

**AMENDMENT TO CITY OF TEMECULA SECTION 125 CAFETERIA PLAN  
DOCUMENT, AS AMENDED AND RESTATED ON JANUARY 1, 2019**

**CONSOLIDATED APPROPRIATIONS ACT OF 2021 AMENDMENT**

**1.1 AMENDMENT TO PLAN**

The City of Temecula (“Employer”) hereby amends the Section 125 Cafeteria Plan Document, as amended and restatement on January 1, 2019 (the “Plan”), in good faith compliance with the Consolidated Appropriations Act of 2021 (CAA, 2021), IRS Notice 2021-15, the American Rescue Plan Act of 2021 (ARPA), and other applicable law and guidance, unless otherwise specifically stated herein. This amendment supersedes any inconsistent provisions of the Plan for eligible Plan Years provided by the CAA, IRS Notice 2021-15, the ARPA, and other applicable law and guidance.

**a) Prospective Change of Election**

1. Prospective election changes can be made to a Participant’s Healthcare Flexible Spending Account and/or Dependent Care Assistance Program accounts during the 2020 Plan Year.
2. This Amendment is effective on January 1, 2020, and is in effect for eligible Plan Years provided by the CAA, IRS Notice 2021-15, the ARPA, and other applicable law and guidance.

**b) Healthcare Flexible Spending Account Carryover**

1. The maximum amount Participants may carryover in their Healthcare Flexible Spending Account from the plan year beginning in 2020 to the plan year beginning in 2021 is unlimited up to the amount of contributions for the plan year beginning in 2020.
2. This Amendment is effective on January 1, 2020, and is in effect for eligible Plan Years provided by the CAA, IRS Notice 2021-15, the ARPA, and other applicable law and guidance.

**c) Dependent Care Assistance Program Extended Grace Period/Claims Extension Period**

1. The claims extension period (grace period) for participants to use funds in their Dependent Care Assistant Program from the plan year beginning in 2020 to the plan year beginning in 2021 is extended from 2 ½ months to 12 months after the end of the plan year beginning in 2020.

2. This Amendment is effective on January 1, 2020, and is in effect for eligible Plan Years provided by the CAA, IRS Notice 2021-15, the ARPA, and other applicable law and guidance.

**d) Spend Down of Healthcare Flexible Spending Account**

1. The Participants may continue to receive reimbursements from unused contributions in their Healthcare Flexible Spending Account for expenses incurred through the end of the plan year in which such Participant ceased participation.
2. This Amendment is effective on January 1, 2020, and is in effect for eligible Plan Years provided by the CAA, IRS Notice 2021-15, the ARPA, and other applicable law and guidance.