

Amendment

WHEREAS, under IRS Notice 2013-71, a flexible spending account may be amended to permit a carry-over to the next plan year of up to \$500 of unused participant account balances, and

WHEREAS, Employer wishes to amend its Section 125 plan to permit the carry-over feature authorized under IRS Notice 2013-71.

IT IS AGREED that the Flexible Benefits Plan Basic Document and Medical Expense Reimbursement Plan (Exhibit A) are amended as follows:

- 1. Section 6.10 of the Flexible Benefits Plan Basic Document is deleted and the following is substituted in its place:

6.10 Forfeiture. Once an election is made regarding specific types and amounts of benefits under this Plan, Benefit Dollars may be used only to purchase or provide those benefits. Unless otherwise elected by Employer on the Adoption Agreement, **if any balance remains in the Participant's Flexible Benefit Account for a Plan Year after all reimbursements have been made for the Plan Year, such balance shall not be carried over to reimburse the Participant for expenses incurred during a subsequent Plan Year. The Participant shall forfeit all rights with respect to such balance, except that no carry-over of unused amounts held in a Participant's Medical Care Expense Reimbursement Account at the end of a Plan Year as permitted under IRS Notice 2013-71 shall be permitted for any Plan Year in which the Plan allows a grace period that extends beyond the last day of the Plan Year.** All forfeitures under this Plan shall be used to offset any losses experienced by the Employer during the Plan Year as a result of making reimbursements (i.e., providing benefits) with respect to any Participant in excess of the premiums paid by such Participant via salary reductions, and then to reduce the Employer's cost of administering this Plan during the Plan Year. Any unused forfeitures shall be used to reduce the Employer's costs or to provide additional benefits in the following Plan Year.

This shall be effective:

- for the 2013 Plan Year for Plan Years beginning on or after January 1, 2014

- 2. The section of the Medical Care Expense Reimbursement Plan entitled "Forfeitures" is deleted and the following is substituted in its place:

Forfeiture

Any balance remaining in Participant's Account at the end of a Plan Year will be forfeited to Employer unless the Employer elects, in the Adoption Agreement, to permit a carry-over balance of unused amounts credited to a Participant's Medical Care Expense Reimbursement Account as authorized under IRS Notice 2013-71. No such carry-over shall be permitted for any Plan Year in which the Plan utilizes a grace period that extends beyond the last day of such Plan Year.

Signed this 27 day of December, 2013.

By: [Signature]
For Employer

PRINT NAME AND TITLE: CAROL HIGERZA Business Administrator