

Amendment Number 8

"Use-or-Lose" Rule Amendment to the Section 125 Cafeteria Plan for the Employees of Brown County

Section 1. General Rules

1.1. Purpose and Adoption. The purpose of this Amendment is to adopt the modified "use-or-lose" rule for health flexible spending arrangements (health FSAs) set forth in proposed regulations under section 125 of the Internal Revenue Code Notice 2013-71. This amendment shall apply notwithstanding any other statements in the Plan, the summary plan description (SPD), or any other documents.

Brown County ("the Employer") hereby adopts the following Amendment to its Section 125 Cafeteria Plan for the Employees of Brown County permitting carryovers of up to \$500 (or a lower amount specified in the plan) of unused health FSA amounts remaining at the end of a Plan Year to reimburse medical expenses incurred during the following Plan Year.

1.2. Precedence. The requirements of this Amendment will take precedence over any inconsistent provisions of the Plan, including any previous amendments adopted by the Employer.

1.3. Requirements of Treasury Regulations Incorporated. All matters addressed under this Article will be determined and made in accordance with the Internal Revenue Code ("Code") and the Treasury Regulations sections 1.125-1(c)(7)(C), 1.125-1(o), and 1.125-5(c).

1.4. Effective Date. Unless otherwise stated by the regulations, this Amendment shall be effective retroactively to the first day of the Plan Year October 1, 2013.

Section 2. Amendment

2.1. Carryover of Health FSA Accounts and Use-or-Lose Rule. The Plan is hereby amended to incorporate the following changes governing the forfeiture of health FSA accounts.

- a) An employee may carry over up to \$500 of unused health FSA amounts remaining at the end of a Plan Year to reimburse medical expenses incurred during the following Plan Year. The carryover of up to \$500 (or a lower amount specified in the Plan) may be used to pay or reimburse medical expenses under the health FSA incurred during the entire Plan Year to which it is carried over. For this purpose, the amount remaining unused as of the end of the Plan Year is the amount unused after medical expenses have been reimbursed at the end of the Plan's run-out period for the Plan Year.
- b) Unused amounts relating to a health FSA may not be cashed out or converted to any other taxable or nontaxable benefit.
- c) The amount that may be carried over to the following Plan Year is equal to the lesser of (1) any unused amounts from the immediately preceding Plan Year or (2) \$500 (or a lower amount specified in the Plan). Any unused amount in excess of \$500 (or a lower amount specified in the Plan) that remains unused as of the end of the Plan Year (that is, at the end of the run-out period for the Plan Year) is forfeited. Any unused amount remaining in an employee's health FSA as of termination of employment also is forfeited (unless, if applicable, the employee elects COBRA continuation coverage with respect to the health FSA).

2.2 Adoption. IN WITNESS WHEREOF, The undersigned has executed this Amendment to the Section 125 Cafeteria Plan for the Employees of Brown County on this 29 day of SEPT, 2014. [Adoption Date]

Brown County

By: E. Ray Weston

September 29, 2014
(Exhibit # 7)