

**GIGA, INC. CAFETERIA PLAN
ELECTION FORM FOR INSURANCE BENEFITS
PLAN YEAR 1/1/2017 – 12/31/2017**

Name _____ Soc Sec No _____ - _____ - _____

As an eligible employee in the above Plan, and in accordance with my rights under the Plan, I make the following elections for the Plan Year specified above.

ELECTION FOR INSURANCE BENEFITS

☐ **YES** I elect to have my total amount for eligible insurance coverage reduced from my gross pay on a pre-tax basis on each pay period continuing in effect, for all future plan years unless changed or eliminated by a new election.

☐ **NO** I do not elect to participate in the Cafeteria Plan. I do not want my insurance deductions reduced from my gross pay on a pre-tax basis on each pay period.

OTHER TERMS AND CONDITIONS

I understand that:

- I cannot change or revoke any of my elections or this compensation reduction agreement at any time during the Plan Year unless I have a change in status and my election is consistent with such change.
- The Plan Administrator may reduce or cancel my compensation reduction or otherwise modify this agreement in the event he believes it advisable in order to satisfy certain provisions of the Internal Revenue Code.
- The reduction in my cash compensation under this agreement shall be in addition to any reductions under other agreements or benefit programs maintained by my Employer.
- Any amounts that are not used during a Plan Year to provide benefits will be forfeited and may not be paid to me in cash or used to provide benefits specifically for me in a later Plan Year.
- This agreement will automatically terminate if the Plan is terminated, discontinued, or if I cease to receive compensation from the Company.
- My employer cannot be responsible for any tax liabilities which may subsequently occur as a result of my Cafeteria Plan participation.
- This is a pay reduction plan, and may result in reduced Social Security Benefits in the future.

Prior to the first day of each Plan Year I will be offered the opportunity to change my benefit elections for the following Plan Year.

If I do not complete and return a new election form at that time, I will be treated as having elected to continue my insured benefit elections then in effect for the new Plan Year but not my non-insured benefits. In addition, this compensation reduction agreement will continue by its terms in the amount of the required contribution for the insured benefit option.

THIS AGREEMENT IS SUBJECT TO THE TERMS OF THE EMPLOYER'S CAFETERIA PLAN, AS AMENDED FROM TIME TO TIME IN EFFECT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH APPLICABLE LAWS, SHALL TAKE EFFECT AS A SEALED INSTRUMENT UNDER APPLICABLE LAWS, AND REVOKES ANY PRIOR ELECTION AND COMPENSATION REDUCTION AGREEMENT RELATING TO SUCH PLAN.

Signature of Employee

Date