

CITY OF BOWLING GREEN
DEPENDENT CARE
FLEXIBLE SPENDING ACCOUNT PLAN
PLAN DOCUMENT

Effective Date: January 1, 2004

TABLE OF CONTENTS

INTRODUCTION.....	1
Creation and Title.....	1
Effective Date.....	1
Purpose.....	1
DEFINITIONS	2
PARTICIPATION	4
Eligibility	4
Commencement of Participation.....	4
Term of Participation.....	4
Participation By Rehired Employees	4
BENEFITS	5
Provision of Benefits.....	5
Amount of Reimbursement	5
Change In Participant Election	5
Family and Medical Leave Act.....	5
Nondiscriminatory Benefits.....	5
FUNDING AND PAYMENT OF BENEFITS.....	6
Participants' Accounts.....	6
Payment of Benefits.....	6
Forfeiture of Benefits.....	6
ELECTION CHANGES	7
CLAIMS PROCEDURE.....	8
General.....	8
Filing a Claim.....	8
Benefit Determination.....	8
Appealing a Denied Claim	8
PLAN ADMINISTRATION	9
Plan Administrator.....	9
Plan Administrator's Duties.....	9
Information To Be Provided To Plan Administrator.....	9
Decision of Plan Administrator Final.....	10
Rules To Apply Uniformly.....	10
GENERAL PROVISIONS	11
Employer Obligation.....	11
Amendment and Termination.....	11
Nonassignability	11
Not An Employment Contract.....	11
Tax Effects	11

Addresses, Notice and Waiver of Notice.....	11
Severability	11
Applicable Law	12

INTRODUCTION

CREATION AND TITLE

City of Bowling Green hereby establishes this *Plan* under the terms and conditions set forth in this document. The *Plan* is to be known as City of Bowling Green Dependent Care Flexible Spending Account Plan.

EFFECTIVE DATE

The provisions of the *Plan*, as amended, shall be effective as of January 1, 2004. The *Plan* was originally effective January 1, 2001.

PURPOSE

The purpose of the *Plan* is to allow participating *employees* to use pretax dollars to pay for certain *dependent care expenses incurred* by them and not otherwise covered by insurance or by the *employer*. The *employer* intends that the *Plan* qualify as a nondiscriminatory flexible spending arrangement under Section 125 of the *code* (and applicable regulation) and a nondiscriminatory dependent care assistance program under Section 129 of the *code*.

DEFINITIONS

Certain words and terms used herein shall be defined as follows and are shown in *bold and italics* throughout the document.

Benefits Account

The administrative account established by the *plan administrator* under the *Plan* for each *participant* based on which *dependent care reimbursement benefits* shall be paid.

Claims Processor

CoreSource, Inc.

Code

The Internal Revenue Code of 1986, as amended from time to time.

Compensation

All the earned income, salary, wages, and other earnings paid by the *employer* to a *participant*, including any amounts contributed by the *employer* pursuant to a salary reduction agreement which are not includable in gross income under Sections 125, 402(g)(3), 402(h), 403(b) or 457(b) of the *code*.

Dependent

An individual who is a "qualifying individual" as defined in Section 21(b)(1) of the *code* with respect to whom the *participant* incurs any *dependent care expenses*.

Dependent Care Expenses

Expenses *incurred* by a *participant* for the care of a *dependent* or spouse of the *participant* or for related household services which would be considered employment-related expenses under Section 21(b)(2) of the *code*.

Dependent Care Reimbursement Benefits

For any *plan year*, the amount available to a *participant* as benefits in the form of reimbursements of *dependent care expenses*.

Effective Date

The provisions of the *Plan*, as amended, shall be effective as of January 1, 2004. The *Plan* was originally effective January 1, 2001.

Eligible Employee

An *employee* who has met the eligibility requirements of the *Plan* as set forth herein.

Employee

All *full-time* and *part-time employees* regularly scheduled to work at least forty (40) hours per work week for *full-time* or at least twenty (20) hours, but less than forty (40) hours per work week for permanent *part-time* shall be eligible to enroll for coverage under this *Plan*. This does not include temporary or seasonal *employees*.

Employer

City of Bowling Green or any successor by merger, consolidation, or purchase of substantially all of its assets and shall also include any of its affiliates, successors or assignors which adopt the *Plan* with the approval of City of Bowling Green.

Entry Date

For each *employee*, the first day of the month coincident with or next following the day that the *employee* becomes eligible to participate in the *Plan*.

Incurred or Incurred Date

For purposes of the *Plan*, a *dependent care expense* is *incurred* on the date when the underlying services giving rise to the *dependent care expenses* are performed and not on the date that the services are billed by the service provider or paid by the *participant*.

Participant

Any *employee* who has met the eligibility requirements of the *Plan* and has elected to participate in the *Plan* by providing the *plan administrator* with a completed *participation agreement*.

Participation Agreement

The agreement by an *eligible employee* that sets forth the *employee's* : (i) election to participate in the *Plan*, (ii) election of the amount of *dependent care reimbursement benefits* to be made available to the *participant* for a *plan year* as reimbursement for *dependent care expenses*, and (iii) authorization of the *employer* to reduce the *employee's compensation* while a *participant* during the *plan year* and to credit the *participant's benefits account* by such amount under the *Plan*.

Plan

City of Bowling Green Dependent Care Flexible Spending Account Plan, as described herein.

Plan Administrator

The *employer* or such other person or committee as may be appointed by the *employer* to administer the *Plan*.

Plan Year

The twelve (12) consecutive month period beginning on January 1st and ending on December 31st.

Spouse

An individual who is legally married to a *participant*, but shall not include an individual separated from a *participant* under a decree of legal separation.

PARTICIPATION

ELIGIBILITY

Each *employee*, as defined herein, shall be eligible to participate in the *Plan*.

COMMENCEMENT OF PARTICIPATION

An *eligible employee* shall become a *participant* in the *Plan* after providing the *plan administrator* with a completed *participation agreement* setting forth the benefits to be made available to the *eligible employee* for the immediately following *plan year* or remaining portion of the *plan year*. As part of the *participation agreement*, the *participant* shall authorize the *employer* to reduce the *participant's compensation* for the *plan year* (or the remaining portion thereof) by an amount the *participant* elects to have credited to his or her *benefits account* under the *Plan*, subject to the maximum amount described in the section below entitled *Benefits*. The *participant* must, before the end of the first *plan year* of participation and, before the end of each subsequent *plan year*, provide the *plan administrator* with a newly executed *participation agreement*. Each new *participation agreement* shall specify the amount of *dependent care reimbursement benefits* to be made available to the *participant* for the immediately following *plan year* or remaining portion of the *plan year*.

TERM OF PARTICIPATION

Each *participant* shall be a *participant* in the *Plan* for the entire *plan year* or the portion of the *plan year* remaining after the *participant's entry date*, if later than the first day of the *plan year*. A *participant* shall cease to be a *participant* in the *Plan* on the earliest of:

- (a) the date the *participant* dies, resigns or terminates employment with the *employer*, subject to the provisions in the section below entitled *Participation By Rehired Employees*;
- (b) the date the *participant* fails to make required contributions under the *Plan*;
- (c) the date the *participant* ceases to be an *employee* or otherwise becomes no longer eligible to participate under the terms of the *Plan*; or
- (d) the date the *Plan* terminates.

PARTICIPATION BY REHIRED EMPLOYEES

Each *participant* in the *Plan* who separates from service with the *employer* shall suspend participation under this *Plan* for the period from the date of termination to the last day of the *plan year* in which termination occurred. During such period of suspension, any contributions pursuant to a *participation agreement* shall cease. Participation in the *Plan* shall terminate on the first day of the next *plan year*, provided the terminated *employee* has not been rehired by the *employer* on such date. If a terminated *employee* should later be rehired by the *employer* in the same *plan year* as the *plan year* in which he or she separated from service, such *employee* may elect to resume participation in the *Plan* under the terms of the *participation agreement* in effect on the date of termination of employment.

BENEFITS

PROVISION OF BENEFITS

Benefits under the *Plan* shall take the form of reimbursement of *dependent care expenses incurred* by a *participant* during the *plan year*. Benefits under the *Plan* shall be available solely for *qualified expenses incurred* during the *participant's* participation in the *Plan*.

AMOUNT OF REIMBURSEMENT

A *participant* shall be entitled to benefits under the *Plan* for a *plan year* in an amount that does not exceed the *participant's dependent care reimbursement benefits*. Notwithstanding any other provisions of this *Plan*, no *participant* shall, for any *plan year*, receive *dependent care reimbursement benefits* in excess of five thousand dollars (\$5,000) (or two thousand five hundred dollars (\$2,500) in the case of a married *participant* filing a separate Federal income tax return) and not less than one hundred dollars (\$100). The amount of a *participant's dependent care reimbursement benefits* at any given time shall not exceed the amount of the *participant's compensation* for the *plan year* that has already been reduced pursuant to the *participation agreement* and not yet used as reimbursement under this *Plan*.

CHANGE IN PARTICIPANT ELECTION

A *participant* may not change the amount of *dependent care reimbursement benefits* to be made available for a *plan year* during that *plan year*, except in accordance with the rules for changes in elections as set forth in the section below entitled *Election Changes*.

FAMILY AND MEDICAL LEAVE ACT

For any leave, and solely to the extent the provisions of the Family and Medical Leave Act of 1993 ("FMLA") apply and such leave qualifies as a FMLA leave, a *participant* whose *dependent care reimbursement benefits* terminated while on an FMLA leave (either by revocation or for nonpayment of premiums) may have such *dependent care reimbursement benefits* reinstated on return from the FMLA leave on the same terms as prior to taking the FMLA leave, subject to any changes in benefit levels that may have taken place during the period of FMLA leave.

NONDISCRIMINATORY BENEFITS

The *Plan*, in accordance with applicable provisions of the *code*, is intended to not discriminate in favor of highly compensated individuals as to eligibility to participate, contributions and/or benefits. The *plan administrator* may take such actions as it deems appropriate or necessary to ensure that the *Plan* is not deemed a discriminatory plan under applicable provisions of the *code*, which actions may include excluding certain highly compensated individuals from participation in the *Plan*.

FUNDING AND PAYMENT OF BENEFITS

PARTICIPANTS' ACCOUNTS

The *plan administrator* shall establish a separate *benefits account* for each *participant* in the *Plan*. The *plan administrator* shall credit a *participant's benefits account* with the amount of *dependent care reimbursement benefits* to be made available to the *participant* pursuant to the *participant's participation agreement*. The *plan administrator* shall charge a *participant's benefits account* in the amount of any reimbursement made to the *participant*. The *plan administrator* may also establish a minimum reimbursement amount below which requests for reimbursement shall not be made during the *plan year*, but which must be made by the end of the *plan year* (including the period set forth in *Forfeiture of Benefits*).

PAYMENT OF BENEFITS

Reimbursement shall only be made under the *Plan* on the basis of *dependent care expenses incurred* by the *participant*, as presented to the *plan administrator* on a written form specified by the *plan administrator* and as evidenced by a written statement from a third party. It shall be the duty of the *plan administrator* to determine whether or not an expense constitutes a *dependent care expense*. To make the determination that a *dependent care expense* subject to reimbursement has been *incurred*, the *plan administrator* may require proper evidence of any or all of the following:

- (a) the name of the person or persons for whom the expenses have been *incurred*;
- (b) the nature of the expenses *incurred*;
- (c) the *incurred date*;
- (d) the amount of the requested reimbursement; and/or
- (e) that the expenses have not been otherwise paid or reimbursed from another source.

If the *plan administrator* determines that an expense is a *dependent care expense* subject to reimbursement, the *plan administrator* shall reimburse the *participant* for the *dependent care expense* within a reasonable time. The *plan administrator* shall be the sole arbiter of what constitutes a *dependent care expense* subject to reimbursement under the *Plan*. In the event of the death of the *participant* prior to the payment of any claims, payment shall be made to the *participant's* spouse, or, in the absence of a spouse, to the executor of the *participant's* estate.

FORFEITURE OF BENEFITS

A *participant* forfeits any amount of *dependent care reimbursement benefits* under the *Plan* for a *plan year* if a claim for reimbursement is not provided to the *plan administrator* within ninety (90) days after the last day of the *plan year*. Upon such forfeiture, the *participant's benefits account* shall be reduced to zero. At the direction of the *employer*, forfeitures of benefits under the *Plan* may be reallocated to *participants* in any reasonable manner. Forfeitures of benefits may also be applied towards the cost of administering the *Plan*. In no event shall any forfeitures be subject to the claim of any current or former *participant, spouse* or *dependent* or any of their successors or assigns.

ELECTION CHANGES

No *participant* in the *Plan* shall be allowed to alter or discontinue the *participant's* elected benefits under the *Plan* during a *plan year* except as follows:

1. An election change that is on account of and corresponds with any of the following status change that affects eligibility for coverage under the *Plan*:
 - a. Change in *employee's* legal marital status;
 - b. Change in number of *dependents*;
 - c. Termination or commencement of employment by the *employee, spouse or dependent*;
 - d. Change in employment status for the *employee, spouse or dependent* that results in change of eligibility under the *Plan* or other employee benefit plan of the employer of the *employee, spouse or dependent*;
 - e. An event that causes an individual to satisfy (or cease to satisfy) *dependent* eligibility requirements on account of age, student status or any similar circumstance; or
2. An election change in connection with taking or returning from a leave of absence under the Family and Medical Leave Act of 1993 (FMLA) or the Uniformed Services Employment and Reemployment Rights Act (USERRA).
3. An election change that is pursuant to a judgment, decree or order resulting from a divorce, legal separation, annulment, or change in legal custody that requires coverage for an *employee's* child or for a foster child who is a *dependent* of the *employee*.

A mid-year election change as permitted above can only be effectuated by the *participant* filing a new *participation agreement*, which will serve to revoke the *participant's* previous *participation agreement*. The new *participation agreement*, if determined by the *plan administrator* to be timely submitted and consistent with other requirements of this *Plan*, shall only be effective prospectively and after the effective date of the new *participation agreement*.

CLAIMS PROCEDURE

GENERAL

No benefit shall be paid hereunder unless the *claims processor* has received from the *participant* a written claim for benefits in accordance with the provisions of this section.

FILING A CLAIM

Claims for benefits under this *Plan* must be submitted to the *claims processor* at the following address:

CoreSource, Inc.
229 Huber Village Blvd.
Westerville, Ohio 43081

All claims for benefits under this *Plan* must be submitted on an approved form and include such evidence as the *claims processor* may deem reasonably necessary to administer the claim, including such evidence that substantiates the nature, the amount, and timeliness of any expenses that may be reimbursed.

Claims for benefits under this *Plan* must be received by the *claims processor* within ninety (90) days of the close of the *plan year* in which the relevant expense was *incurred*. All claims that are not timely received shall be denied.

BENEFIT DETERMINATION

After receipt by the *claims processor* of a completed claim for benefits under this *Plan*, the *claims processor* shall complete its determination of the claim within a reasonable period of time. If a claim for benefits under this *Plan* is denied, the *claims processor* shall provide the *participant* with a written notice of benefit denial.

APPEALING A DENIED CLAIM

If a claim for benefits under this *Plan* is denied, the *participant* may request a review of the denied claim by making written request to the *claims processor* within ninety (90) days from receipt of notification of the denial and stating the reasons the *participant* feels the claim should not have been denied. The *claims processor* shall provide the *participant* with a written notice of the appeal decision within a reasonable period of time. The appeal decision of the *claims processor* shall be final under the *Plan* and binding on the *participant*.

PLAN ADMINISTRATION

PLAN ADMINISTRATOR

The *plan administrator* shall be responsible for the administration of the *Plan*.

PLAN ADMINISTRATOR'S DUTIES

In addition to any rights, duties or powers specified throughout the *Plan*, the *plan administrator* shall have the following rights, duties and powers:

- (a) to interpret the *Plan*, to determine the amount, manner and time for payment of any benefits under the *Plan*, and to construe or remedy any ambiguities, inconsistencies or omissions under the *Plan*;
- (b) to adopt and apply any rules or procedures to ensure the orderly and efficient administration of the *Plan*;
- (c) to determine the rights of any *participant* to benefits under the *Plan*;
- (d) to develop appellate and review procedures for any *participant* with regard to denied benefits under the *Plan*;
- (e) to provide the *employer* with such tax or other information it may require in connection with the *Plan*;
- (f) to employ any agents, attorneys, accountants or other parties (who may also be employed by the *employer*) and to allocate or delegate to them such powers or duties as are necessary to assist in the proper and efficient administration of the *Plan*, provided that such allocation or delegation and the acceptance thereof are in writing;
- (g) to report to the *employer*, or any party designated by the *employer*, after the end of each *plan year*, regarding the administration of the *Plan*; and to report any significant problems as to the administration of the *Plan* and to make recommendations for modifications as to procedures and benefits, or any other change which might ensure the efficient administration of the *Plan*.

However, nothing in this section is meant to confer upon the *plan administrator* any powers to amend the *Plan* or change any material administrative procedure or adopt any other material procedure involving the *Plan* without the express written approval of the *employer*. Notwithstanding the preceding sentence, the *plan administrator* is empowered to take any actions he sees fit to assure that the *Plan* complies with the nondiscrimination requirements of Sections 129 and/or 125 of the *code*.

INFORMATION TO BE PROVIDED TO PLAN ADMINISTRATOR

The *employer*, or any of its agents, shall provide to the *plan administrator* any employment records of any *employee* eligible to participate under the *Plan*. Such records shall include, but will not be limited to, any information regarding period of employment, leaves of absence, salary history, termination of employment, or any other information the *plan administrator* may need for the proper administration of the *Plan*. Any *participant* entitled to benefits under the *Plan* shall furnish to the *plan administrator* his correct post office address, his date of birth, the names, correct addresses and dates of birth of any designated beneficiaries, with proper proof thereof, or any other data the *plan administrator* might reasonably request to ensure the proper and efficient administration of the *Plan*.

DECISION OF PLAN ADMINISTRATOR FINAL

Subject to applicable State or Federal law and the provisions of this *Plan*, any interpretation of any provision of this *Plan* made in good faith by the *plan administrator* as to any rights or benefits of a *participant* under this *Plan* is final and shall be binding upon the parties. Any misstatement or other mistake of fact shall be corrected as soon as reasonably possible upon notification to the *plan administrator* and any adjustment or correction attributable to such misstatement or mistake of fact shall be made by the *plan administrator* as he considers equitable and practicable.

RULES TO APPLY UNIFORMLY

The *plan administrator* shall perform his duties in a reasonable manner and on a nondiscriminatory basis and shall apply uniform rules to all *participants* similarly situated under the *Plan*.

GENERAL PROVISIONS

EMPLOYER OBLIGATION

The *employer*, upon adopting the *Plan*, shall have the obligation to pay, or to have paid on its behalf, the contributions required for payment of benefits under the *Plan* in respect of its employees.

AMENDMENT AND TERMINATION

City of Bowling Green may amend, modify, or terminate this *Plan* at any time, to any extent, and for any reason, all in its sole discretion. Any amendment may be made effective retroactively to the extent not prohibited by the Internal Revenue Code. Coverage upon termination shall be governed by the terms of the *Plan*.

NONASSIGNABILITY

Any benefits under this *Plan* shall be nonassignable and for the exclusive benefit of *participants*. No benefit shall be voluntarily or involuntarily assigned, sold or transferred.

NOT AN EMPLOYMENT CONTRACT

By creating this *Plan* and providing benefits under the *Plan*, the *employer* in no way guarantees employment for any *employee*. Participation in this *Plan* shall in no way assure continued employment with the *employer*.

TAX EFFECTS

Neither the *employer* nor the *plan administrator* makes any warranty or other representation as to whether any payments made hereunder will be treated as includible or excludible in gross income for federal or state income tax purposes.

ADDRESSES, NOTICE AND WAIVER OF NOTICE

Each *participant* shall furnish the *employer* with his correct post office address. Any communication, statement or notice addressed to a *participant* at his last post office address as filed with the *employer* will be binding on such person. The *employer* or *plan administrator* shall be under no legal obligation to search for or investigate the whereabouts of any person benefiting under this *Plan*. Any notice required under the *Plan* may be waived by such person entitled to such notice.

SEVERABILITY

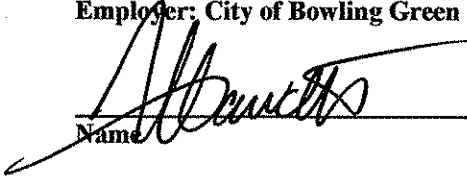
In any case where any provision of the *Plan* is held to be illegal or invalid, such illegality or invalidity shall apply only to that part of the *Plan* and shall not apply to any remaining provisions of the *Plan*, and the *Plan* shall be construed as if such illegal or invalid provision had never existed under the *Plan*.

APPLICABLE LAW

The *Plan* shall be construed under the laws of the State of Ohio, to the extent not preempted by any Federal law.

Executed this 18 day of February, 2004

Employer: City of Bowling Green


Name _____

Municipal Administrator
Title _____

**AMENDMENT NO. 1
FOR
BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION (BORMA)
CITY OF BOWLING GREEN
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT PLAN**

The section "DEFINITIONS" shall be amended as follows:

The subsection "*Employee*" shall be deleted in its entirety and the following substituted therefore:

Employee

An individual employed by the *employer* who is regularly scheduled to work at least forty (40) hours per work week.

A non-temporary part-time salaried or exempt individual if their salary is based on 50% of the salary for a full-time hire into the same or similar position. A non-temporary part-time hourly individual who was hired to work a minimum of 1,250 hours per calendar year.

This does not include: (i) an employee who owns on any day during the *plan year* more than two percent (2%) of the total combined voting power of all stock of the *employer* if the *employer* is an S corporation as defined in Section 1361(a)(1) of the *code*, and (ii) an individual who is a self-employed individual or an owner-employee within the meaning of Section 410(c) of the *code*.

Effective July 1, 2006

Received and accepted for Buckeye Ohio Risk Management Association (BORMA) – City of Bowling Green

By: Barbara A. Ford

Title: Personnel Director

Date: 7-14-06

**AMENDMENT NO. 2
FOR
BUCKEYE OHIO RISK MANAGEMENT ASSOCIATION (BORMA)
CITY OF BOWLING GREEN
DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT PLAN**

I. The section "PARTICIPATION" shall be amended as follows:

The subsection "Eligibility" shall be deleted in its entirety and the following substituted therefore:

ELIGIBILITY

Each *employee*, as defined herein, shall be eligible to participate in the *Plan* on the first day of the month following the date of hire.

II. The section "CLAIMS PROCEDURE" shall be amended as follows:

The subsection "Filing A Claim" shall be deleted in its entirety and the following substituted therefore:

FILING A CLAIM

Claims for benefits under this *Plan* must be submitted to the *claims processor* at the following address:

CoreSource, Inc.
5200 Upper Metro Place, Suite 300
Dublin, OH 43017

All claims for benefits under this *Plan* must be submitted on an approved form and include such evidence as the *claims processor* may deem reasonably necessary to administer the claim, including such evidence that substantiates the nature, the amount, and timeliness of any expenses that may be reimbursed.

Claims for benefits under this *Plan* must be received by the *claims processor* within ninety (90) days of the close of the *plan year* in which the relevant expense was *incurred*. All claims that are not timely received shall be denied.

Effective January 1, 2008

Received and accepted for Buckeye Ohio Risk Management Association (BORMA) – City of Bowling Green

By: 

Title: Municipal Administrator

Date: January 28, 2008