

Item #8:
Resolution Adopting A Health Insurance Cafeteria Plan

**Amendment to the
Village of Long Grove Cafeteria Plan**

WHEREAS, the Village of Long Grove (hereinafter referred to as the "Employer") established the Village of Long Grove Cafeteria Plan (hereinafter referred to as the "Plan").

WHEREAS, the Employer deems it desirable to amend the Plan effective May 30, 2011 pursuant to the Children's Health Insurance Program Reauthorization Act of 2009. This amendment shall apply notwithstanding any other statements in the Plan, the Summary Plan Description (SPD), or any other documents.

WHEREAS, the Employer has the authority to amend the Plan and the undersigned has the authority through resolutions adopted by the Board of Directors to execute this amendment on behalf of the Employer.

HIPAA requires group health plans to give special enrollment opportunities to certain employees, dependents, and COBRA qualified beneficiaries. The individuals who enroll pursuant to these special enrollment rights are called "special enrollees". Special enrollment is available in the following situations:

- the acquisition of a new spouse or dependent by marriage, birth, adoption, or placement for adoption
- a loss of eligibility for group health coverage, or health insurance coverage

Effective May 30, 2011

- termination of Medicaid or CHIP coverage resulting from loss of eligibility and the employee requests coverage under the plan; or
- becoming eligible for a premium assistance subsidy in the employer-provided group health plan under Medicaid or CHIP.

All of the special enrollment events will allow the employees to request enrollment within sixty (60) days of the special enrollment event.

IN WITNESS THEREOF, this amendment of the Plan is hereby executed as of this _____ day of _____, 2011.

Village of Long Grove

By: _____



May 25, 2011

David Lothspeich
Village of Long Grove
3110 Old McHenry Rd.
Long Grove, IL 60047

Dear David,

Please find enclosed the Plan Document for your Cafeteria Plan. The booklet is divided into four sections:

- Plan Resolution – This document needs to be signed to adopt the plan.
- The Plan Document – This is your main document that includes all details of the plan.
- The Summary Plan Description – The Summary Plan Description is an interpretation of the plan document for the participants.
- Forms/Misc. – This includes the highlights of the plan and copies of the enrollment and claim forms.

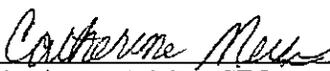
The Board Resolution and the Plan Documents must be signed. This original document should be retained for your records.

In addition I have included:

- A white copy of the Summary Plan Description, which must be *copied and distributed to all plan participants*.
- The separate signature pages should be signed and returned to my office.
- Census Information – This is needed to complete the annual IRS required Nondiscrimination Testing. Once you complete this please forward it to our office.
- Enrollment Forms – Each eligible employee needs to complete the enrollment form. If they waive coverage they only complete page one and if they are participating they will need to complete both pages. The third page is a change form. Once completed you will send FlexSource a copy of the enrollment forms.

I sincerely appreciate this opportunity to serve you. Please feel free to contact me with any questions.

Sincerely,


Catherine A. Meier, CFC

894 Euclid Ave. Elmhurst, IL 60126
(630) 782-0633 Fax: (630) 782-0644 Toll Free: (888) 336-3313

**RESOLUTION OF
THE BOARD OF DIRECTORS
OF
VILLAGE OF LONG GROVE
FOR THE ADOPTION OF
VILLAGE OF LONG GROVE CAFETERIA PLAN**

Whereas, the Employer has the power to implement the Plan.

On May 29, 2011 the following resolutions to implement the Village of Long Grove Cafeteria Plan were duly adopted by a majority of the Board of Directors of Village of Long Grove and that such resolutions have not been modified or rescinded as of the date hereof:

RESOLVED, that the form of Cafeteria Plan Code Section 125 with Health Savings Account under the Cafeteria Plan Code 223(d) of the Internal Revenue Code of 1986, presented to this meeting is hereby adopted and approved and that the proper Officers of the Employer are hereby authorized and directed to execute and deliver to the Plan Administrator one or more copies of the Plan.

RESOLVED, that the Plan shall have an initial short Plan Year beginning on May 30, 2011 and ending the following December 31, 2011, thereafter the Plan Year shall be for a 12 month period beginning on January 1st, and ending on December 31st of each year.

RESOLVED, that the proper Officers of the Employer shall act as soon as possible to notify employees of the Employer of the implementation of the Plan. The undersigned certifies that attached hereto as Exhibits A is a true copy of the Plan Document for Village of Long Grove Cafeteria Plan approved and adopted in the foregoing resolutions.

Secretary

Date

LIMITATION OF LEGAL LIABILITY

Village of Long Grove Cafeteria Plan CAFETERIA PLAN CODE SECTION 125

The adopting Employer of this Plan understands and agrees that FlexSource, LLC is in no way liable for the legal and tax aspects of this Plan. Full legal and tax responsibility is assumed by the undersigned Employer establishing this Plan, which acknowledges that it has reviewed the terms and conditions of the Plan with its legal and tax advisors with respect to the adoption of this Plan and the various options available under the Plan.

EXECUTED this _____ day of _____, _____.

Signature

Title

The headings of the various Articles and Sections are inserted for convenience of reference and are not to be regarded as part of this Plan or as indicating or controlling the meaning or construction of any provision.

11.10 Plan Provisions Controlling

In the event that the terms or provisions of any summary or description of this Plan are in any construction interpreted as being in conflict with the provisions of this Plan as set forth in this document, the provisions of this Plan shall be controlling.

11.11 Severability

Should any part of this Plan subsequently be invalidated by a court of competent jurisdiction, the remainder of the Plan shall be given effect to the maximum extent possible.

* * *

IN WITNESS WHEREOF, and as conclusive evidence of the adoption of the foregoing instrument comprising the Village of Long Grove Cafeteria Plan, Village of Long Grove has caused this Plan to be executed in its name and on its behalf, on this 29th day of May, 2011.

Employer:
Village of Long Grove

David Lothspeich
Village Manager