

Election and Compensation Reduction Agreement

Note: Only employees whose customary employment, excluding overtime work, is at least thirty (30) hours per week and who have completed at least thirty days of service with the Diocese of Palm Beach, are eligible for the Cafeteria Plan benefits.

If you have elected benefit contributions on a pre-tax basis on the reverse side of this form, any previous election and compensation reduction agreement under the Cafeteria Plan relating to the same benefits is hereby revoked. You and the Diocese of Palm Beach agree that your regular pay will be reduced by the amount of your required contribution for the benefit option you have elected under the Cafeteria Plan. This agreement is in effect during the medical plan year stated on your Election Form and continuing for each succeeding pay period until this agreement is amended or terminated. The amount of your required contribution is set forth on your Election Form. The pay reduction may not be effective for any pay period that begins before you have signed this form and returned it to the Plan Administrator.

You cannot change or revoke this benefit election or compensation reduction agreement as of any date prior to the next August 1, unless that change or revocation is on account of and consistent with a change in your family status (i.e. your marriage, divorce, death of your spouse or dependent, birth or adoption of your child, commencement or termination of employment of your spouse, you or your spouse's unpaid leave of absence or change from full-time to part-time employment (or vice-versa), a significant change in you or your spouse's health coverage attributable to your spouse's employment, and such other events as the Plan Administrator determines will permit a change or revocation of an election).

Prior to August 1 of each year, you will be offered the opportunity to change your benefit coverage(s) for the following Plan Year (August 1 through July 31). If you do not complete and return a new election form at that time, you will be treated as having elected to continue your benefit coverage(s) then in effect for the new Plan Year. In addition, this compensation reduction agreement will continue by its terms in the amount of the required contribution for this benefit coverage(s).

The Plan Administrator may reduce or cancel the amount of your pay reduction or otherwise modify this agreement in accordance with the Cafeteria Plan if the Administrator believes it is advisable in order to satisfy certain provisions of the Internal Revenue Code. In addition, adjustments may be made in your pay reduction (or a new election may be permitted), to the extent provided in the Cafeteria Plan, in the event of an increase or decrease in the cost of coverage's provided by an independent third-party provider.

The reduction in your cash compensation under this agreement will be in addition to any reductions under other agreements or benefit plans.

Your signature on the Election Form indicates that you have read and understand the Election Form and the descriptive materials made available to you under the Diocese of Palm Beach Benefits Program. Your signature certifies that the information provided on the Election Form is complete and accurate to the best of your knowledge.