

THE RESTATED PUBLIC SCHOOLS OF PETOSKEY
CAFETERIA PLAN
SUMMARY PLAN DESCRIPTION

SUMMARY OF MATERIAL MODIFICATIONS TO THE PLAN

**To: Participants in the
The Restated Public Schools of Petoskey Cafeteria Plan**

From: Plan Administrator

The Board of Education of The Public Schools of Petoskey adopted an amendment to The Restated Public Schools of Petoskey Cafeteria Plan which added a new Benefit referred to as The Public Schools of Petoskey Limited Purpose Health Care Flexible Spending Account Plan (the "Limited Health FSA"). The Limited Health FSA will become effective September 1, 2013.

This summary of material modifications supplements the summary plan description (SPD) of The Restated Public Schools of Petoskey Cafeteria Plan (the Plan).

1. Limited Purpose Health Care Flexible Spending Account Plan

Some Employees of the District are eligible to participate in a high deductible health plan provided by the Employer and a health savings account program. Under applicable federal laws and regulations, with certain exceptions, participants in high deductible health plans may not participate in any other health plans. One exception to this prohibition is participation in a flexible spending account plan which provides reimbursement for limited types of medical expenses, such as dental and vision care, and/or reimbursement for all types of eligible medical expenses after the minimum deductible under the high deductible health plan has been satisfied.

Consequently, the Employer has established a **limited purpose medical expense reimbursement plan** that allows Employees who participate in the Employer's high deductible health plan and health savings account program to elect to reduce salary for the purpose of paying Eligible Medical Expenses, including dental and vision expenses, and any other expenses permitted under Internal Revenue Code Section 223 using pre-tax dollars. However, after the minimum deductible under the high deductible health plan is satisfied, all Eligible Medical Expenses subsequently incurred may be reimbursed to the extent of the Benefit elected by the Participant.

If you do not participate in a high deductible health plan and a health savings account, you may participate in the general purpose health care flexible spending account plan that is described in the Summary Plan Description. **You cannot participate in both the general purpose and the limited purpose health care flexible spending account plans.** If you choose to participate in this Benefit, you may set aside an amount of money for each Plan Year to pay for Eligible Medical Expenses on a pre-tax basis, which may not be more than **\$2,500**.