AMENDMENT NO. 2
FOR
CITY OF BOWLING GREEN
MEDICAL FLEXIBLE SPENDING ACCOUNT PLAN

I. The section "**PARTICIPATION**" shall be amended as follows:

The subsection "**Commencement of Participation**" shall be deleted in its entirety and the following substituted therefore:

COMMENCEMENT OF PARTICIPATION

An ***eligible employee*** shall become a ***participant*** in the ***Plan*** after providing the ***plan administrator*** with a completed ***participation agreement*** setting forth the benefits to be made available to the ***eligible employee*** for the immediately following ***plan year*** or remaining portion of the ***plan year***. As part of the ***participation agreement***, the ***participant*** shall authorize the ***employer*** to reduce the ***participant's compensation*** for the ***plan year*** (or the remaining portion thereof) by a fixed amount not more than $2,550 and not less than $100 that the ***participant*** elects to have credited to his or her ***benefits account*** under the ***Plan***. The ***participant*** must, before the end of the first ***plan year*** of participation and, before the end of each subsequent ***plan year***, provide the ***plan administrator*** with a newly executed ***participation agreement***. Each new ***participation agreement*** shall specify the amount of ***medical reimbursement benefits*** to be made available to the ***participant*** for the immediately following ***plan year*** or remaining portion of the ***plan year***.

II. The section "**BENEFITS**" shall be amended as follows:

The subsection "**Amount of Reimbursement**" shall be deleted in its entirety and the following substituted therefore:

AMOUNT OF REIMBURSEMENT

A ***participant*** shall be entitled to benefits under the ***Plan*** for a ***plan year*** in an amount that does not exceed the ***participant's medical reimbursement benefits***. The amount of a ***participant's medical reimbursement benefits*** shall be uniformly available during the ***plan year***. In no event shall the ***Plan*** reimburse ***qualified expenses*** during a ***plan year*** for an amount exceeding the maximum annual dollar limitation established by the IRS ($2,550 for 2015) plus the applicable carryover amount set forth in the ***Plan***.

III. The section "**PAYMENT**" shall be amended as follows:

The subsection "**Carryover of Benefits**" added after the subsection "**Payment of Benefits**" in Amendment No. 1 shall be deleted in its entirety and the following substituted therefore:

CARRYOVER OF BENEFITS

In the event any balance remains in the ***participant's benefits account*** at the end of a ***plan year***, there applies a carryover of up to $500. The amount that may be carried over to the following ***plan year*** is equal to the lesser of (i) any unused amounts from the immediately preceding ***plan year***; or (ii) the carryover amount specified under the ***Plan***. So long as a claim for benefits is timely filed (*see Claims Procedure* section below), (i) reimbursements for ***qualified expenses incurred*** during the prior ***plan year*** and not previously reimbursed shall be made from the prior ***plan year's benefits account*** until the balance is exhausted and (ii) reimbursements for ***qualified expenses incurred*** during the current ***plan year*** shall be made first from the current ***plan year's benefits account*** until that balance is exhausted and then from the carryover amount to the extent necessary.

In no event shall a ***participant*** be reimbursed for ***qualified expenses*** during a ***plan year*** for an amount exceeding the annual dollar limit established by the IRS ($2,550 for 2015) plus the lesser of (i) any unused amounts from the immediately preceding ***plan year***; or (ii) the carryover amount specified under the ***Plan***.

Effective January 1, 2015

Received and accepted for City of Bowling Green

By: _____

Title: MUNICIPAL ADMINISTRATOR

Date: March 6, 2015