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**Olympia School District #16
Flexible Benefit Plan Amendment
Effective September 1, 2014**

BY THIS AGREEMENT, the Employer, Olympia School District #16 adopts this amendment to the Olympia School District #16 Flexible Benefit Plan (hereinafter referred to as the "Plan") as described below, effective as of September 1, 2014. This amendment shall supersede the provisions of the Plan, the Summary Plan Description (SPD), or any other documents to the extent those provisions are inconsistent with the provisions of this amendment.

**ARTICLE III
CONTRIBUTIONS TO THE PLAN**

3.4 EMPLOYER CONTRIBUTION (Section added)

The Employer shall make available to each Participant who elects not to participate in the Employer's Group Health Plan, an Employer Contribution to be used in the Participant's Health Flexible Spending Account. The amount shall be determined by the Employer prior to the beginning of each Plan Year. The Employer's Contribution shall be made available at the beginning of the Plan Year. If a Participant enrolls in the Employer's Group Health Plan, there shall be no Employer Contribution (i.e., the Employer Contribution shall not be available in cash).

**ARTICLE VI
HEALTH FLEXIBLE SPENDING ACCOUNT**

6.2 DEFINITIONS

For the purposes of this Article and the Cafeteria Plan, the terms below have the following meaning:

(c) **"Medical Expenses"** means any expense for medical care within the meaning of the term "medical care" as defined in Code Section 213(d) and the rulings and Treasury regulations thereunder, and not otherwise used by the Participant as a deduction in determining his tax liability under the Code. "Medical Expenses" can be incurred by the Participant, his or her Spouse and his or her Dependents. "Incurred" means, with regard to Medical Expenses, when the Participant is provided with the medical care that gives rise to the Medical Expense and not when the Participant is formally billed or charged for, or pays for, the medical care.

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For Participants who receive Employer contributions to the Health Flexible Spending Account in excess of \$500, the excess contributions will be allocated to a Limited Health Flexible Spending Account for the reimbursement of dental and vision expenses only. Dental and Vision Expenses reimbursed from the Limited Health Flexible Spending Account can be incurred by the Participant, his or her Spouse and his or her Dependents.

A Participant may not be reimbursed for the cost of any medicine or drug that is not "prescribed" within the meaning of Code Section 106(f) or is not insulin.

A Participant may not be reimbursed for the cost of other health coverage such as premiums paid under plans maintained by the employer of the Participant's Spouse or individual policies maintained by the Participant or his Spouse or Dependent.

A Participant may not be reimbursed for "qualified long-term care services" as defined in Code Section 7702B(c).

(d) The definitions of Article I are hereby incorporated by reference to the extent necessary to interpret and apply the provisions of this Health Flexible Spending Account.

6.4 LIMITATION ON ALLOCATIONS

(a) Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is \$2500. Notwithstanding any provision contained in this Health Flexible Spending Account to the contrary, the maximum amount of salary reductions that may be allocated to the Health Flexible Spending Account by a Participant in or on account of any Plan Year is \$2,500, as adjusted for increases in the cost of living in accordance with Code Section 125(i)(2). In addition, a Participant may elect to allocate up to \$500 from Employer Contributions to the Health Flexible Spending Account. Employer contributions to the Health Flexible Spending Account that exceed \$500 must be allocated to a Limited Health Flexible Spending Account.

(b) **Cost of Living Adjustment.** In no event shall the amount of salary redirections on the Health Flexible Spending Account exceed \$2,500 as adjusted by law. Such amount shall be adjusted for increases in the cost-of-living in accordance with Code Section 125(i)(2). The cost-of-living adjustment in effect for a calendar year applies to any Plan Year beginning with or within such calendar year. The dollar increase in effect on January 1 of any calendar year shall be effective for the Plan Year beginning with or within such calendar year. For any short Plan Year, the limit shall be an amount equal to the limit for the calendar year in which the Plan Year begins multiplied by the ratio obtained by dividing the number of full months in the short Plan Year by twelve (12).

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(c) **Participation in Other Plans.** All employers that are treated as a single employer under Code Sections 414(b), (c), or (m), relating to controlled groups and affiliated service groups, are treated as a single employer for purposes of the \$2,500 limit. If a Participant participates in multiple cafeteria plans offering health flexible spending accounts maintained by members of a controlled group or affiliated service group, the Participant's total Health Flexible Spending Account contributions under all of the cafeteria plans are limited to \$2,500 (as adjusted). However, a Participant employed by two or more employers that are not members of the same controlled group may elect up to \$2,500 (as adjusted) under each Employer's Health Flexible Spending Account.

(d) **Carryover.** A Participant in the Health Flexible Spending Account may roll over up to \$500 of unused amounts in the Health Flexible Spending Account remaining at the end of one Plan Year to the immediately following Plan Year. These amounts can be used during the following Plan Year for expenses incurred in that Plan Year. Amounts carried over do not affect the maximum amount of salary redirection contributions for the Plan Year to which they are carried over. Unused amounts are those remaining after expenses have been reimbursed during the run out period. These amounts may not be cashed out or converted to any other taxable or nontaxable benefit. Amounts in excess of \$500 will be forfeited. The Plan is allowed, but not required, to treat claims as being paid first from the current year amounts, then from the carryover amounts.

IN WITNESS WHEREOF, the Employer has executed this amendment and the effective date shall be September 1, 2014. Signed this _____ day of
9/15/2014, 2014.

DocuSigned by:

Josh Olsen

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Olympia School District #16

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SUMMARY OF MATERIAL PLAN MODIFICATION
Olympia School District #16 Flexible Benefit Plan
Effective September 1, 2014

This Summary of Material Modification supplements and amends the Summary Plan Description (SPD) for this Plan previously provided to you. You should retain this document with your copy of the SPD. This notice is a Summary of Material Plan Modifications made to the following Plan:

Olympia School District #16
Flexible Benefit Plan

Plan #: 501

The legal name, address and Federal Employer Identification Number of the Employer are:

Olympia School District #16
903 E. 800 North Road
Stanford, IL 61774

EIN: 37-0900329

The Employer has amended your Plan effective September 1, 2014 to allow the following:

III
CONTRIBUTIONS

2. How much will the Employer contribute each year?

If you do not elect coverage under our Group Health Plan, we may contribute a discretionary amount which we will determine prior to the beginning of each Plan Year. This contribution can be used for the Health Flexible Spending Account and will be made at the beginning of the Plan Year. If you elect to participate in our Group Health Plan, we will not make a contribution to the Health Flexible Spending Account on your behalf.

3. What happens to contributions made to the Plan?

(Section renumbered with no other changes. Subsequent sections of Article III are renumbered to follow this section with no changes.)

IV
BENEFITS

1. What benefits are offered under the Plan?

Under our Plan, you can choose to receive your entire compensation or use a portion to pay for the following benefits or expenses during the year.

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2. Health Flexible Spending Account

The Health Flexible Spending Account enables you to pay for expenses allowed under Sections 105 and 213(d) of the Internal Revenue Code which are not covered by our insured medical plan and save taxes at the same time. The Health Flexible Spending Account allows you to be reimbursed by the Employer for expenses incurred by you and your dependents.

Drug costs, including insulin, may be reimbursed.

You may be reimbursed for "over the counter" drugs only if those drugs are prescribed for you. You may not, however, be reimbursed for the cost of other health care coverage maintained outside of the Plan, or for long-term care expenses. A list of covered expenses is available from the Administrator.

The most that you can contribute to your Health Flexible Spending Account each Plan Year is \$2500. After 2014, the dollar limit may increase for cost of living adjustments. You may also elect to allocate up to \$500 of any Employer contributions to the Health Flexible Spending Account. In addition, you will be eligible to carryover amounts left in your Health Flexible Spending Account, up to \$500. This means that amounts you do not use during a Plan Year can be carried over to the next Plan Year and used for expenses incurred in the next Plan Year.

For Participants who receive Employer contributions to the Health Flexible Spending Account in excess of \$500, the excess contributions will be allocated to a Limited Health Flexible Spending Account for the reimbursement of dental and vision expenses only. Dental and Vision Expenses reimbursed from the Limited Health Flexible Spending Account can be incurred by you, your Spouse and your Dependents.

In order to be reimbursed for a health care expense, you must submit to the Administrator an itemized bill from the service provider. We will also provide you with a debit or credit card to use to pay for medical expenses. The Administrator will provide you with further details. Amounts reimbursed from the Plan may not be claimed as a deduction on your personal income tax return. Reimbursement from the fund shall be paid at least once a month. Expenses under this Plan are treated as being "incurred" when you are provided with the care that gives rise to the expenses, not when you are formally billed or charged, or you pay for the medical care.

You may be reimbursed for expenses for any child until the end of the calendar year in which the child reaches age 26. A child is a natural child, stepchild, foster child, adopted child, or a child placed with you for adoption. If a child gains or regains eligibility due to these new rules, that qualifies as a change in status to change coverage.

Newborns' and Mothers' Health Protection Act: Group health plans generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a

provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act: This plan, as required by the Women's Health and Cancer Rights Act of 1998, will reimburse up to plan limits for benefits for mastectomy-related services including reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedema). Contact your Plan Administrator for more information.

KEEP THIS NOTICE WITH YOUR SUMMARY PLAN DESCRIPTION