human Resources Representative in writing within thirty (30) days from becoming eligible in the Plan or within (30) days from the beginning of a new Plan Year, if you wish to not pay for your benefits on a pre-tax basis. The amount you use to pay for such benefits will, therefore, be taxable to you.

You must make your election prior to the beginning of the Plan Year. However, if you become eligible to participate in the Plan after the Plan Year starts, you may enroll on the date you become eligible.

Each year you will be informed of the premium rates that apply and the total amount you may pledge. The available amount announced each year will be the same for all Employees. The type and amount of coverage you elect will determine your total contribution which the Company will deduct from your paycheck pursuant to the Salary Reduction Agreement.

REVOCATION OF ELECTION

Generally, once you make a decision with respect to benefits, you may not revoke that election during the Plan Year. However, you may change your election during a Plan Year in the following limited situations. Notification of a Change in Status must be made to the Company's Human Resources Representative in writing within thirty (30) days of the event. Failure to notify the Company's Human Resources Representative in writing within thirty (30) days, the participant must wait until the next annual open enrollment period to make an election change.

A. Changes in Status

1. Change in status events

You may revoke an election during the Plan Year and make a new election for the remaining period of coverage under the Plan if there is a change in status as described below and if the election change is on account of and corresponds with a change in status that affects eligibility for coverage under an employer's plan. The Plan Administrator shall determine whether a requested change is on account of and corresponds with a change in status.

- (a) Legal marital status. Events that change an Employee's legal marital status, including the following: marriage; death of spouse; divorce; legal separation; and annulment.
- (b) Number of dependents. Events that change an Employee's number of dependents, including the following: birth; death; adoption; and placement for adoption, as well as a Child becoming newly eligible for coverage or eligible for coverage beyond the date on which the Child otherwise would have lost coverage.
- (c) Employment status. Events that change the employment status of an Employee, an Employee's spouse, or an Employee's dependent, including the following: a termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence; a change in worksite, and the switching from part-time to full-time employment status or from full-time to part-time status by an Employee or an Employee's spouse or dependent.
- (d) Dependent satisfies or ceases to satisfy 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 circumstances.
- (e) Residence. A change in the place of residence of an Employee, spouse or dependent. Note: The change in residence must result in the Employee, Employee's spouse or dependent gaining or losing eligibility under a plan.

If the change in status is (a) an Employee's divorce, annulment or legal separation from a spouse, the death of a spouse or dependent or (b) a

dependent ceasing to satisfy the eligibility requirements for coverage, then an Employee may only elect to cancel coverage for the affected spouse or dependent. Canceling coverage for any other individual under these circumstances would fail to correspond with that change in status and therefore is not a permitted election change.

If an Employee, spouse or dependent gains eligibility for coverage under a plan sponsored by the employer of the Employee's spouse or dependent as a result of a change in Legal marital status or change in Employment Status, an Employee may change an election to cease or decrease coverage for that individual under the Plan only if coverage for that individual becomes applicable (i.e. effective) or is increased under the other employer's plan.

B. Cost or Coverage Changes

1. Automatic increase or decrease for cost changes.

If the cost of a qualified benefits plan increases or decreases during a period of coverage, the Plan may, on a reasonable and consistent basis, automatically make a prospective increase or decrease in the affected Employees' elective contributions to reflect such cost changes.

2. Significant cost increases.

If the cost of a benefit package option (such as an PPO option or HMO option under a health plan) significantly increases during a period of coverage as determined by the Plan Administrator, you may elect to make a corresponding prospective increase in your payments, or to revoke your election and, in lieu thereof, to receive on a prospective basis coverage under another benefit package option providing similar coverage.

3. Coverage changes.

If the coverage under a plan is significantly curtailed or ceases during a period of coverage, you may revoke your election and make a new election on a prospective basis for coverage under another benefit package option providing similar coverage. Coverage is considered significantly curtailed only if there is an overall reduction in coverage provided to participants under a plan so as to constitute reduced coverage to participants generally.

If a plan adds a new benefit package option or other coverage option (or eliminates an existing benefits package option or other coverage option), you may elect the newly-added option (or elect another option if an option has been eliminated) prospectively on a pre-tax basis and make a corresponding election change with respect to other benefit package options providing similar coverage.

C. Other Permitted Mid-year Election Changes

1. Special Enrollment Rights under HIPAA

You may revoke an election for coverage under a group health plan during a

period of coverage and make a new election that corresponds with the special enrollment rights provided under the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

2. Judgment, Decree or Order.

The Plan may change your election to provide coverage for your child if a judgment, decree, or order resulting from a divorce, legal separation, annulment or change in legal custody requires health coverage for the child. If a judgment, decree or order requires your spouse, former spouse, or other individual to cover the child, you may change his/her election to revoke coverage for the child.

3. Entitlement to Medicare or Medicaid

You may change an election on a prospective basis to cancel or reduce coverage for yourself or your spouse or dependent under a plan if you, your spouse or dependent who is enrolled in a plan subsequently becomes enrolled under Part A or Part B of Medicare or entitled to Medicaid. Conversely, you may change an election on a prospective basis to commence or increase coverage for yourself or your spouse or dependent if you or your spouse or dependent who had been entitled to Medicare or Medicaid subsequently loses eligibility for coverage under Medicare or Medicaid.

4. The Family and Medical Leave Act

If you take leave under the Family and Medical Leave Act (FMLA), you may revoke an existing election of group health plan coverage and make such other election for the remaining portion of the period of coverage as may be provided for under the FMLA.

5. Change in Coverage of Spouse or Dependent under other Employer's plan

You may change an election on a prospective basis that is on account of and corresponds with a change made under the plan of a spouse's or dependent's employer if (a) the plan of the spouse's or dependent's employer permits participants to make election changes that would be permitted under IRS regulations under Section 125 of the Code or (b) the Plan permits participants to make an election for a period of coverage that is different from the period of coverage under the plan of the spouse's or dependent's employer.

6. Changes Allowed Under Current Regulations

You may change an election on a prospective basis that is on account of and corresponds with any other permitted change under the current IRS regulations under Section 125 of the Code.

7. Reduction of Hours

You may prospectively revoke an election for coverage (that is not a health FSA, but provides minimum essential coverage) if you experience a change in employment status, such that 1) you are no longer expected to work an average of at least 30 hours of service per week, but 2) the reduction in hours does not result in you ceasing to be eligible for coverage. The revocation of the election of coverage must correspond to your intent to enroll yourself and any eligible dependents (who cease coverage due to the revocation) in another plan that provides minimum essential coverage, with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

8. Enrollment in a Qualified Health Plan through the Marketplace

You may prospectively revoke an election for coverage (that is not a health FSA, but provides minimum essential coverage) if you are eligible for a special or annual enrollment period to enroll in a Qualified Health plan through the Health Insurance Marketplace ("Marketplace") established under section 1311 of the Affordable Care Act. The revocation of the election of coverage must correspond to your intent to enroll yourself and any eligible dependents (who cease coverage due to the revocation) in the Qualified Health Plan, the effective date for which is no later than the day immediately following the last day of coverage through your group health plan.

If you revoke your election during a Plan Year for any reason other than those specifically allowed by the Internal Revenue Code and the regulations thereunder, the amount of your contribution during that Plan Year may be included in your gross income.

FICA

It is important to note that because you are enjoying the benefits of pre-tax savings, you will be paying less FICA for your future Social Security retirement. Your eventual benefit under Social Security will, therefore, be slightly reduced. Most Employees see only a very slight reduction in benefits.

ADMINISTRATION OF THE PLAN

The Plan is administered through the office of the Company. Records are maintained each Plan Year. The Plan is a legal entity. Legal notices may be filed with and legal process served upon the Plan Administrator.

As Plan Administrator and Plan Fiduciary, the Company has complete authority to control and manage the operation and administration of the Plan. In exercising its fiduciary and other responsibilities, the Company shall have the discretionary authority to determine eligibility for benefits, review any denied claims for benefits and construe disputed Plan terms. The Company shall be deemed to have properly exercised such authority, unless it has abused its discretion by acting arbitrarily and capriciously.

The Company reserves the right to amend, modify, revoke or terminate the Plan, in whole or in part, at any time. The authority to make any such changes to the Plan rests with an

authorized representative of the Company. Any such amendment, modification, revocation or termination of the Plan shall be made by a written amendment signed by an authorized representative. The Plan Administrator shall communicate such changes to Plan participants. Plan participants will be furnished with summary descriptions of material modifications not later than 210 days after the end of the Plan Year in which the change is adopted. Any modification or change that is a material reduction in benefits provided under the Plan will be communicated to participants not later than 60 days after adopting the modification or change, unless the Employer provides summaries of modifications or changes at regular intervals of not more than 90 days.

If you have any questions regarding this Plan, please contact your Company's Human Resources Representative.

CLAIMS PROCEDURE

This is a premium conversion plan under Section 125 of the Internal Revenue Code, and as such, no claims need to be submitted. However, this Plan does incorporate by reference certain Company sponsored health benefit plans. You should, therefore, refer to the claims procedures stated in the applicable plan documents to ensure that any claim or appeal of any claim under those plans has been properly filed.