

AMENDMENT ONE TO THE NINTH RESTATED STATE OF WASHINGTON
SALARY REDUCTION PLAN

Per Article XI of the state of Washington Salary Reduction Plan (“Plan”), the Washington State Health Care Authority (“Authority”) hereby amends the Plan as set forth below, effective as of January 1, 2021. This amendment adds Section 2.02(ddd), Section 4.02(f), and Section 7.08, and amends Section 6.07, Section 7.03, Section 7.04, Section 7.05, Section 7.06, and Section 7.07 of the Plan as set forth below. Unless stated otherwise, all capitalized terms share the same definitions in the Plan. All other terms and conditions of the Plan remain in full force and effect.

Section 2.01 Definitions

(ddd) “DCAP Grace period” means the 12-month period immediately following the end of the 2021 Plan Year in which Participants may incur Dependent Care Expenses that may be reimbursed from the 2021 DCAP election.

Section 4.02 Elections and Election Period

(f) During the months of March, June, and September for the 2021 Plan Year, the Plan Administrator is providing a Limited Open Enrollment periods to all Eligible Employees. Elections made during the Limited Open Enrollments are limited to: electing to participate in a Medical FSA or DCAP, and increasing or decreasing contributions to a Medical FSA and/or DCAP. Participants may not decrease their Medical FSA or DCAP elections to (a) less than the amount of Qualifying Health Care Expenses or Dependent Care Expenses, as applicable, for which the Participant has applied for reimbursement for the 2021 Plan Year as of the time of the election, or (b) less than the amount that the Participant has contributed to a Medical FSA or DCAP, as applicable, for the 2021 Plan Year as of the time of the election. Elections made during the March Limited Open Enrollment shall be effective on April 1; elections made during the June Limited Open Enrollment shall be effective on July 1; and elections made during the September Limited Open Enrollment shall be effective as of October 1.

Section 6.07. Cessation of Participant and/or Dependent Status

Subject to Section 6.08, a Participant who ceases to be a Participant, as provided in Section 3.02, during a Plan Year shall be entitled to reimbursement of Qualifying Health Care Expenses from his or her Medical FSA only to the extent provided in this Section.

(a) A Participant who ceases to be a Participant, as provided in Section 3.02, during the 2021 Plan Year or within the Grace Period shall be entitled to reimbursement of Qualifying Health Care Expenses Incurred during the Plan Year or within the Grace Period during which he or she ceased being a Participant. Participants receiving continuation coverage under Section 6.08 and Participants who were Participants on the last day of the Plan Year, but terminated during the Grace Period, are Participants for the purposes of the Grace Period.

Section 7.0 DCAP

Section 7.03. Debiting of DCAP

As of the date of any payment under this Article to or for a Participant's benefit for Dependent Care Expenses Incurred during a Coverage Period, or within the DCAP Grace period, the Participant's DCAP shall be debited by the amount of the payment. If the Dependent Care Expense exceeds the credit balance in the DCAP of a Participant, the amount to be paid to the Participant shall be reduced to zero; provided, however, if the Participant had an election for Compensation reduction in effect at the time the expense that generated the approved claim was paid, a record of any such unpaid Dependent Care Expenses shall be maintained, and thereafter, if there is a claim balance in the DCAP of the Participant during the Plan Year, the Participant shall be paid an amount equal to the lesser of: (i) any such unpaid Dependent Care Expenses; or (ii) such credit balance in the DCAP of the Participant, and the DCAP shall be debited by the amount of such payment.

Section 7.04. Forfeiture of DCAP Funds

Except as provided under Section 7.07, the amount credited to a Participant's DCAP shall only be used to reimburse the Participant for Dependent Care Expenses Incurred during the Coverage Period or the DCAP Grace Period while a Participant, and only if the Participant applies for reimbursement by March 31 following the end of the Coverage Period and the DCAP Grace Period. Any balance credited to a Participant's DCAP after all reimbursements for the Coverage Period and the DCAP Grace Period have been made hereunder shall be forfeited as of March 31 following the end of the DCAP Grace Period. Such amounts shall be forwarded to the Authority and used to pay expenses and fees of the Plan or for such other use as determined by the Plan Administrator that are consistent with Code Section 125.

Section 7.05. Claims for Dependent Care Reimbursement

- (a) A Participant who has elected benefits under the DCAP for a Coverage Period may apply to the Plan Administrator for reimbursement of Dependent Care Expenses Incurred during the Coverage Period, or within the DCAP Grace Period, while a Participant, by submitting a written claim to the Plan Administrator not later than March 31 after the end of the Coverage Period and the DCAP Grace Period in which the Dependent Care Expenses were Incurred. In order to be reimbursed, all Dependent Care Expenses must have been Incurred by no later than the end of the DCAP Grace Period. The claim for reimbursement may be made before or after the Participant has paid the Dependent Care Expenses, but not before the Participant has Incurred the Dependent Care Expenses.
- (b) In the event any Dependent Care Expenses are Incurred during the DCAP Grace Period, and the Participant has elected to enroll in a DCAP for the current Plan Year, the claim shall be reimbursed first from any balance remaining for the preceding Plan Year and second from any balance remaining from the current Plan Year.

Section 7.06. Reimbursement of Dependent Care Expenses

If a Participant submits a claim and documentation as required by Section 7.05, and the Plan Administrator approves the claim, the Plan shall reimburse the Participant from the Participant's DCAP for Dependent Care Expenses incurred during the Coverage Period, or within the DCAP Grace period, at such times as the Plan Administrator shall prescribe, but no less frequently than monthly. The amount of any reimbursement hereunder shall not exceed the amount credited to the Participant's DCAP at the time of the reimbursement.

Section 7.07. Cessation of Participation

A Participant who ceases to be a Participant, as provided in Section 3.02, during a Plan Year shall be entitled to reimbursement of Dependent Care Expenses Incurred before the end of the Plan Year, or within the DCAP Grace period, during which he or she ceased to be a Participant. The reimbursement of Dependent Care Expenses Incurred before the end of the Plan Year, or within the DCAP Grace period, however, will not exceed the credit balance in the DCAP as of the time the Participant ceased participation in the Plan.

Section 7.08. Special Age Limit Relief for 2020

Notwithstanding the definition of a Type A Qualifying Individual in Section 2.01(rr), a Participant who is enrolled in the DCAP in Plan Year 2020 and who has one or more dependents who attain age 13 during Plan Year 2020 may be reimbursed for the Dependent Care Expenses of such dependent(s) that are incurred at any time in Plan Year 2020. In addition, if such Participant has unused DCAP amounts as of December 31, 2020, such amounts may be used to reimburse the Participant for such dependent's Dependent Care Expenses in Plan Year 2021 that are incurred prior to the dependents(s) fourteenth birthday. For purposes of clarity, DCAP amounts elected for Plan Year 2021 may not be used to reimburse Dependent Care Expenses incurred in Plan Year 2021 for such dependent(s).

In all other respects, the Plan remains unchanged.

IN WITNESS WHEREOF, the Authority has caused this instrument to be executed by its duly authorized officer this 9th day of September 2021, to be effective as of January 1, 2021.

WASHINGTON STATE HEALTH CARE
AUTHORITY



By: _____
David Iseminger, Director of the PEBB Program