

ADDENDUM TO
ISD #709 DULUTH PUBLIC SCHOOLS
125 Flexible Benefits Plan
ADOPTION AGREEMENT

WHEREAS, the Employer has adopted a 125 Flexible Spending Account for the reimbursement of qualified expenses; and

WHEREAS, the Employer wishes to amend their plan to allow for the following temporary provisions in response to the Consolidated Appropriations Act of 2021; and

NOW THEREFORE BE IT RESOLVED, the Adoption Agreement for the ISD #709 DULUTH PUBLIC SCHOOLS 125 Flexible Benefits Plan has been amended to allow the following selected temporary changes.

Check all that you wish to amend within your 125 Flexible Benefits Plan

- ☒ Carry over unused amounts remaining in the 2020 Dependent Care FSA and Medical FSA into the 2021 plan year
- ☒ Carry over unused amounts remaining in the 2021 Dependent Care FSA and Medical FSA into the 2022 plan year
- ☒ Extend the Grace Period to 12 months after the end of the 2020 plan year
- ☒ Extend the Grace Period to 12 months after the end of the 2021 plan year
- ☒ Allow employees to **prospectively** change the amount of their Dependent Care and Medical FSA contributions for plan years that end in 2021
- ☐ Permit employees that cease to be participants during the calendar year 2020 or 2021 to continue to receive reimbursements for unused benefits or contributions remaining in Dependent Care and Medical FSAs until the plan year has ended

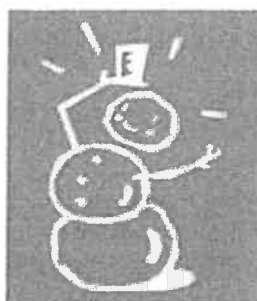
All other terms and conditions of the Adoption Agreement, and previous unconflicting addendums, shall remain unchanged, said document being amended only as provided herein.

Dated:

By *Catherine Elson*

Employer Name: ISD #709 DULUTH PUBLIC SCHOOLS

Its *Catherine A. Erickson*
CFD



Happy New Year!

Consolidated Appropriations Act of 2021

The most recent COVID relief bill, the Consolidated Appropriations Act of 2021, was passed by Congress on December 21, 2020 and signed into law on December 27, 2020. This 5000+ page bill, among other things, grants certain voluntary changes to 125 Cafeteria plans with respect to Health and Dependent Care Flexible Spending Accounts (collectively, "FSAs"). The following voluntary options are now available to your plan:

1. Permit employees to carryover unused amounts in the FSAs from the 2020 plan year into the 2021 plan year and/or from the 2021 plan year into the 2022 plan year.
2. Extend the 2020 and/or 2021 plan year grace period to 12 months with respect to unused benefits or contributions remaining in FSAs.
3. Permit employees who cease plan participation during calendar year 2020 or 2021 to continue to receive reimbursements for unused benefits or contributions remaining in FSAs until the plan year has ended.
4. Allow prospective election changes for FSAs with plan years that end in 2021 regardless of any change in status.

The new law also extends the dependent care FSA age from under 13 to under 14 for employees who enrolled in a dependent care FSA prior to January 31, 2020 and had dependents who aged out during the pandemic.

If you wish to allow any of these optional features, please complete the attached plan addendum and return to Aviben. Once received we will process and change your plan accordingly.

Since this is a voluntary amendment there will be a \$50 administration charge for processing and plan setup, billed to the employer. However, if you took part in the voluntary amendment from IRS Notice 2020-29 and were already billed \$50, there will be no additional charge.

If you have any questions, please reach out to your friendly Aviben™ staff!

Brian Netzer

Chris Williams

Loni Morrow

Lisa Money

Jen Lehman



1995 E. Rum River Dr. S., Cambridge, MN 55008

Metro: 763-552-6053 | Toll Free: 888-507-6053

Fax: 763-552-6055 | www.aviben.com

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Please note that while we want you to be prepared to make amendments favorable to your participants, additional IRS guidance may be forthcoming and this should not be considered an exhaustive analysis or construed as legal advice. © 2021 Educators Benefit Consultants, LLC. All rights reserved.