**COMPANY AMENDMENT**

**ARTICLE I**

**PREAMBLE**

1.1 **Adoption and effective date of amendment.** The Employer adopts this Amendment to **COMPANY** Flexible Benefits Plan (the “Plan”). The sponsor intends this Amendment as good faith compliance with the requirements of these provisions. This Amendment shall be effective on or after the date the Employer elects in Section 2.1 below.

1.2 **Supersession of inconsistent provisions.** This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.

1.3 **Construction.** Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section, or other numbering designations.

**ARTICLE II**

**ELECTIONS**

2.1 **Effective Date.** The provisions of this Amendment, unless otherwise indicated are effective as of Effdate.

2.2 **Plan Amendment.**

**Adding Benefits Card**

The Employer Amends the Plan to add the Debit Card. Participants may use the debit and/or credit (stored value) cards ("cards") to pay for out of pocket medical expenses as defined by the Plan, subject to the following terms:

**a. Card only for medical expenses.** Each Participant issued a card shall certify that such

card shall only be used for Medical Expenses. The Participant shall also certify that any

Medical Expense paid with the card has not already been reimbursed by any other plan

covering health benefits and that the Participant will not seek reimbursement from any other

plan covering health benefits.

**b. Card issuance.** Such card shall be issued upon the Participant’s Effective Date of

Participation and reissued or remain in effect for each Plan Year the Participant remains a

Participant in the Health Flexible Spending Account or/and Limited Health Flexible Spending Account. Such card shall be automatically cancelled upon the Participant’s death or termination of employment, or if such Participant has a change in status that results in the Participant’s withdrawal from the Health Flexible Spending Account.

**c. Maximum dollar amount available.** The dollar amount of coverage available on the card

shall be the amount elected by the Participant for the Plan Year. The maximum dollar amount

of coverage available shall be the maximum amount for the Plan Year as set forth in the

Section titled: "Limitation on Allocations".

**d. Only available for use with certain service providers.** The cards shall only be accepted

by such merchants and service providers as have been approved by the Administrator.

**e. Card use.** The cards shall only be used for Medical Expense purchases as defined in Code

Section 213(d) and the rulings and Treasury regulations thereunder, including, but not

limited to, the following:

1. Co-payments for doctor and other medical care;

2. Purchase of drugs prescribed by a health care provider, including, if permitted by the Administrator, over-the-counter medications as allowed under IRS regulations;

3. Purchase of medical items such as eyeglasses, syringes, crutches, etc.

**f. Substantiation.** Such purchases by the cards shall be subject to confirmation by the

Administrator, usually by requiring the Participant to submit a receipt from a service provider

describing the service, the date and the amount. The Administrator shall also follow the

requirements set forth in Revenue Ruling 2003-43 and Notice 2006-69. All charges shall be

conditional pending confirmation by the Administrator.

**g. Correction methods.** If such purchase is later determined by the Administrator to not

qualify as a Medical Expense, the Administrator, in its discretion, shall use one of the

following correction methods to make the Plan whole. Until the amount is repaid, the

Administrator shall take further action to ensure that further violations of the terms of the

card do not occur, up to and including denial of access to the card.

1. Repayment of the improper amount by the Participant;

2. Withholding the improper payment from the Participant's wages or other compensation

to the extent consistent with applicable federal and state law;

1. Claims substitution or offset of future claims until the amount is repaid; and

4. If subsections (1) through (3) fail to recover the amount, consistent with the Employer's

business practices, the Employer may treat the amount as any other business

indebtedness.

This amendment has been executed this \_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_\_\_\_\_\_\_\_.

Name of Employer:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**CERTIFICATE OF ADOPTING RESOLUTION**

The undersigned authorized representative of **COMPANY** hereby certifies that the following resolutions were duly adopted on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (date) and that such resolutions have not been modified or rescinded as of the date hereof;

RESOLVED, that the Amendment to the Plan (the Amendment) is hereby approved and adopted, and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the amendment.

The undersigned further certifies that attached hereto is a copy of the Amendment approved and adopted in the foregoing resolution.

Date:

Signed:

[*print name/title*]

**SUMMARY OF MATERIAL MODIFICATIONS**

**for the**

**COMPANY**

Flexible Benefits Plan

**I**

**INTRODUCTION**

This is a Summary of Material Modifications regarding the **COMPANY** Flexible Benefits Plan (the “Plan”). This is merely a summary of the most important changes to the Plan and information contained in the Summary Plan Description (“SPD”) previously provided to you. It supplements and amends that SPD so you should retain a copy of this document with your copy of the SPD. If you have any questions, contact the Administrator. If there is any discrepancy between the terms of the Plan, as modified, and this Summary of Material Modifications, the provisions of the Plan will control.

**II**

**SUMMARY OF CHANGES**

**Effective Date.** The provisions of this Amendment, unless otherwise indicated are effective as of Effdate.

**Plan Amendment.**

**Adding Benefits Card**

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