FOURTH 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 wishes to (1) eliminate the requirement to complete 90 days of employment to be eligible to participate in the Plan, (2) permit Participants to carry over $500.00 of a Participant's unused Health FSA Account for use in the next Plan Year, and (3) clarify through what period a terminated Participant may receive reimbursement for Medical Care Expenses following termination of employment; and

WHEREAS, the Board has determined that this amendment is required to assure the Plan's successful operation and administration and to maintain qualification of the Plan.

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. Section 3.1 of Article III, Eligibility and Participation, is hereby amended in its entirety, effective September 12, 2013, 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; and (b) is working 20 or more hours per week (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."

2. Section 3.3 of Article III, Eligibility and Participation, is hereby amended in its entirety, effective September 12, 2013, 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 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. 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."

3. Section 7.6 of Article VII, Health FSA Component, is amended in its entirety, effective January 1, 2016, to read as follows:

"7.6 Forfeiture of Health FSA Accounts; Use-It-or-Lose-It Rule; $500 Carryover Permitted

(a) Use-It-or-Lose-It Rule. Subject to Section 7.6(b), if any balance remains in the Participant's Health FSA Account for a Period of Coverage after all reimbursements have been made for the Period of Coverage, then such balance shall not be carried over to reimburse the Participant for Medical Care Expenses incurred during a subsequent Plan Year. The Participant shall forfeit all rights with respect to such balance.

(b) Health FSA Account Carryovers Permitted. Notwithstanding any other provision of the Plan to the contrary, amounts remaining in a Participant's Health FSA Account at the end of the period during which a Participant may submit claims for a preceding Plan Year, as provided in Section 7.7, may be used to reimburse the Participant for Medical Care Expenses that are incurred during the next Plan Year. The following conditions shall apply to any amounts carried over from one Plan Year to the next Plan Year:

- No more than $500.00 of the Participant's unused Health FSA Account may be carried over for use in the next Plan Year.

- Carryovers may not be cashed out or converted to any other taxable or nontaxable benefit, and will not count toward the maximum annual benefit amount that a Participant may elect to receive under this Plan, as provided in Section 7.4(b), in the form of reimbursements for Medical Care Expenses incurred during the Plan Year to which the amounts were carried forward.

- Medical Care Expenses incurred in the current Plan Year will be reimbursed first from the amounts available for such reimbursement for that Plan Year. Following the close of the
period during which a Participant may submit claims for a preceding Plan Year, as provided in Section 7.7, the carryover amounts from the prior Plan Year (not exceeding $500.00) may then be used to pay Medical Care Expenses incurred in the current Plan Year.

- If the Participant was enrolled in the General-Purpose Health FSA Option described in Section 7.3(b) in the Plan Year from which the carryover amount is carried into a subsequent Plan Year and if the Participant is enrolled in the Limited Health FSA Option described in Section 7.3(b) in the subsequent Plan Year, any amounts carried forward into the subsequent Plan Year may only be used to reimburse Medical Care Expenses incurred in the subsequent Plan Year that are eligible for reimbursement under the Limited Health FSA Option.

(c) Use of Forfeitures. All forfeitures under this Plan shall be retained by the Employer and the Participants shall have no claim thereto. In addition, any Health FSA Account benefit payments that are unclaimed (e.g., uncashed benefit checks) after the Employer has made reasonable attempts to contact the Participant shall be remitted to the State of Arizona as unclaimed property."

4. Section 7.8 of Article VII, Health FSA Component, is amended in its entirety, effective January 1, 2015, to read as follows:

"7.8 Reimbursements From Health FSA After Termination of Participation; COBRA

When a Participant ceases to be a Participant under Section 3.2, the Participant’s Salary Reductions and election to participate will terminate. Subject to the following paragraph of this Section 7.8, the Participant will not be able to receive reimbursements for Medical Care Expenses incurred after the last day of the payroll period in which the Participant terminated employment or otherwise ceases to be eligible for such reimbursements. However, such Participant (or the Participant’s estate) may claim reimbursement for any Medical Care Expenses incurred during the Period of Coverage prior to the date that the Participant ceases to be eligible, provided that the Participant (or the Participant’s estate) files a claim within the period set forth in Section 7.7(b).
Notwithstanding any provision to the contrary in this Plan, to the extent required by COBRA, a Participant and his or her Spouse and Dependents, as applicable, whose coverage terminates under the Health FSA Component because of a COBRA qualifying event (and who is a qualified beneficiary as defined under COBRA) shall be given the opportunity to continue on a self-pay basis the same coverage that he or she had under the Health FSA Component the day before the qualifying event for the periods prescribed by COBRA. Specifically, such individuals will be eligible for COBRA continuation coverage only if, under Section 7.5, they have a positive Health FSA Account balance at the time of a COBRA qualifying event (taking into account all claims submitted before the date of the qualifying event). Such individuals will be notified if they are eligible for COBRA continuation coverage. If COBRA is elected, it will be available only for the remainder of the Plan Year in which the qualifying event occurs; such COBRA coverage for the Health FSA Component will cease at the end of the Plan Year and cannot be continued for the next Plan Year. Such continuation coverage shall be subject to all conditions and limitations under COBRA."

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

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

DATED this ___ day of ____ , 2015.

ARIZONA BOARD OF REGENTS

By: ____________________________
Title: President