

Shelton Vance

From: Agnieszka Lesniewska <agnieszka_lesniewska@glic.com>
Sent: Monday, October 07, 2013 2:17 PM
To: Shelton Vance
Cc: Kay Rogers
Subject: Cafeteria Plan Testing Results
Attachments: Eligibility & Contribution & Benefits Test.doc

Dear Shelton,

We have conducted the following discrimination tests*:

- The Code Section 125 Key Employee Concentration Test
- The Code Section 129 (Dependent Care Assistance Plans) 55% average benefits test
- The Code Section 129 (Dependent Care Assistance Plans) More –Than-5% Owners Concentration Test

*The above tests are performed in accordance with your Administrative Service Agreement. We are pleased to inform you that Madison County Board Of Supervisors has passed the Non-Discrimination testing as required by IRS code Section 125 for the 2013-2014 plan year. Please retain this email with your Section 125 Plan Document.

The Eligibility and Contribution & Benefits Test criteria are attached. Based on the information you provided the company appears to pass these tests.

Please contact the Flex Plan Department 866-359-4542 with any questions or concerns you may have regarding your FlexPlan.

(See attached file: Eligibility & Contribution & Benefits Test.doc)

Sincerely,

Guardian Section 125 FlexPlan Administrator
The Guardian Life Insurance Company of America, New York, NY 10004

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Section 125
Cafeteria Plan Non-Discrimination Tests

Eligibility Test:

A 125 plan will not be treated as discriminatory as to eligibility, if the plan passes the following tests:

Classification Test

Benefits a group of employees who qualify under a classification established by the Employer and found by the IRS not to be discriminatory in favor of HCEs 410(b)(2)(A)(1).

Length of Service Requirement

No employee is required to complete more than 3 years of employment with the employer or employers maintaining the plan as a condition of participating in the plan, and the employment requirement for each employee is the same

Participation Requirement

An employee who has satisfied the employment requirement above, and who is otherwise entitled to participate in the plan, commences participation no later than the first day of the first plan year beginning after the date the employment requirement was satisfied unless the employee was separated from service before the first day of that plan year.

Contributions & Benefits Test:

Availability Test

A plan must give each participant an equal opportunity to select nontaxable, qualified benefits.

Utilization Test

A plan will not be discriminatory if total benefits and nontaxable benefits attributable to highly compensated employees, measured as a percentage of compensation, are not significantly greater than total benefits and nontaxable benefits attributable to other employees (measured on the same basis).