

**FIRST AMENDMENT TO
THE RESTATED PUBLIC SCHOOLS OF PETOSKEY
DEPENDENT ASSISTANCE CARE PLAN**

The Public Schools of Petoskey, a Michigan government entity (the “Employer”), having approved and adopted The Restated Public Schools of Petoskey Dependent Care Assistance Plan (the “Plan”), effective as of September 1, 2011, does hereby approve and adopt this First Amendment to the Plan, effective as of December 1, 2017.

WHEREAS, the Board of Education of the Employer approved and adopted the Plan with the intent that the Plan qualify under Section 125 and 129 of the Internal Revenue Code of 1986, as amended (the “Code”), and for the purpose of offering certain Benefits to Employees who satisfy the eligibility requirements for participation in the Plan;

WHEREAS, the carrier of the group health insurance plans offered by the Employer have indicated that the contract year for such group health insurance plans will change from the fiscal year ending June 30 to the calendar year; and

WHEREAS, the Employer now wishes to make certain amendments to the Plan relating to the Plan Year of the Plan, in order to conform the Plan Year to the group health insurance plans’ contract year, and to make certain other technical amendments.

NOW, THEREFORE, the Employer hereby adopts this First Amendment to the Plan, as follows:

1. Section 2.18 is hereby amended in its entirety to read, as follows:

2.18 Plan Year -- Effective as of January 1, 2018, the Plan Year shall be the calendar year. As such, the Plan shall have a short Plan Year commencing as of September 1, 2017, and ending as of December 31, 2017.

2. Section 4.6 is hereby amended in its entirety to read, as follows:

4.6 Grace Period; End of Year Claims. Notwithstanding anything contained in this Plan to the contrary, amounts remaining in a Participant’s Health Care Reimbursement Accounts shall not be forfeited until the expiration of a grace period immediately following the end of each Plan Year. The grace period shall apply to all Participants in the Plan. Eligible Expenses under this Plan incurred during the grace period may be paid or reimbursed from benefits or contributions remaining unused at the end of the immediately preceding Plan Year. Beginning as of January 1, 2018, the grace period shall commence on the January 1 of the year immediately following the expiration of the Plan Year, and shall expire on the following March 15. Any participant who has unused benefits or contributions to a Health Care Reimbursement Account from the immediately preceding Plan Year, and who incurs Eligible Expenses during the grace period, may be paid or reimbursed for those expenses from the unused benefits or contributions as if the Eligible Expenses had been incurred in the immediately preceding Plan Year. However, during the grace period, the Plan shall not cash-out or convert unused benefits or contributions to any other taxable or nontaxable benefit. A Participant may submit claims for reimbursement of Eligible Expenses

incurred through the expiration of the grace period until the April 30 next following the last day of the Plan Year. Any balance remaining in a Participant's Health Care Reimbursement Account, after the payment of all claims properly submitted with respect to a Plan Year (plus the grace period) on or before the April 30 next following the end of that Plan Year, will be deemed forfeited.

3. Except as specifically affected by this First Amendment, all of the terms and provisions of the Plan shall remain in full force and effect, the same and unchanged.

IN WITNESS WHEREOF, the Employer has caused this First Amendment to be executed on the _____ day of _____, 2017.

THE PUBLIC SCHOOLS OF PETOSKEY
a Michigan governmental entity

By: _____

Its: Superintendent