

**This form MUST be returned on or before 10/15**  
**PREMIUM ONLY PLAN**  
**ELECTION FORM AND COMPENSATION REDUCTION AGREEMENT**

NAME \_\_\_\_\_

SOCIAL SECURITY NO. \_\_\_\_\_

ADDRESS \_\_\_\_\_

I elect to participate in the I.R.C. Section 125 plan for the:

Plan year from 10/01/2010 through 9/30/2011 (a full year plan-use for making an election during annual enrollment period). This renews annually unless revoked by the employee.

Plan year from \_\_\_\_\_, 20\_\_\_\_ through \_\_\_\_\_, 20\_\_\_\_ (a partial plan year-use for mid-year enrollment).

**Health Insurance Premium Plan**

The amount of compensation reduction shall be equal to the cost of the Company Health Insurance and coverage that I have selected which is in excess of the amount that the Company will contribute on my behalf toward the cost of such insurance.

My Employer and I hereby agree that my cash compensation will reduce by the amount set by the out of pocket expense for medical coverage, in equal installments per pay period or per month as defined by the Employer, and that if the cost of the insurance I have selected increases, my Employer will automatically increase my compensation reduction. I further understand that this reduction may correspondingly reduce future social security benefits.

I understand that my compensation reduction will be credited to a Health Insurance Premium Payment Account and my Employer will pay my portion of Health Insurance Premiums, as due, from this account.

The agreement is subject to the terms of the Employer's I.R.C. Section 125 Plan as in effect, shall be governed by and construed in accordance with the laws of Washington, and revokes any prior Election and Compensation Reduction Agreement I may have signed relating to the Employer's I.R.C. Section 125 Plan.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date

ACCEPTED AND AGREED TO by the Employer

\_\_\_\_\_  
By

\_\_\_\_\_  
Date

I have been given the opportunity to participate in my Employer's Premium only Plan and have **elected not** to do so.

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date