LETTER OF AGREEMENT

Whereas, the FFA desires to extend the definition of persons eligible for certain benefits to "Other Eligible Adults" or "OEA";

Whereas, the University agrees to do so along the following terms and conditions;

THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. This Letter of Agreement shall commence when it has been signed by all necessary parties and shall expire at midnight on June 30, 2010.

2. Open Enrollment for OEA shall begin as soon as practicable after this Letter of Agreement has been fully executed.

3. Initially the decision of whether a Member’s OEA is eligible for this Program shall be made by the Associate Vice President for Human Resources. A Member may appeal the decision according to the normal process for appealing such decisions.

4. The following Program Summary and Enrollment Form outlines the terms and conditions of the Program and eligibility under the Program.

Other Eligible Adult Health Care Plan (Medical, Hospitalization, Vision, Dental, and Prescription Drug) Program Summary and Enrollment Form

A program effective as soon as practicable, that changes the eligibility criteria for enrollment in its health care plan(s) (medical, hospitalization, vision, dental, and prescription drug, hereinafter referred to as "health care plan"). Individuals are strongly encouraged not to forego health and/or dental coverage that may be available to them from other sources. The University reserves complete discretion to determine how the below-listed eligibility criteria and disqualifications will be applied during the program, and the documentation required in connection with enforcement. The University also reserves the right to modify, suspend or terminate this program if required by law to do so.

Under the program, an employee in the bargaining unit represented by the FFA ("Member") may enroll one (1) "other eligible adult" ("OEA") in an FSU-sponsored health care plan available to Members, but only if ALL of the following OEA eligibility criteria are met:

- The Member is eligible for and enrolled in the FSU-sponsored health care plan;
- The Member does not have a current or former spouse who is enrolled in any FSU-sponsored health care plan or receiving any consideration to "opt-out" of any such FSU-sponsored plan, if such enrollment or "opt-out" is based upon any relationship with the Member seeking to designate the OEA;
- The OEA is an adult under Michigan law;
- The OEA currently resides in the same residence as the Member and has done so for the last 18 continuous months.¹

¹ Numerous factors may be considered in determining residency, including such items as: (1) location of a person’s principal residence; (2) address listed on a person’s driver’s license and any changes; (3) registration address of a person’s vehicle(s); (4) address of a person’s professional license(s); (5) address where a person is registered to
• The OEA is not a tenant of the Member, and the Member is not a tenant of the OEA;
• The OEA is not a "dependent" of the Member as defined by the IRS; and the Member is not a "dependent" of the OEA; and
• The OEA is not eligible to inherit from the Member, or from the Member's current or former spouse, under the laws of intestate succession in the State of Michigan (This provision does not preclude the Member from naming the OEA in his or her estate plan).

Eligibility to continue coverage for an OEA ceases at the end of the month in which anyone or more of the eligibility criteria are not met.

The following individuals are disqualified from eligibility as an OEA under this program:

• The current or former spouse of the Member
• The children (including adopted, step- and foster children) of the Member or of the Member's current or former spouse, and their descendents (e.g., children, grandchildren, etc.)
• The parents (including adopted, step- and foster parents) of the Member or of the Member's current or former spouse, and their descendents (e.g., the Member's siblings, nieces, nephews, in-laws, etc.)
• The grandparents of the Member or of the Member's current or former spouse, and their descendents (e.g., aunts, uncles, cousins, etc.)
• The Member's renters, boarders, tenants, landlord, etc.

Eligibility to continue coverage for an OEA ceases immediately upon an OEA becoming disqualified.

An OEA's children (including adopted, step- and foster children) who are qualified and claimed as IRS-defined dependents by the Member's eligible and enrolled OEA are also eligible for health care benefits in the same plan if they are members of the Member's household and under the age of 19 or a full-time student (as defined in the applicable health care plan) and they are unmarried (up to age 23 if an IRS-defined dependent). Such children's eligibility to continue coverage ceases immediately upon the OEA or the child becoming ineligible or disqualified.

Members must notify FSU Human Resources/Benefits in writing of any change in eligibility status or any disqualification, within 15 days after the relevant event.

The OEA enrollment form can be submitted only during the regular open enrollment period, or within 30 days after all of the eligibility criteria are first met, or within 30 days after an eligible OEA involuntarily loses health care benefits sponsored by another employer (a special enrollment event).

vote; (6) location of the bank(s) where a person maintains accounts and statement address on same; (6) address on checking account, credit accounts/cards, etc. There will not be determined to be a break in residency if the OEA temporarily resides in the FSU employee's and OEA's former residence to sell a home or to stay with minor children to complete the current school year.

\footnote{A former spouse may be eligible as an OEA if after the divorce the former spouse becomes eligible again under the eligibility requirements above. The period of continuous residence must begin again after the divorce.}
I wish to enroll the following Other Eligible Adult (OEA) and OEA's children:

OEA:

<table>
<thead>
<tr>
<th>Name</th>
<th>Birthdate</th>
<th>Social Security #</th>
</tr>
</thead>
</table>

Children:

<table>
<thead>
<tr>
<th>Name</th>
<th>Birthdate</th>
<th>Social Security #</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Birthdate</td>
<td>Social Security #</td>
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<td>Name</td>
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</tr>
<tr>
<td>Name</td>
<td>Birthdate</td>
<td>Social Security #</td>
</tr>
</tbody>
</table>

I certify that the OEA named above currently meets the OEA eligibility criteria for the program and that neither the OEA nor any of the OEA's listed children is disqualified from eligibility as described above. I understand that I am responsible for immediately notifying FSU in writing if my OEA or any of my OEA's children ceases to satisfy one or more of the eligibility criteria or if my OEA should be disqualified from eligibility under the program. I understand that I am responsible for any premium co-pays attributable to participation of my OEA or my OEA's children in any FSU-sponsored health care plan, and for all costs and expenses attributable to participation by an OEA or OEA's children who are ineligible, and I authorize FSU to deduct such premium co-pays, costs and expenses from my periodic pay. I understand that state and or federal law may not recognize "Other Eligible Adults" as being qualified for tax exempt status regarding the employer paid benefit. Therefore, I understand that the value of the health care coverages is subject to income tax and FICA taxes and will be reported as income on my W-2 form. I have been advised to consult with my own tax counsel at my own expense to determine the tax implications of the receipt of these benefits. I also understand that I will be responsible for paying any taxes associated with enrolling my OEA and my OEA's children. I also understand that in addition to all of the above that an OEA must meet the requirements of the insurance carrier to be eligible for insurance benefits.

Any information falsified on this document may result in discipline up to and including termination from employment.

<table>
<thead>
<tr>
<th>Employee Name (please print)</th>
<th>Birthdate</th>
<th>Social Security #</th>
</tr>
</thead>
</table>

Signature: ___________________________  
Date: ____________________________

FOR THE UNION/DATE:  
[Signature]  12/23/09  
Date

FOR THE EMPLOYER/DATE:  
[Signature]  12/22/09  
Date  
Fritz Erickson, Provost and Vice President for Academic Affairs

[Signature]  12/22/09  
Date  
David Eisler, President