

DRURY UNIVERSITY
ELIGIBILITY AND ENROLLMENT APPENDIX

Effective: June 1, 2016

Drury University
Eligibility and Enrollment Appendix

Table of Contents

Introduction 1

Definitions 1

Additional Terms of Eligibility for Qualifying Part-time Employees and Ongoing Employees 2

INTRODUCTION

The policies and procedures supplement certain terms of eligibility set forth in the Drury University Summary Plan Description that is effective June 1, 2016. These policies and procedures (the “Procedures”) are hereby incorporated into and made a part of the Drury University Employee Healthcare Plan (the “Plan”). These Procedures and the Summary Plan Description together constitute the written plan document for the Plan.

DEFINITIONS

Break in Service means a period of at least 13 consecutive Weeks during which the Employee has no Hours of Service, as defined herein. A Break in Service may also include any period for which the Employee has no Hours of Service that is at least four (4) consecutive Weeks in duration and longer than the prior period of employment (determined after application of the procedures applicable to Special Unpaid Leaves absence prescribed herein).

Calendar Month means one of the 12 months named in the calendar (e.g. January, February, etc.).

Employee means an individual classified by the Employer as a common law employee of the Employer, determined in accordance with rules and regulations issued by the Internal Revenue Service. Such term shall not include individuals classified by an Employer as independent contractors (including any person who later becomes reclassified as an employee by the Internal Revenue Service or a court of competent jurisdiction). For purposes of this subsection (e), any individual who pays or agrees to pay self-employment tax in lieu of withholding shall be deemed to be an independent contractor.

Hours of Service means each hour for which the Employee is paid or entitled to payment for performance of services for the Employer **AND** any hour for which the employee is paid or entitled to payment by the Employer for a period of time during which no duties are performed due to any of the following, consistent with 29 C.F.R. 2530.200b-2(a)(i):

- Vacation
- Holiday
- Illness or incapacity
- Layoff
- Jury duty
- Military duty or leave of absence

Initial Measurement Period means the 12 Calendar Month period beginning on the first day of the Calendar Month coinciding with or next following the Employee’s Date of Hire. Notwithstanding the foregoing, the Employer may make adjustments to the Standard Measurement Period with respect to Employees on payroll periods that are weekly, bi-weekly or semi-monthly in duration, as set forth herein

Measurement Period means the Initial Measurement Period or the Standard Measurement Period, as applicable.

Month means the period that begins on any date following the first day of a calendar month and that ends on the immediately preceding date in the immediately following calendar month (for example, from February 2 to March 1 or from December 15 to January 14).

New Employee Stability Period means the 12 Calendar Month period that begins on the first day of the Calendar Month following the Calendar Month that begins on or after the Employee’s anniversary date.

Ongoing Employee shall have the same meaning as Ongoing Employee set forth in the Summary Plan Description.

Ongoing Employee Stability Period means the 12 Calendar Month period that begins on the first day of each Plan Year following the end of the Plan's Standard Measurement Period.

Qualifying Part-time Employee shall have the same meaning as Qualifying Part-time Employee set forth in the Summary Plan Description.

Regular Full-time Employee means a common law employee who is regularly scheduled to work thirty (30) Hours of Service or more per week.

Seasonal Employee means an Employee hired by the Employer into a position that is typically no longer in duration than six (6) months and begins at the same time of the year each year.

Special Unpaid Leave of Absence means any of the following types of unpaid leaves of absence that do not constitute a Break in Service: (i) Leave protected by the Family and Medical Leave Act, (ii) leave protected by the Uniformed Services Employment and Reemployment Rights Act or (iii) Jury Duty (as reasonably defined by the Employer)

Standard Measurement Period means the 12 Month period that begins each March 1 and ends February 28 or 29. Notwithstanding the foregoing, the Employer may make adjustments to the Standard Measurement Period with respect to Employees on payroll periods that are weekly, bi-weekly or semi-monthly in duration, as set forth herein.

Week means any seven (7) consecutive calendar-day period.

Additional Terms of Eligibility for Qualifying Part-time Employees and Ongoing Employees

The Plan Administrator will determine a Qualifying Part-time Employee's and an Ongoing Employee's eligibility for coverage under the Plan in accordance with the following requirements:

(a) An Employee's Hours of Service during the applicable Measurement Period will be considered in determining eligibility for coverage under the Plan to the extent not preceded by a Break in Service.

(b) Impact of Payroll Periods: For payroll periods that are one week, two weeks, or semi-monthly in duration, the Employer is permitted to treat as a Measurement Period a period that ends on the last day of the payroll period preceding the payroll period that includes the date that would otherwise be the last day of the Measurement period, provided that the Measurement Period begins on the first day of the payroll period that includes the date that would otherwise be the first day of the Measurement Period. The Employer may also treat as a Measurement Period a period that begins on the first day of the payroll period that follows the payroll period that includes the date that would otherwise be the first day of the Measurement Period, provided that the Measurement Period ends on the last day of the payroll period that includes the date that would otherwise be the last day of the Measurement Period.

(c) If the Employee experiences a Break in Service during a Measurement Period and then again resumes Hours of Service following a Break in Service, such Employee will be treated as a new Employee upon the date that the Employee resumes Hours of Service for the Employer.

(d) Impact of Special Unpaid Leaves of Absence: If the Employee takes a Special Unpaid Leave of Absence during a Measurement Period, the Employer will disregard all consecutive Weeks of such unpaid leave when determining the average Hours of Service during the applicable Measurement Period.

(e) Each Employee's Hours of Service will be determined in a manner consistent with Internal Revenue Code Section 4980H and the regulations issued thereunder.