SECOND AMENDMENT TO
THE ARIZONA BOARD OF REGENTS
HEALTH AND DEPENDENT CARE CAFETERIA PLAN
As Amended and Restated Effective
January 1, 2010

WHEREAS, the Arizona Board of Regents (the "Board") adopted The Arizona Board of Regents Health and Dependent Care Cafeteria Plan (the "Plan"), originally effective as of April 1, 1991, and thereafter amended and restated the Plan, effective January 1, 2010, to provide certain cafeteria plan benefits to its employees; and

WHEREAS, the Board is authorized, pursuant to Section 15.3 of the Plan, to adopt amendments to the Plan; and

WHEREAS, the Board adopted a First Amendment to the Plan dated September 23, 2010, which, among other things, permitted Participants to pay for medical insurance premiums for coverage of their children who had not attained age 26 by the last day of the Plan Year; and

WHEREAS, the Board has been advised that the words "by the last day of the Plan Year" are unnecessary since the changes contained in the Patient Protection and Affordable Care Act of 2010 allow Participants to pay for medical insurance premiums for coverage of their children until they have attained age 26, regardless of whether they will attain age 26 by the end of the Plan Year; and

WHEREAS, the 50th Arizona Legislature in its First Regular Session, pursuant to Session Law 227, enacted new A.R.S. § 38-671, which became effective July 20, 2011; and
WHEREAS, A.R.S. § 38-671 requires, with limited exceptions, any employee hired on or after the effective date of A.R.S. § 38-671 (i.e., July 20, 2011), to complete at least ninety (90) days of employment prior to being eligible for certain employee benefits described in Article 4, Chapter 4 of Title 38 of the Arizona Revised Statutes (A.R.S. §§ 38-651, et. seq.); and

WHEREAS, this Plan is maintained by the Board pursuant to the provisions of A.R.S. § 15-1626G and is therefore not subject to the new requirements of A.R.S. § 38-671; and

WHEREAS, the Board has determined that it is in the best interest of the Employers and Employees participating under the Plan to adopt amendments to the Plan implementing a service requirement similar to that set forth in A.R.S. § 38-671; and

WHEREAS, the Board has determined that these amendments are required to assure the Plan’s successful operation and administration.

NOW, THEREFORE, pursuant to the authority granted to the Board in Section 15.3 of the Plan, the Plan is hereby amended as follows:

1. The definition of “Medical Insurance Plan” contained in Section 2.1 of the Plan, is hereby amended in its entirety, effective January 1, 2011, to read as follows:

"Medical Insurance Plan’ means the plan(s) for Employees (and for their Spouses or Dependents or children (as defined in Code § 152(f)(1)) who have not attained age 26 who may be eligible under the terms of such Medical Insurance Plan), providing major medical (including EPO, HMO and PPO options), dental, optical, and dismemberment benefits under insurance and self-insured programs either (1) maintained by an Employer or (2) administered by the United States Federal Government and under which certain Employees of the University of Arizona are eligible to elect benefits. The Employer may substitute, add, subtract, or revise at any time the menu of such plans and/or the benefits,
terms, and conditions of any such plans. Any such substitution, addition, subtraction, or revision will be communicated to Participants and will automatically be incorporated by reference under this Plan.

2. Section 3.1, Eligibility to Participate, of Article III, Eligibility and Participation, is hereby amended in its entirety, effective with respect to any Employee whose Employment Commencement Date with an Employer is on or after July 20, 2011, to read as follows:

"3.1 Eligibility to Participate

An individual is eligible to participate in this Plan (including the Premium Payment Component, Health FSA Component and the DCAP Component) if the individual satisfies all of the following: (a) is an Employee; (b) is working 20 or more hours per week; and (c) has worked regularly for an Employer (whether less than 20 hours per week or more than 20 hours per week) for at least 90 days following his or her Employment Commencement Date (an "Eligible Employee"). As prescribed by an Employer for its group of Employees, an Employee will commence Participation in the Plan after the Employee becomes an Eligible Employee and on either: (y) the first day of the first payroll period following the Employee’s enrollment within 31 days of the Employee becoming an Eligible Employee; or (z) the first day of the calendar month following the Employee’s enrollment within 30 days of the Employee becoming an Eligible Employee. Eligibility for Premium Payment Benefits shall also be subject to the additional requirement, if any, specified in the Medical Insurance Plan or Group Term Life Insurance Plan. Once an Employee has met the Plan’s eligibility requirements, the Employee may elect coverage effective on the date specified in the second sentence in this Section 3.1 or, for any subsequent Plan Year, in accordance with the procedures described in Article IV."

3. Section 3.3, Participation Following Termination of Employment or Loss of Eligibility, of Article III, Eligibility and Participation, is hereby amended in its entirety, effective with respect to any Employee whose Employment Commencement Date with an Employer is on or after July 20, 2011, to read as follows:
"3.3 Participation Following Termination of Employment or Loss of Eligibility

If a Participant terminates his or her employment for any reason, including (but not limited to) disability, retirement, layoff, or voluntary resignation, and then is rehired within 30 days or less after the date of a termination of employment, then the Employee will be reinstated with the same elections that such individual had before termination. If a former Participant is rehired more than 30 days but not more than 2 years following termination of employment and is otherwise eligible to participate in the Plan, then the individual may make new elections as a new hire as described in Section 3.1, except the former Participant will not be required to again complete 90 days of employment and will be an Eligible Employee immediately upon his or her Employment Commencement Date. If a former Participant is rehired more than 2 years following termination of employment and is otherwise eligible to participate in the Plan, then the individual may make new elections as a new hire as described in Section 3.1 and the Employee will once again be required to work regularly for an Employer for at least 90 days following his or her new Employment Commencement Date in order to once again be an Eligible Employee. Notwithstanding the above, an election to participate in the Premium Payment Component will be reinstated only to the extent that coverage under the Medical Insurance Plan or Group Term Life Insurance Plan, as the case may be, is reinstated. If an Employee (whether or not a Participant) ceases to be an Eligible Employee for any reason (other than for termination of employment), including (but not limited to) a reduction of hours, and then becomes an Eligible Employee again, the Employee will recommence participation in the Plan on the date specified in Section 3.1."

4. In all other respects, the Plan, as amended, is hereby affirmed.

IN WITNESS WHEREOF, the Board has caused this Second Amendment to be signed by its duly authorized representative.

DATED this ___ day of December, 2011.

ARIZONA BOARD OF REGENTS

By: [Signature]
Title: [President]