

Monday, October 12, 2015

Pyramid Consulting International
Pyramid Consulting International
Sherif Farghal
2350 Green Rd, Suite 175C

Dear Pyramid Consulting International :

The health and other welfare benefit programs sponsored by your Company are governed by and subject to a myriad of state and federal laws, including the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and the Internal Revenue Code. To assist you in meeting obligations under ERISA and the Code, we make available to our employer-members the following documents:

1. **A Welfare Benefit Plan, which includes a Basic Summary Plan Description and Legal Wrap Plan Document, and an Adoption Agreement.** The purposes of the Basic Plan and Adoption Agreement documents are three-fold (i) assist our employer-members with satisfying their disclosure requirements under ERISA; (ii) include employer-favorable provisions which clearly define eligibility, periods of coverage, the employer’s broad discretion to interpret the terms of and amend or terminate its benefit programs at any time and other similar provisions, and (iii) wrap the health and welfare programs together into a single plan document for annual reporting purposes. The Basic Plan Document and Adoption Agreement should be duly adopted by the employer-member (e.g. through Board of Director’s Resolutions, a sample of which is attached to the Adoption Agreement).

A specific description of covered and excluded benefits as well as a description of any additional terms and conditions to receive such benefits will be contained in separate Benefit Guides/Materials that are prepared by the insurance carrier or service provider for each of the underlying group health and/or other welfare benefit programs maintained by the employer-sponsor. Accordingly, the combined formal plan document and SPD for your health and welfare programs is comprised of these three separate parts: (i) the Basic Plan Document; (ii) the Adoption Agreement; and (iii) the Benefit Guides/Materials. All three parts should be furnished to plan participants to meet your ERISA requirement to furnish an SPD to them.

2. **A Cafeteria Plan, which includes a Basic Plan Document and Adoption Agreement.**

These documents are intended to satisfy the IRS’ requirement to maintain a separate formal plan document that complies with Code Section 125, whenever an employer-

member permits employees to pay a share of their premium costs under health and welfare programs with pre-tax dollars or offers its employees a taxable opt-out cash payment in lieu of the employee receiving non-taxable coverage under a benefit program. We also provide employer-members with sample election forms for employees to make appropriate benefit elections for a Plan Year. The employer-sponsor also must duly adopt (e.g. via board of director's resolution) these Cafeteria Plan documents (but only need to furnish a copy of them to a plan participant upon his/her written request).

Important: It is your responsibility, in consultation with your own legal advisor or benefit consultant, to assess if these documents are appropriate for your company and benefit programs. We cannot guarantee that the documents accurately reflect your particular benefit program or unique plan design. Nor can we make any representations as to the legality or sufficiency of these documents, especially if you or your attorney attempt to modify it in any way. Finally, we strongly recommend that you take care to fully and accurately complete the Adoption Agreements for the Welfare Benefit Plan and the Cafeteria Plan, as they will become integral parts of your benefit documents that you provide to your employees and we cannot control the reliability of the information you provide.

Please also understand that these documents are not intended to meet all of your company's and its benefit programs' obligations under law. The state and federal requirements are increasingly complex and numerous and may impose penalties for failure to comply. We have available for your consideration a Compliance Checklist to help identify areas where you need help. We are not attorneys or third party administrators and, consequently, MBPA cannot and will not be responsible for ensuring your compliance with these laws. We can refer you to ERISA/Employee Benefits counsel if you need additional assistance. You also can visit the Department of Labor's website (<http://www.dol.gov/ebsa/>) which makes available a number of reporting and disclosure compliance tools and materials.

If you have any questions regarding the Summary Plan Description, including how to complete the Adoption Agreement, please do not hesitate to let us know.

Very Truly Yours,



President & CEO
Michigan Business & Professional Association
Michigan Food & Beverage Association