

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
Vicksburg Community Schools**

WHEREAS, the Board of Directors of Vicksburg Community Schools deems it to be in the best interest of its employees and officers to adopt, amend or restate its Cafeteria Plan under Section 125 of the Internal Revenue Code of 1986, as amended, be it

RESOLVED, that the Board of Directors hereby adopts and approves this Cafeteria Plan as amended or restated to become effective as of 10/01/2011 pursuant to the Adoption Agreement and Cafeteria Plan which are attached hereto;

RESOLVED FURTHER, that the President of the Vicksburg Community Schools shall have the authority to:

- a. execute this Adoption Agreement and Amended Cafeteria Plan, and other documents and agreements as may be necessary to implement the Plan;
- b. appoint a plan administrator for such plan, and change such administrator from time to time with the advice and consent of the Board of Directors;
- c. contract with BASIC to provide assistance to the plan administrator in establishing and maintaining such plan; and

RESOLVED FURTHER, that the Secretary of the Board is directed to enter a copy of this Adoption Agreement and this Cafeteria Plan, as amended, into the records of this Institution, and into the minutes of this meeting.

**CERTIFICATION**

The foregoing is a true copy of a resolution duly adopted by the Board of Directors at a meeting on \_\_\_\_\_ and entered in the minutes of such meeting in the Institution's minutes book.

Dated: \_\_\_\_\_

\_\_\_\_\_, Secretary

**Vicksburg Community Schools  
Section 125 Cafeteria Plan  
ADOPTION AGREEMENT**

**Effective Date: 10/01/2011**

**Item I: Adoption**

The Employer hereby establishes a Qualified "Cafeteria Plan" as set forth pursuant to Section 125 of the Internal Revenue Code. The Benefit Package Options listed in Item V below have been incorporated into this Plan by reference. Nothing in this Adoption Agreement shall be intended to override the terms of the Plan Document to which this Adoption Agreement is attached.

**Item II: Employer Organization**

Name of Organization: Vicksburg Community Schools  
Federal Employer ID Number: 38-6001957  
Address: 301 S. Kalamazoo  
City, State, Zip: Vicksburg, MI 49097  
Form of Organization: Non-Profit  
Organized in the state of: MI  
Employer Affiliates:

**Item III: Plan Elections**

**Plan Information**

Plan No.: 501  
Plan Name: Vicksburg Community Schools Cafeteria Plan  
Original Effective Date: 02/01/1996  
Plan Year Runs\*: 10/01 - 09/30  
Plan Restated and Amended: 10/01/2011

\*This Plan is designed to run on a 12-month plan year period as stated above. A Short Plan Year may occur when the Plan is first established, when the plan year period changes, or at the termination of a Plan.

**Plan Administrator:** Vicksburg Community Schools

**Plan Service Provider:** BASIC  
Street Address: 9246 Portage Industrial Drive  
City, State, Zip: Portage, MI 49024  
Phone: (888) 472-0777

#### **Item IV: Eligibility Requirements**

For all plan years, eligibility is:  
based on health plan.

Excludes: Vicksburg Parapro. Association

#### **Item V - Benefit Package Options**

The following Benefit Package Options are offered under this Plan:

##### **Core Health Plans.**

The terms, conditions, and limitations of the Core Health Benefits offered will be as set forth in and controlled by the Group/Individual Medical Insurance Policy or Policies.

##### **Group Term Life Plans.**

The terms, conditions, and limitations of the Group Term Life Benefits offered will be as set forth in and controlled by the Group Term Life Policy and/or a Qualified Section 79 Plan.

##### **Short Term Disability Plans.**

The terms, conditions, and limitations of the Short Term Disability Benefits offered will be as set forth in and controlled by the Short Term Disability Insurance Policy.

##### **Long Term Disability Plans.**

The terms, conditions, and limitations of the Long Term Disability Benefits offered will be as set forth in and controlled by the Long Term Disability Insurance Policy.

##### **Health Flexible Spending Account.**

The terms, conditions, and limitations will be as set forth in and controlled by the Plan Document. Each year each Participant may elect in writing on a form filed with the Plan Administrator on or before the date he first becomes eligible to participate in the Plan, and on or before the first day of any Plan Year thereafter, to be reimbursed from the Employer for Unreimbursed Medical Expenses incurred during that year by him to the extent described and defined in the Plan Document.

##### **Dependent Care Reimbursement Account.**

The terms, conditions, and limitations will be as set forth in and controlled by the Plan Document. Each year each Participant may elect in writing on a form filed with the Plan Administrator on or before the date he first becomes eligible to participate in the Plan, and on or before the first day of any Plan Year thereafter, to be reimbursed from the Employer for Dependent care cost incurred during that year by him to the extent described in the Plan Document.

#### **Item VI - Flexible Spending Account Elections**

**A. The Active Employee Run-Out** is the period of time that begins the day after the Plan Year ends during which the employee can submit claims for payment of Qualified Expenses incurred during the Plan Year. See Item VIII for Run-Out information.

**B. The Terminated Employee/Coverage Run-Out** is the period of time after an employee terminates employment (or loses eligibility to participate in the Plan) during which the employee can submit claims for expenses incurred while the employee remained a participant. See Item VIII for Run-Out information.

Amounts contributed for reimbursement benefits are segregated for record keeping and accounting purposes only, and this process does not constitute a separate fund or entity as the reimbursements are made from the general assets of the plan sponsor.

#### **Health FSA**

- (a) The maximum annual reimbursement amount an Employee may elect for any Plan Year is \$2000.00.
- (b) The maximum annual reimbursement amount that a Participant may receive during the year is the annual reimbursement amount elected by the Employee on the Salary Reduction Agreement for Health FSA coverage, not to exceed the amount set forth in (a) above.
- (c) Minimum Contribution for this Benefit per Plan Year per Employee is \$0.00.
- (d) In order to receive reimbursement under the Health FSA, the claim or claims must equal or exceed the Minimum Check Amount. If a claim or claims submitted by the Participant do not equal or exceed this amount, the claim or claims will be held until the accumulated claims equal or exceed the Minimum Check Amount, except that claims submitted for reimbursement during the last month of the Plan Year or during the Run-Out Period, whichever is applicable, will not be subject to the Minimum Check Amount. The Minimum Check Amount under this Plan is hereby set as \$1.00.
- (e) COBRA Administrator: Vicksburg Community Schools  
Street Address: 301 S. Kalamazoo  
City, State, Zip: Vicksburg, MI 49097
- (f) Limited-Scope Option: Employees may elect during the initial enrollment and/or annual enrollment period the limited-scope option of reimbursement under the Health FSA, as set forth in the SPD, so that the employee and/or a spouse may participate in a Health Savings Account as defined in Code Section 223.
- (g) Spousal Exclusion: Employees may elect during the initial enrollment and/or annual enrollment period to exclude the spouse from coverage under the Health FSA, as set forth in the SPD, so that the spouse may participate in a Health Savings Account as defined in Code Section 223.

#### **Dependent Care Assistance Plan**

- (a) The maximum annual reimbursement amount a Participant may elect under the Dependent Care Assistance Plan for any Plan Year is the lesser of the maximum established by the Plan described in (b) below or the statutory maximum specified in Code Section 129 (as described in Appendix A of the Plan).
- (b) The maximum annual reimbursement amount established by the Dependent Care Assistance Plan is as follows: \$5000.00 for married filing jointly or single and \$2500.00 for married filing separately.
- (c) The maximum annual reimbursement that a Participant may receive during the year is the annual reimbursement amount elected by the Participant on the Salary Reduction Agreement, not to exceed the amount in (b) above.
- (d) Minimum Contribution for the Benefit per Plan Year per Employee is \$0.00.
- (e) In order to receive reimbursement under the Dependent Care Assistance Plan, the claim or claims must equal or exceed the Minimum Check Amount. If a claim or claims submitted by the Participant do not equal or exceed this amount, the claim or claims will be held until the accumulated claims equal or exceed the Minimum Check Amount, except that claims submitted for reimbursement during the last month of the Plan Year or during the Run-Out Period, whichever is applicable, will not be subject to the Minimum Check Amount. The Minimum Check Amount under this Plan is hereby set as \$1.00.

#### **Item VII: Plan Entry Date**

The Plan Entry Date is the date when an employee who has satisfied the Eligibility Requirements may commence participation in the Plan. The Plan Entry Date is the later of the date the Employee files a Salary Reduction Agreement or Date requirements are met.

#### **Item VIII: Grace Period & Run-Out Information**

The Employer has the option to adopt a grace period on any or all of your benefits. Please view this section to determine which, if any, of your benefits include this grace period.

If a grace period has been adopted and an HSA is one of the Benefit Package options offered under this Plan, the Employer will convert its general purpose health FSA to an HSA-compatible option during the Grace Period for all health FSA participants.

- A limited-scope health FSA (that reimburses expenses only for preventive care and permitted coverage, such as dental and vision care).
- A post-deductible health FSA (that reimburses medical expenses only if they are incurred after the minimum annual deductible for the HDHP is met).

**If a grace period has been adopted, it will begin on the first day of the next Plan Year and (depending on the benefit) will end up to two (2) months and fifteen (15) days later. To view a list of benefits and associated grace information, please see below.**

In order to take advantage of the grace period, you must be:

- A Participant in the applicable spending account(s) on the last day of the Plan Year to which the grace period relates, or
- (for Health FSA) A Qualified Beneficiary who is receiving COBRA coverage under the Health FSA on the last day of the Plan Year to which the grace period relates.

The following additional rules will apply to the grace period:

- Eligible expenses incurred during a grace period and approved for reimbursement will be paid first from available amounts that were remaining at the end of the Plan Year to which the grace period relates and then from any amounts that are available to reimburse expenses incurred during the current Plan Year.

For example, assume that \$200 remains in your Health FSA account at the end of the 2005 Plan Year, and further assume that you have elected to allocate \$2400 to the Health FSA for the 2006 Plan Year. If you submit for reimbursement an Eligible Medical Expense of \$500 that was incurred on January 15, 2006, \$200 of your claim will be paid out of the unused amounts remaining in your Health FSA from the 2005 Plan Year and the remaining \$300 will be paid out of amounts allocated to your Health FSA for 2006.

- Expenses incurred during a grace period must be submitted before the end of the Run-out Period described in this SPD. The run-out period applies to claims, incurred both during the previous plan year and the grace period, that are reimbursable from the previous plan year. Any unused amounts from the end of a Plan Year to which the grace period relates that are not used to reimburse eligible expenses incurred either during the Plan Year to which the grace period relates or during the grace period will be forfeited if not submitted for reimbursement before the end of the Run-out Period. To see a list of benefits and associated Run-Out information, see below.

You may not use Health FSA amounts to reimburse Eligible Day Care Expenses (and if the grace period is offered under the Dependent Care FSA, Dependent Care FSA amounts may not be used to reimburse Eligible Medical Expenses).

Benefit	Grace Adopted	Grace Date	End	Grace Cap	Active Employee Run-Out Date	Terminated Employee / Coverage Run-Out Date / Days
Dependent Care Reimbursement Account	No					
Medical Reimbursement Account	No				12/31	90 days

**Item IX: Contacts and Responsibilities**

**Benefits Coordinator**


Name: Amy Manchester  
 Phone: (616) 321-1000  
 Company Name: Vicksburg Community Schools  
 Street Address: 301 S. Kalamazoo  
 City, State, Zip: Vicksburg, MI 49097

**Acceptance of Legal Process**

Name: Stephen Goss  
 Phone: (616) 321-1000  
 Company Name: Vicksburg Community Schools  
 Street Address: 301 S. Kalamazoo  
 City, State, Zip: Vicksburg, MI 49097

**Item X - Incorporation by Reference**

The actual terms and conditions of the separate benefits offered under this Plan are contained in separate, written documents governing each respective benefit, and will govern in the event of a conflict between the individual plan document and the Employer's Cafeteria Plan adopted through this Agreement as to substantive content. To that end, each such separate document, as amended or subsequently replaced, is hereby incorporated by reference as if fully recited herein.

Signature:  Date: 1/1  
 Name:  
 Title:

Executed at: Vicksburg Community Schools  
 301 S. Kalamazoo  
 Vicksburg, MI 49097