

**SUMMARY OF MATERIAL MODIFICATIONS
for the
CHAMPAIGN COUNTY SECTION 125 PLAN**

This is a Summary of Material Modifications regarding the above referenced Plan ("Plan"). This Summary of Material Modifications supplements and amends the Summary Plan Description (SPD) previously provided to you. You should retain this document with your copy of the SPD.

The legal name, address and Federal Employer identification number of the Employer are:

CHAMPAIGN COUNTY
1776 E. WASHINGTON
URBANA, IL 61802

EIN: 37-6006910

The Employer has amended your Plan effective as of April 1, 2009 to allow the following:

Special Enrollment Rights under SCHIP

Generally, you cannot change the elections you have made after the beginning of the Plan Year. However, there are certain limited situations when you can change your elections. Federal law provides Special Enrollment provisions under some circumstances.

If an Employee has declined enrollment in the Plan for him or herself or his or her dependents (including a spouse) because of coverage under Medicaid or the Children's Health Insurance Program, there may be a right to enroll in this Plan if there is a loss of eligibility for the government-provided coverage. However, a request for enrollment must be made within 60 days after the government-provided coverage ends.

In addition, if an Employee has declined enrollment in the Plan for him or herself or his or her dependents (including a spouse), and later becomes eligible for state assistance through a Medicaid or Children's Health Insurance Program which provides help with paying for Plan coverage, then there may be a right to enroll in this Plan. However, a request for enrollment must be made within 60 days after the determination of eligibility for the state assistance.

If you have any questions regarding the application of this provision to you, contact the Plan Administrator.

The Employer has amended your Plan effective as of the first period of COBRA continuation coverage starting on or after February 18, 2009 but not later than March 1, 2009 to allow the following:

COBRA Provisions under ARRA

The 2009 American Recovery and Reinvestment Act (ARRA) provides for a reduction of COBRA premiums for group health plans other than health flexible spending accounts. If you are an "assistance eligible individual," there will be a 65% reduction in your COBRA premiums for up to nine months. An "assistance eligible individual" is a qualified beneficiary who:

- Becomes eligible for COBRA coverage at any time during the period beginning September 1, 2008 and ending on December 31, 2009 and:
 - Elected coverage during the original COBRA election period; or
 - Elects COBRA within 60 days of receiving the additional COBRA election notice described below; AND

- The COBRA qualifying event is the employee's involuntary termination during the period of September 1, 2008 to December 31, 2009.

However, if you are eligible for other group health coverage, including a spouse's plan or Medicare, you are not eligible for the premium reduction. There is also no premium reduction for periods of coverage that started prior to February 17, 2009.

If you have already elected COBRA, you must apply for the premium reduction. You will receive a notice from the Plan describing how to apply.

If your qualifying event was an involuntary termination that occurred on or after September 1, 2008 and before February 17, 2009, and you either did not elect COBRA during your original COBRA election period, or you elected COBRA and then dropped the coverage, you may have the right to elect COBRA now at the reduced premium rate. You will receive an additional COBRA election notice from the Plan describing how to apply for this coverage. If this second election period applies to you and you elect COBRA within the 60 day election period, then any gap in coverage from the date of your original qualifying event and the effective date of your COBRA coverage will be disregarded for purposes of determining any pre-existing conditions limitations that may apply.

If you are determined to be eligible for the reduced premium and you become eligible for any other core group health coverage or Medicare, you MUST notify the Plan in writing. If you do not, you may be subject to a tax penalty equal to 110% of the premium reduction.

You should note that electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.

You should also know that the amount of the premium reduction is phased out for certain high income individuals. If the amount you earn for the year is more than \$125,000 (or \$250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. However, your waiver is irrevocable and permanent, which may affect your ability to claim the premium reduction in the next tax year.

For more information, consult your tax preparer or visit the IRS webpage on ARRA at <http://www.irs.gov/newsroom>

If you request to be treated as an assistance eligible individual and are denied this treatment, you have a right to appeal to the Department of Labor. For more information regarding the appeal process visit the DOL webpage at <http://www.dol.gov/ebsa/cobra.html> or contact the US Department of Labor's Employee Benefit Security Administration (EBSA) at 1-866-444-3272. State and local government employees should contact HHS-CMS at <http://www.cms.hhs.gov/COBRAContinuationofCov/>