

Summary of Material Modification

To: Participants

From: Noemi Zamudio, Human Resources Director

Re: Amendment to City of Delano Health & Welfare Plan

Effective July 1, 2015, The City of Delano has amended its group health plan to achieve compliance with the Patient Protection and Affordable Care Act (ACA) and other applicable law, as well as reflect changes to the Plan's eligibility and participation requirements. This Summary of Material Modification supplements or modifies the information presented in your Summary Plan Description (SPD) with respect to the City of Delano Health & Welfare Plan.

1. Availability of Coverage Through Federal or State Marketplaces (Exchanges).

- Medicaid and the Children's Health Insurance Program (CHIP). If you are eligible for health coverage from your employer, but are unable to afford the premiums, some states have premium assistance programs that can help pay for coverage. These states use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums. If you or your dependents are not eligible for Medicaid, CHIP, or a state premium assistance program you may be able to buy individual insurance coverage through a Health Insurance Marketplace (such as Covered California). For more information, visit www.healthcare.gov.
- Options for Coverage other than COBRA Continuation Coverage. Instead of enrolling in COBRA continuation coverage after losing coverage under a group health plan, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

2. Eligibility and Participation Requirements.

The following provision applies to the Plan's eligibility and participation requirements:

- An employee who is reasonably expected to be a full-time employee as of his or her start date shall be offered coverage as of the Effective Date of Eligibility specified above. An employee who is not reasonably expected to be a full-time employee as of his or her start date, or an employee who is seasonal (in a position for which the customary annual employment is six months or less), will be determined to be a full-time employee based on whether such employee satisfies the full-time employee hourly requirement specified above under either the Monthly Measurement

Method or the Look-Back Measurement Method, in accordance with the policies adopted by the employer.

All other Plan provisions remain unchanged so long as they are consistent with this modification.

Please keep this Summary of Material Modification with your other group health plan materials, EOC, or Summary Plan Description.

To obtain more information contact Noemi Zamudio @ 661 720 2210.