

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

**INTRODUCTION**

The Employer has adopted this Plan effective October 1, 1993 to recognize the contribution made to the Employer by its Employees. Its purpose is to reward them by providing benefits for those Employees who shall qualify hereunder and their dependents and beneficiaries. The concept of this plan is to allow Employees to choose among different types of benefits based on their own particular goals, desires, and needs. The Plan shall be known as CITY OF GROTON PREMIUM CONVERSION PLAN (the "Plan").

The intention of the Employer is that the plan qualify as a "Cafeteria plan" within the meaning of Section 125 of the Internal Revenue Code of 1986, as amended, and that the benefits which an Employee elects to receive under the Plan be includable or excludable from the Employee's income under Section 125 (a) and other applicable sections of the Internal Revenue Code of 1986, as amended.

**ARTICLE I  
DEFINITIONS**

1.1 "Administrator" means the individual(s) or corporation appointed by the Employer to carry out the administration of the plan. In the event the Administrator has not been appointed, or resigns from a prior appointment, the Employer shall be deemed to be the Administrator.

1.2 "Affiliated Employer" means the Employer and any corporation which is a member of a controlled group of corporations (as defined in Code Section 414(b) which includes the Employer; any organization (whether or not incorporated) which is a member of an affiliated service group (as defined in Code Section 414(m) which includes the Employer; and any other entity required to be aggregated with the Employer pursuant to Treasury regulations under Code Section 414(o).

1.3 "Benefit" means any of the optional benefit choices available to a Participant as outlined in Section 4.1.

1.4 "Code" means the Internal Revenue Code of 1986, as amended or replaced from time to time.

1.5 "Compensation" means the total cash remuneration received by the Participant from the Employer during a Plan Year prior to any reductions pursuant to a Salary Redirection Agreement authorized hereunder. Compensation shall include overtime, commissions, and bonuses.

1.6 "Dependent" means any individual who qualifies as a dependent under an Insurance Contract or under Code Section 152 (as modified by Code Section 105(b)).

1.7 "Effective Date" means October 1, 1993.

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

1.8 "Election Period" means the period immediately preceding the beginning of each Plan Year established by the Administrator, such period to be applied on a uniform and nondiscriminatory basis for all Employees and Participants. However, an Employee's initial Election period shall be determined pursuant to Section 5.1.

1.9 "Eligible Employee" means any Employee who has satisfied the provisions of Section 2.1.

1.10 "Employee" means any person who is employed by the Employer, but excludes any person who is employed as an independent contractor. The term Employee shall include leased employees within the meaning of Code Section 414(n)(2).

1.11 "Employer" means CITY OF GROTON and any successor which shall maintain this Plan; and any predecessor which has maintained this Plan.

1.12 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.13 "Highly Compensated Employee" means an Employee described in Code Section 414(q) and the Treasury regulations thereunder.

1.14 "Insurance Contract" means any contract issued by an insurer underwriting a benefit.

1.15 "Insurer" means any insurance company that underwrites a Benefit under this plan or, with respect to any self-funded benefits, the Employer.

1.16 "Key Employee" means an Employee described in Code Section 416(i)(1) and the Treasury regulations thereunder.

1.17 "Participant" means any Eligible Employee who becomes a Participant pursuant to Section 2.2 and has not for any reason become ineligible to participate further in the Plan.

1.18 "Plan" means this instrument, including all amendments thereto.

1.19 "Plan Year" means the 12-month period beginning July 1st and ending June 30th, except that the first Plan Year shall be a short Plan Year beginning October 1st. The Plan Year shall be the coverage period for the Benefits provided for under this Plan. In the event a Participant commences participation during a Plan Year, then the initial coverage period shall be that portion of the Plan Year commencing on such Participant's date of entry and ending on the last day of such Plan Year.

1.20 "Premium Expenses" or "Premiums" mean the Participant's cost for the self-funded

Benefits described in Section 4.1.

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

1.21 "Salary Redirection" means the contributions made by the Employer on behalf of Participants pursuant to Section 3.1.

1.22 "Salary Redirection Agreement" means an agreement which is deemed to be entered into between the Participant and the Employer under which the Participant agrees to reduce his Compensation or to forego all or part of the increases in such Compensation and to have such amounts contributed by the Employer to the Plan on the Participant's behalf. The Salary Redirection Agreement shall apply only to Compensation that has not been actually or constructively received by the Participant as of the date of the agreement (after taking this Plan and Code Section 125 into account), and, subsequently does not become currently available to the Participant.

1.23 "Spouse" means the legally married husband or wife of a Participant, unless legally separated by court decree.

**ARTICLE II  
PARTICIPATION**

**2.1 ELIGIBILITY**

Any Eligible Employee shall be eligible to participate hereunder as of the date he satisfies the eligibility conditions for the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference.

If a former Participant is rehired during the same plan Year in which termination of employment occurs, and such former Participant had revoked existing Benefit elections and terminated the receipt of benefits at the time of termination of employment, then such rehired former Participant shall be prohibited from making new Benefit elections for the remaining portion of the Plan Year.

**2.1 EFFECTIVE DATE OF PARTICIPATION**

An Eligible Employee shall become a Participant effective as of the entry date under the Employer's group medical plan, the provisions of which are specifically incorporated herein by reference, unless such Employee elects, during the Election Period, not to participate in the Plan.

**2.3 TERMINATION OF PARTICIPATION**

A Participant shall no longer participate in this Plan upon the occurrence of any of the following events:

- (a) His termination of employment, subject to the provisions of Section 2.4;

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

(b) His death; or

(c) The termination of this Plan subject to the provisions of Section 8.2.

**2.4 TERMINATION OF EMPLOYMENT**

If a Participant terminates employment with the Employer for any reason other than death, his participation in the Plan shall be governed in accordance with the following:

(a) With regard to Insurance Benefits provided under Section 4.1, the Participant's participation in the Plan shall cease, subject to the Participant's right to continue converge under any Insurance Contract for which premiums have already been paid.

(b) This Section shall be applied and administered consistent with such further rights a Participant and his Dependents may be entitled to pursuant to Code Section 4980B and Section 9.14 of the Plan.

**ARTICLE III  
CONTRIBUTIONS TO THE PLAN**

**3.1 SALARY REDIRECTION**

Benefits under the plan shall be financed by Salary Redirections sufficient to support Benefits that a participant has elected hereunder and to pay the Participant's Premium expenses. For new Participants, the Salary Redirection Agreement shall only be applicable from the first day of the pay period following the Employee's entry date up to and including the last day of the Plan Year.

Any Salary Redirection shall be determined prior to the beginning of a plan Year (subject to initial elections pursuant to Section 5.1) and prior to the end of the Election Period and shall be irrevocable for such Plan Year. However, a Participant may revoke a Benefit election or a Salary Redirection Agreement, after the Plan Year has commenced and make a new election with respect to the remainder of the Plan Year, if both the revocation and the new election are on account of and consistent with a change in family status and such other permitted events as determined under Article V of the Plan and consistent with the rules and regulations of the Department of the Treasury. Salary Redirection amounts shall be contributed on a pro rata basis for each pay period during the Plan Year. All individual Salary Redirection Agreements are deemed to be part of this Plan and incorporated by reference hereunder.

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

**3.2 APPLICATION OF CONTRIBUTIONS**

As soon as reasonably practical after each payroll period, the Employer shall apply the Salary Redirection to provide the Benefits elected by the affected Participants.

**3.3 PERIODIC CONTRIBUTIONS**

Notwithstanding the requirement provided above and in other Articles of this Plan that Salary Redirections be contributed to the Plan by the Employer on behalf of an Employee on a level and pro rata basis for each payroll period, the Employer and Administrator may implement a procedure in which Salary Redirections are contributed throughout the Plan Year on a periodic basis that is not pro rata for each payroll period.

**ARTICLE IV  
BENEFITS**

**4.1 BENEFIT OPTIONS**

Each Participant shall have a sufficient portion of his Salary Redirections applied to the following insured benefits unless the Participant elects not to receive such benefits:

- (1) Health Insurance Benefit
- (2) Dental Insurance Benefit
- (3) Cash Benefit

**4.2 HEALTH INSURANCE BENEFIT**

(a) Each Participant may elect to be covered under a health and hospitalization Contract for the Participant, his or her spouse, and his or her Dependents.

(b) The Employer may select suitable health and hospitalization Contracts for use in providing this health insurance benefit, which policies will provide uniform benefits for all Participants electing this Benefit.

(c) The rights and conditions with respect to the benefits payable from such health and hospitalization Contract shall be determined therefrom, and such Contract shall be incorporated herein by reference.

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

**4.4 CASH BENEFIT**

If a Participant elects not to participate in the Plan, such Participant shall be deemed to have chosen the Cash Benefit as his sole Benefit option.

**4.5 NONDISCRIMINATION REQUIREMENTS**

(a) It is the intent of this Plan to provide benefits to a classification of employees which the Secretary of the Treasury finds not to be discriminatory in favor of the group in whose favor discrimination may not occur under Code Section 125.

(b) It is the intent of this Plan not to provide qualified benefits as defined under Code Section 125 to Key Employees in amounts that exceed 25% of the aggregate of such Benefits provided for all Eligible Employees under the Plan. For purposes of the preceding sentence, qualified benefits shall not include benefits which (without regard to this paragraph) are includable in gross income.

(c) If the Administrator deems it necessary to avoid discrimination or possible taxation to Key Employees or a group of employees in whose favor discrimination may not occur in violation of Code Section 125, it may, but shall not be required to, reduce contributions or non-taxable Benefits in order to assure compliance with this Section. Any act taken by the Administrator under this Section shall be carried out in a uniform and nondiscriminatory manner. If the Administrator decides to reduce contributions or non-taxable Benefits, it shall be done in the following manner. First, the non-taxable Benefits of the affected Participant (either an employee who is highly compensated or a Key Employee, whichever is applicable) who has the highest amount of non-taxable benefits reduced until the discrimination tests set forth in this Section are satisfied or until the amount of his non-taxable Benefits equals the non-taxable Benefits of the affected Participant who has the second highest amount of non-taxable Benefits. This process shall continue until the nondiscrimination tests set forth in this Section are satisfied. With respect to any affected Participant who has had Benefits reduced pursuant to this Section, the reduction shall be made proportionately among insured or self-funded Benefits. Contributions which are not utilized to provide Benefits to any Participant by virtue of any administrative act under this paragraph shall be forfeited and deposited into the benefit plan surplus.

**ARTICLE V  
PARTICIPANT ELECTIONS**

**5.1 INITIAL ELECTIONS**

An Employee who meets the eligibility requirements of Section 2.1 on the first day of, or during, a Plan Year may elect not to participate in this Plan for all or the remainder of such Plan Year, provided he elects to do so before his effective date of participation pursuant to Section 2.2.

However, if such Employee does not complete an election not to participate and deliver it to the



**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

Administrator before such date, his Election Period shall extend 30 calendar days after such date, or for such further period as the Administrator shall determine and apply on a uniform and non-discriminatory basis. However, any election during the extended 30-day election period pursuant to this Section 5.1 shall not be effective until the first pay period following the later of such Participant's effective date of participation pursuant to Section 2.2 or the date of the receipt of the election form by the Administrator.

**5.2 SUBSEQUENT ANNUAL ELECTIONS**

During the Election Period prior to each subsequent Plan Year, each Participant shall be given the opportunity to elect not to participate in the Plan on an election of benefits form to be provided by the Administrator, which Benefit options he wishes to select and purchase with his Salary Redirections. With regard to subsequent annual elections, the following options shall apply:

(a) A Participant or Employee who elected not to participate may elect to participate for the next Plan Year.

(b) A Participant may terminate his participation in the Plan by notifying the Administrator in writing during the Election Period that he does not want to participate in the Plan for the next Plan Year.

(c) An Employee who elects not to participate for the Plan Year following the Election Period will have to wait until the next Election Period before again electing to participate in the Plan.

**5.3 CHANGE OF ELECTIONS**

(a) Any Participant may change a Benefit election after the Plan Year (to which such election relates) has commenced and make new elections with respect to the remainder of such Plan Year if the changes are necessitated by and are consistent with a change in family status which is acceptable under rules and regulations adopted by the Department of the Treasury. Benefit election changes are consistent with family status changes only if the election changes are necessary or appropriate as a result of the family status change. Any new election under this Section 5.3 shall be effective at such time as the Administrator shall prescribe, but not earlier than the first pay period beginning after the election form is completed and returned to the Administrator. For the purposes of this paragraph, the following events shall be considered examples of a change in family status:

- (1) The marriage or divorce of the Participant;
- (2) The birth or adoption of a child by the Participant;
- (3) The death of the Participant's spouse or a Dependent;

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

- (4) The termination or commencement of employment of the Participant's spouse;
- (5) The switching from part-time to full-time employment status (or from full-time to part-time status) by the Participant or the Participant's spouse;
- (6) The taking of a unpaid leave of absence by the Participant or the Participant's spouse; or
- (7) A significant change in health coverage attributable to the spouse's employment.

**ARTICLE VI  
ERISA PROVISIONS**

**6.1 CLAIM FOR BENEFITS**

(a) Any claim for Benefits underwritten by an Insurance Contract shall be made to the Insurer. If the Insurer denies any claim, the Participant or beneficiary shall follow the Insurer's claims review procedure. Any other claim for Benefits shall be made to the Administrator. If the Administrator denies a claim, the Administrator may provide notice to the Participant or beneficiary, in writing, within 90 days after the claim is filed unless special circumstances require an extension of time for processing the claim. If the Administrator does not notify the Participant of the denial of the claim within the 90-day period specified above, then the claim shall be deemed denied. The notice of a denial of a claim shall be written in a manner calculated to be understood by the claimant and shall set forth:

- (1) Specific references to the pertinent Plan provisions on which the denial is based;
- (2) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation as to why such information is necessary; and
- (3) An explanation of the plan's claim procedure.

(b) Within 60 days after receipt of the above material, the claimant shall have a reasonable opportunity to appeal the claim denial to the Administrator for a full and fair review. The claimant or his duly authorized representative may:

- (1) Request a review upon written notice to the Administrator;
- (2) Review pertinent documents; and

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

(3) Submit issues and comments in writing.

(c) A decision on the review by the Administrator will be made not later than 60 days after receipt of a request for review, unless special circumstances require an extension of time for processing (such as the need to hold a hearing), in which event a decision should be rendered as soon as possible, but in no event later than 120 days after such receipt. The decision of the Administrator shall be written and shall include specific reasons for the decision, written in a manner calculated to be understood by the claimant, with specific references to the pertinent Plan provisions on which the decision is based.

**6.2 NAMED FIDUCIARY**

The Administrator shall be the named fiduciary pursuant to ERISA Section 402 and shall be responsible for the management and control of the operation and administration of the Plan.

**6.3 GENERAL FIDUCIARY RESPONSIBILITIES**

The Administrator and any other fiduciary under ERISA shall discharge their duties with respect to this Plan solely in the interest of the Participants and their beneficiaries, and

(a) For the exclusive purpose of providing Benefits to Participants and their beneficiaries and defraying reasonable expenses of administering the Plan;

(b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and

(c) In accordance with the documents and instruments governing the Plan insofar as such documents and instruments are consistent with ERISA.

**6.4 NONASSIGNABILITY OF RIGHTS**

The right of any Participant to receive any reimbursement under the Plan shall not be alienable by the Participant by assignment or any other method, and shall not be subject to the rights of creditors, and any attempt to cause such right to be so subjected shall not be recognized, except to such extent as may be required by law.

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

**ARTICLE VII  
ADMINISTRATION**

**7.1 PLAN ADMINISTRATION**

The operation of the Plan shall be under the supervision of the Administrator. It shall be a principal duty of the Administrator to see that the Plan is carried out in accordance with its terms, and for the exclusive benefit of Employees entitled to participate in the Plan. The Administrator shall have full power to administer the Plan in all of its details, subject, however, to the pertinent provisions of the Code. The Administrator's powers shall include, but shall not be limited to, the following authority, in addition to all other powers provided by this Plan:

(a) To make and enforce such rules and regulations as the Administrator deems necessary or proper for the efficient administration of the Plan;

(b) To interpret the Plan, the Administrator's interpretations thereof in good faith to be final and conclusive on all persons claiming benefits under the Plan;

(c) To decide all questions concerning the Plan and the eligibility of any person to participate in the Plan and to receive benefits provided under the Plan;

(d) To reject elections or to limit contributions or Benefits for certain highly compensated participants if it deems such to be desirable in order to avoid discrimination under the Plan in violation of applicable provisions of the Code;

(e) To provide Employees with a reasonable notification of their benefits available under the Plan;

(f) To appoint such agents, counsel, accountants, consultants, and actuaries as may be required to assist in administering the Plan.

Any procedure, discretionary act, interpretation, or construction taken by the Administrator shall be done in a nondiscriminatory manner based upon uniform principles consistently applied and shall be consistent with the intent that the Plan shall continue to comply with the terms of Code Section 125 and the Treasury regulations thereunder.

**7.2 EXAMINATION OF RECORDS**

The Administrator shall make available to each Participant, Eligible Employee, and any other Employee of the Employer such records as pertain to their interest under the Plan for examination at reasonable times during normal business hours.

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

**7.3 PAYMENT OF EXPENSES**

Any reasonable administrative expenses shall be paid by the Employer unless the Employer determines that administrative costs shall be borne by the Participants under the plan or by any Trust Fund which may be established hereunder. The Administrator may impose reasonable conditions for payments, provided that such conditions shall not discriminate in favor of highly compensated employees.

**7.4 INSURANCE CONTROL CLAUSE**

In the event of a conflict between the terms of this Plan and the terms of an Insurance Contract of an independent third party Insurer whose product is then being used in conjunction with this Plan, the terms of the Insurance Contract shall control as to those Participants receiving coverage under such Insurance Contract. For this purpose, the Insurance Contract shall control in defining the persons eligible for insurance, the dates of their eligibility, the conditions which must be satisfied to become insured, if any, the benefits Participants are entitled to and the circumstances under which insurance terminates.

**7.5 INDEMNIFICATION OF ADMINISTRATOR**

The Employer agrees to indemnify and to defend to the fullest extent permitted by law any Employee serving as the Administrator or as a member of a committee designated as Administrator (including any Employee or former Employee who previously served as Administrator or as a member of such committee) against all liabilities, damages, costs, and expenses (including attorney's fees and amounts paid in settlement of any claims approved by the Employer) occasioned by any act or omission to act in connection with the Plan, if such act or omission is in good faith.

**ARTICLE VIII  
AMENDMENT OR TERMINATION OF PLAN**

**8.1 AMENDMENT**

The Employer, at any time or from time to time, may amend any or all of the provisions of the Plan without the consent of any Employee or Participant. No amendment shall have the effect of modifying any benefit election of any Participant in effect at the time of such amendment, unless such amendment is made to comply with Federal, state, or local laws, statutes or regulations.

**8.2 TERMINATION**

The Employer is establishing this Plan with the intent that it will be maintained for an indefinite period of time. Notwithstanding the foregoing, the Employer reserves the right to terminate the Plan, in whole or in part, at any time. In the event the Plan is terminated, no further

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

contributions shall be made. Benefits under any Insurance Contract shall be paid in accordance with the terms of the Contract.

**ARTICLE IX  
MISCELLANEOUS**

**9.1 PLAN INTERPRETATION**

All provisions of this Plan shall be interpreted and applied in a uniform, nondiscriminatory manner. This Plan shall be read in its entirety and not severed except as provided in Section 9.12.

**9.2 GENDER AND NUMBER**

Wherever any words are used herein in the masculine, feminine, or neuter gender, they shall be construed as though they were also used in another gender in all cases where they would so apply, and whenever any words are used herein in the singular or plural form, they shall be construed as though they were also used in the other form in all cases where they would so apply.

**9.3 WRITTEN DOCUMENT**

This Plan, in conjunction with any separate written document which may be required by law, is intended to satisfy the written Plan requirement of Code Section 125 and any Treasury regulations thereunder relating to cafeteria plans.

**9.4 EXCLUSIVE BENEFIT**

This Plan shall be maintained for the exclusive benefit of the Employees who participate in the Plan.

**9.5 PARTICIPANT'S RIGHTS**

This Plan shall not be deemed to constitute an employment contract between the Employer and any Participant or to be a consideration or an inducement for the employment of any Participant or Employee. Nothing contained in this Plan shall be deemed to give any Participant or Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discharge any Participant or Employee at any time regardless of the effect which such discharge shall have upon him as a Participant of this Plan.

**9.6 ACTION BY THE EMPLOYER**

Whenever the Employer under the terms of the Plan is permitted or required to do or perform any act or matter or thing, it shall be done and performed by a person duly authorized by its

legally constituted authority.

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

**9.7 EMPLOYER'S PROTECTIVE CLAUSES**

(a) Upon the failure of either the Participant or the Employer to obtain the insurance contemplated by this Plan (whether as a result of negligence, gross neglect or otherwise), the Participant's Benefits shall be limited to the insurance premium, if any, that remained unpaid for the period in question and the actual insurance proceeds, if any, received by the Employer or the Participant as a result of the Participant's claim.

(b) The Employer's liability to the Participant shall only extend to and shall be limited to any payment actually received by the Employer from the Insurer. In the event that the full insurance Benefit contemplated is not promptly received by the Employer within a reasonable time after submission of a claim, then the Employer shall notify the Participant of such facts and the Employer shall no longer have any legal obligation whatsoever (except to execute any document called for by a settlement reached by the Participant). The Participant shall be free to settle, compromise, or refuse to pursue the claim as the Participant, in his sole discretion, shall see fit.

(c) The Employer shall not be responsible for the validity of any Insurance Contract issued hereunder or for the failure on the part of the Insurer to make payments provided for under any Insurance Contract. Once insurance is applied for or obtained, the Employer shall not be liable for any loss which may result from the failure to pay Premiums to the extent Premium notices are not received by the Employer.

**9.8 NO GUARANTEE OF TAX CONSEQUENCES**

Neither the Administrator nor the Employer makes any commitment or guarantee that any amounts paid to or for the benefit of a Participant under the Plan will be excludable from the Participant's gross income for federal or state income tax purposes, or that any other federal or state tax treatment will apply to or be available to any Participant. It shall be the obligation of each Participant to determine whether each payment under the Plan is excludable from the Participant's gross income for federal and state income tax purposes, and to notify the Employer if the Participant has reason to believe that by such payment is not so excludable. Notwithstanding the foregoing, the rights of Participants under this Plan shall be legally enforceable.

**9.9 INDEMNIFICATION OF EMPLOYER BY PARTICIPANTS**

If any Participant receives one or more payments or reimbursements under the Plan that are not for a permitted Benefit, such Participant shall indemnify and reimburse the Employer for any liability it may incur for failure to withhold federal or state income tax or Social Security tax from such payments or reimbursements. However, such indemnification and reimbursement shall not exceed the amount of additional federal and state income tax (plus any penalties) that the Participant would have owed if the payments or reimbursements had been made to the Participant

as regular cash compensation, plus the Participant's share of any Social Security tax that would have been paid



**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

on such compensation, less any such additional income and Social Security tax actually paid by the Participant.

**9.10 FUNDING**

Unless otherwise required by law, contributions to the Plan need not be placed in trust or dedicated to a specific Benefit, but may instead be considered general assets of the Employer until the Premium Expense required under the Plan has been paid. Furthermore, and unless otherwise required by law, nothing herein shall be construed to require the Employer or the Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in, any fund, account or asset of the Employer from which any payment under the plan may be made.

**9.11 GOVERNING LAW**

This Plan is governed by the Code and the Treasury regulations issued thereunder (as they might be amended from time to time). In no event shall the Employer guarantee the favorable tax treatment sought by this Plan. To the extent not preempted by Federal law, the provisions of this Plan shall be construed, enforced, and administered according to the laws of the State of Connecticut.

**9.12 SEVERABILITY**

If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

**9.13 CAPTIONS**

The captions contained herein are inserted only as a matter of convenience and for reference, and in no way define, limit, enlarge, or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

**9.14 CONTINUATION OF COVERAGE**

Notwithstanding anything in the Plan to the contrary, in the event any benefit under this Plan subject to the continuation coverage requirement of Code Section 4980B becomes unavailable, each Participant will be entitled to continuation coverage as prescribed in Code Section 4980B.

**90. CITY OF GROTON PREMIUM CONVERSION PLAN  
(SEPTEMBER 20, 1993)**

IN WITNESS WHEREOF, this Plan document is hereby executed this 22<sup>nd</sup> day of September, 1993.

Initially approved: August 19, 1993  
Finally approved: September 20, 1993

  
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Catherine S. Kolnaski, Mayor

  
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Debra E. Dickey, City Clerk