

**SUMMARY OF MATERIAL MODIFICATIONS
for the**

The City of Oakland
Flexible Benefits Plan

**I
INTRODUCTION**

This is a Summary of Material Modifications regarding the City of Oakland Flexible Benefits Plan (the “Plan”). This is merely a summary of the most important changes to the Plan and information contained in the Summary Plan Description (“SPD”) previously provided to you. It supplements and amends that SPD so you should retain a copy of this document with your copy of the SPD. If you have any questions, contact the Administrator. If there is any discrepancy between the terms of the Plan, as modified, and this Summary of Material Modifications, the provisions of the Plan will control.

**II
SUMMARY OF CHANGES**

Continuation of the Grace Period Through December 31, 2020.

Effective as of the May 12, 2020, the Employer amends their plan to allow for the extension of the Grace Period through December 31, 2020.

On May 12, 2020, the Internal Revenue Service released guidance impacting section 125 cafeteria plans. This guidance is designed to provide temporary flexibility for employers and employees and assist with the National response to the 2019 Novel Coronavirus outbreak (COVID-19). These changes permit participants to use funds from a prior plan year for expenses incurred through December 31, 2020.

Specifically, for the plan year or grace period ending in 2020, the employer hereby amends the plan to allow employees to use dollars remaining in that plan as of the last day in the plan year for claims incurred through December 31, 2020. Health FSA amounts must still be used for medical expenses and dependent care FSA amounts must still be used for dependent care expenses.

The extension of the period for incurring claims under this guidance is an extension of coverage that is not HSA compatible, consequently any employee with unused amounts remaining at the end of a plan year or grace period ending in 2020 will not be eligible to contribute to an HSA during the extend period (unless the FSA is a limited FSA).