ADDISON COMMUNITY SCHOOLS

SALARY REDUCTION AGREEMENT

Section 125 Cafeteria Plan

Participant's Name: _____

Plan Year: 2027
Effective Date: 1/1/2027

THIS SALARY REDUCTION AGREEMENT is entered into by and between Addison Community Schools (the "Employer") and the Participant named above.

1. Introduction

The Employer sponsors the Restated Addison Community Schools Cafeteria Plan (the "Plan"), a copy of which is available upon request to the Plan Administrator. The Plan is intended to qualify as a cafeteria plan under Section 125 of the Internal Revenue Code (the "Code").

By signing this Agreement, the Participant elects to participate in the Plan and authorizes the Employer to reduce the Participant's salary by the amounts necessary to pay for the benefits elected below, in accordance with the terms of the Plan.

2. Benefit Elections and Salary Reductions

You agree to participate under the Plan and to reduce your salary by the aggregate of the amounts shown below for the various benefits that you have elected to receive.

Benefit	Deduction Frequency	Participant's Election
Health Insurance – Employee Share of Premium	Every paycheck	$_____ per paycheck
Health Savings Account (HSA) Contributions	Every paycheck	$_____ per paycheck
Other Insurance Benefits	Monthly, deducted from the first paycheck of the month	$_____ per month

Health Insurance: The Participant understands that the employee share of premiums for elected coverage under the Employer's major medical plan will be deducted on a pre-tax basis, as permitted by the Plan. If the Participant has submitted a health insurance waiver, the amount entered for health insurance should be $0.

Health Insurance Plan: _____

Health Savings Account (HSA): By electing HSA contributions, the Participant certifies that they meet the eligibility requirements under Internal Revenue Code Section 223. The Participant agrees to provide the information necessary for the Employer to forward contributions to the designated HSA trustee or custodian.

Other Insurance Benefits: The Participant elects the other insurance benefits selected on the applicable benefits selection form. The monthly amount will be deducted from the first paycheck of each month.

3. Duration

This Agreement becomes effective on the date indicated above with respect to compensation not yet earned as of that date. It will continue, subject to modifications permitted under the Plan, until the earlier of (a) the last day of the Plan Year for which this Agreement is entered into or (b) the date the Participant becomes ineligible to participate in the Plan, including termination of employment with the Employer.

4. Handling of Deferred Amounts

The Employer agrees that amounts deferred under this Agreement will not be paid directly to the Participant but will be credited or applied in accordance with the Plan. Amounts credited under the Plan remain the property of the Employer and will not be held in trust for the Participant or as collateral for the Employer's obligations. Such amounts are subject to the claims of the Employer's general creditors, and the Participant and any beneficiaries have no secured or preferred position with respect to those amounts.

5. Modification

Before each Plan Year, the Participant will have an opportunity to make benefit elections for the new Plan Year. If the Participant does not make new elections, existing medical coverage may continue to the extent permitted under the Plan, and the required employee contributions may continue through salary reduction.

If the Participant does not make a new election for an Uninsured Medical Reimbursement or Limited Purpose Medical Reimbursement account, no amounts will be credited to that account for the new Plan Year. Except as permitted under the Plan's election-change provisions, this Agreement may not be revoked or amended.

6. Preservation of Plan Status

The Employer may reduce the amount calculated under this Agreement, without prior notice, if the Employer determines that the reduction is necessary to preserve the favorable tax status of the Plan or any constituent plan under the Code and applicable regulations.

The Employer shall not be obligated to pay more than the monthly prorated “hard cap” amounts established pursuant to Public Act 152 of 2011 for medical or health insurance coverage, as applicable.

7. Payment of Benefits

Amounts credited to the Participant’s accounts and benefits provided under the Plan will be distributed or paid only in accordance with the terms of the Plan in effect at the time.

8. Forfeiture of Unused Amounts

Any amounts remaining in the Participant’s accounts at the end of the Plan Year will be handled in accordance with the Plan’s applicable forfeiture provisions.

9. Employer Not Liable

By providing employees with the opportunity to elect coverage under the Plan, the Employer does not assume liability for the Participant’s medical expenses.

10. Incorporation of Plan

The terms and conditions of the Plan are incorporated into and made part of this Agreement as if fully set forth herein.

11. Acknowledgments

By signing below, the Participant acknowledges that they have received this Agreement and either received or had the opportunity to receive a copy of the Plan; have read this Agreement and either read or had the opportunity to read the Plan; voluntarily elect to participate in the Plan; and understand that neither this Agreement nor the Plan constitutes a contract for continued employment.

Participant Signature: _____

Date: _____

Employer/Plan Administrator: _____

Date: _____