

## SUMMARY OF MATERIAL MODIFICATIONS THE FLEXIBLE BENEFITS PLAN

*This document summarizes important changes to your Flexible Benefits Plan. If you have any questions regarding the changes summarized in this Summary of Material Modifications (“SMM”), you should contact the Benefits Division of the State Personnel Department or the third party administrator of the State’s Flexible Spending Plan. You should keep a copy of this SMM with your Summary Plan Description for future reference.*

Effective April 1, 2010, The Employer has amended the following language to the definition of Eligible Medical Expenses described in the Summary Plan Description:

### I. Limited-Scope Reimbursement Provision

According to rules set forth in Code Section 223 (applicable to Health Savings Accounts), a Health FSA participant (and any covered dependents) will not be able to make /receive tax favored contributions to a Code Section 223 HSA unless the scope of expenses eligible for reimbursement under the Health FSA is limited to the following expenses (to the extent such expenses constitute “medical care” as defined in Code Section 213 (d)):

- (i) Services or treatments for dental care (excluding premiums)
- (ii) Services or treatments for vision care (excluding premiums)
- (iii) Services for preventative care. Preventive care is defined in accordance with applicable rules and regulations but is essentially limited to diagnostic procedures and services or treatment taken to prevent the onset of disease or condition that is imminently possible. This may include any prescription or over the counter drugs to the extent such drugs are taken by an eligible individual (a) to delay or prevent the onset of symptoms of a condition for which symptoms have not yet manifested themselves (b) to prevent the recurrence of a condition from which the eligible individual has recovered or (c) as part of a preventive care treatment program) (e.g., a smoking cessation or weight loss program). Preventative care does not include services or treatments that treat an existing condition.
- (iv) Eligible medical expenses incurred after the “minimum deductible” has been satisfied. The applicable minimum deductible under this plan is conditioned on the Participant’s family status. The minimum deductible is the minimum statutory deductible amount, as set forth in Code Section 223 (c)(2)(A)(i) (adjusted for inflation), applicable to the participants family status.