

FOURTH AMENDMENT TO
VIRGINIA BANKERS ASSOCIATION
GROUP FLEXIBLE BENEFITS PLAN

(January, 2015)

Pursuant to the authority granted to the Benefits Corporation under paragraph 9.1 of the Virginia Bankers Association Group Flexible Benefits Plan (the "Plan"), the Benefits Corporation hereby amends the Plan, effective January 1, 2021 or as otherwise stated, as follows:

Each Employer maintains a group welfare plan and a "cafeteria plan" under Section 125 of the Internal Revenue Code for the exclusive benefit of eligible employees and their dependents through the adoption of the Virginia Bankers Association Group Flexible Benefits Plan. This Amendment is intended to amend the Plan to allow Employers to adopt permissible increases in carryover amounts and extended grace periods available for flexible spending accounts from the 2020 plan year to 2021 and other changes allowed under Section 214 of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (the Act), enacted as Division EE of the Consolidated Appropriations Act, 2021, Pub. L. 116-260, 134 Stat. 1182 (2020), as follows:

1. A new subparagraph A-1.3(g) is added to the Plan to read as follows:

A-1.3(g) "Dependent Care Spending Account": The book account established by the Administrator on behalf of a Participant consisting of the amount elected to be contributed to the Dependent Care Spending Account by such Participant for the Plan Year, plus any Benefit Credit made by the Employer and then reduced by any benefits previously paid to the Participant with respect to the Plan Year.

2. A new paragraph A-1.11 is added to the Plan effective January 1, 2021 to read as follows:

A-1.11 Special Grace Period/Carryover Applicable for 2021.

A-1.11(a) For purposes hereof, the following terms shall have the meanings (or modified meanings) set forth below:

(i) "Carryover" If the Employer elects in Option 5(j)(7) of the Adoption Agreement to permit a Participant's unused balance to be carried over, the unused balance as of the end of the Benefit Claims Period for 2020 to the 2021 Plan Year. The ASO shall establish and communicate rules for determining the amount of the Carryover after taking into account reimbursements made for the 2020 Plan Year during the run-out portion of the Benefit Claim Period occurring through March 31 following the end of the 2020 Plan Year.

(ii) "Grace Period": If the Employer elects in Option 5(j)(7) of the Adoption Agreement to apply the grace period rules, the entire calendar year 2021.

(iii) "Additional Qualifying Individual" Notwithstanding the definition of Qualifying Individual set forth above, for the Plan Year beginning January 1, 2021, if the Employer elects in Option 5(j)(8), a Qualifying Individual shall also include the Participant's non-spouse Dependent who is under the age of fourteen (14) with respect to

whom the Participant is entitled to a personal exemption deduction under Section 151(e) of the Code if the all of the following conditions are met:

- (A) the Participant was enrolled in the Dependent Care Spending Account for the 2020 Plan Year;
- (B) the Participant had an unused balance at the end of 2020; and
- (C) the Participant has a Dependent who reached age 13 in 2020.

(iv) "Dependent Care Spending Account": If the Employer elects in Option 5(j)(7) of the Adoption Agreement to permit a Carryover, the Dependent Care Account for 2021 shall include the Carryover from 2020.

A-1.11(b) Any Carryover from 2020 will not count toward the permissible contribution limit described in paragraph A-1.5 for 2021.

A-1.11(c) Any unused balance in the Dependent Care Spending Account for the 2020 Plan Year shall be used to pay or reimburse the Participant for Qualifying Dependent Care Expenses incurred by the Participant during such Plan Year and, if elected by the Employer in Option 5(j)(7) of the Adoption Agreement, during the Grace Period.

A-1.11(d) If an Employer elects in Option 5(j)(7) either to apply the grace period rules or permit a carryover, Qualifying Dependent Care Expenses relating to the Additional Qualifying Individual shall be limited to the amount of the unused balance at the end of the 2020 Plan year.

A-1.11(e) Notwithstanding paragraph A-1.8, if an Employer elects in Option 5(j)(7) either to apply the grace period rules or permit a carryover, any amounts remaining in a Participant's account at the end of the Benefit Claims Period for 2021 shall be forfeited.

3. Subparagraph B-1.3(d) of Appendix B is amended effective January 1, 2021 to read as follows:

B-1.3(d) "Carryover" If the Employer elects in Option 5(i)(7) of the Adoption Agreement to permit a Participant's unused balance to be carried over to the subsequent Plan Year, the amount up to \$500, remaining in a Participants account at the end of the immediately preceding Plan Year. Effective January 1, 2021, the amount that may be carried over, beginning with the Carryover from the Plan Year beginning in 2020, shall increase to \$550 or as adjusted from time to time to equal 20% of the salary reduction limit described in Section 125(i) of the Code, provided the Employer either elected the maximum amount of \$500 under Option 5(i)(7)(B) or left the option blank. If the Employer elected less than \$500, then the amount of the Carryover shall remain unchanged. The ASO shall establish and communicate rules for determining the amount of the Carryover after taking into account reimbursements made for the prior Plan Year during the run-out portion of the Benefit Claim Period occurring through March 31 following the end of the prior Plan Year. For the Plan Year beginning January 1, 2021, if the Employer elects in Option 5(i)(9) of the Adoption Agreement, the Carryover from 2020 to 2021 shall not be limited by the foregoing.

4. Subparagraph B-1.3(f) of Appendix B is amended effective January 1, 2021 to read as follows:

B-1.3(f)“Grace Period”: If the Employer elects in Option 5(i)(7) of the Adoption Agreement to apply the grace period rules, the 2-1/2 month period following the end of a Plan Year. For the Plan Year beginning January 1, 2021, if the Employer elects in Option 5(i)(9) of the Adoption Agreement, the Grace Period from 2020 to 2021 shall be the entire 2021 Plan Year.

5. Subparagraph B-1.8(c) of Appendix B is amended effective January 1, 2021 to read as follows:

B-1.8(c) If the Employer elects in Option 5(i)(7) of the Adoption Agreement, any amounts remaining in a Participant’s account for a Plan Year at the end of the Benefit Claim Period with respect to such Plan Year in excess of the maximum carryover amount described in subparagraph B-1.3(d) shall be forfeited.

6. Subparagraph C-1.3(d) of Appendix C is amended effective January 1, 2021 to read as follows:

C-1.3(d) “Carryover” If the Employer elects in Option 5(i)(7) of the Adoption Agreement to permit a Participant’s unused balance to be carried over to the subsequent Plan Year, the amount up to \$500, remaining in a Participants account at the end of the immediately preceding Plan Year. Effective January 1, 2021, the amount that may be carried over, beginning with the Carryover from the Plan Year beginning in 2020, shall increase to \$550, or as adjusted from time to time to equal 20% of the salary reduction limit described in Code Section 125(i) of the Code, provided the Employer either elected the maximum amount of \$500 under Option 5(i)(7)(B) or left the option blank. If the Employer elected less than \$500, then the amount of the Carryover shall remain unchanged. The ASO shall establish and communicate rules for determining the amount of the Carryover after taking into account reimbursements made for the prior Plan Year during the run-out portion of the Benefit Claim Period occurring through March 31 following the end of the prior Plan Year. For the Plan Year beginning January 1, 2021, if the Employer elects in Option 5(i)(9) of the Adoption Agreement, the Carryover from 2020 to 2021 shall not be limited by the foregoing.

7. Subparagraph C-1.3(f) of Appendix C is amended effective January 1, 2021 to read as follows:

C-1.3(f) “Grace Period”: If the Employer elects in Option 5(i)(7) of the Adoption Agreement to apply the grace period rules, the 2-1/2 month period following the end of a Plan Year. For the Plan Year beginning January 1, 2021, if the Employer elects in Option 5(i)(9) of the Adoption Agreement, the Grace Period from 2020 to 2021 shall be the entire 2021 Plan Year.

8. Subparagraph C-1.8(c) of Appendix C is amended effective January 1, 2021 to read as follows:

C-1.8(c) If the Employer elects in Option 5(i)(7) of the Adoption Agreement, any amounts remaining in a Participant’s account for a Plan Year at the end of the Benefit Claim Period with respect to such Plan Year in excess of the maximum carryover amount described in subparagraph B-1.3(d) shall be forfeited.

This amendment is adopted by the Board of Directors of the Benefits Corporation on this 25 day of May, 2021. Employers adopting the Plan shall be notified of this amendment in writing, and a copy of this amendment shall be provided to each.

VBA BENEFITS CORPORATION

By: Tom Cherry
Tom Cherry (May 25, 2021 08:44 EDT)

Its Chairman





VBA 4th Amendment to 2014 Flex and Wrap Plan

Final Audit Report

2021-05-25

Created:	2021-05-24
By:	Laurie Milligan (lmilligan@vabankers.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAMXrOS-KnpY78wz-1Lk7X1haXMZvwcnWI

"VBA 4th Amendment to 2014 Flex and Wrap Plan" History

-  Document created by Laurie Milligan (lmilligan@vabankers.org)
2021-05-24 - 7:44:22 PM GMT- IP address: 107.1.82.170
-  Document emailed to Tom Cherry (tcherry@cffc.com) for signature
2021-05-24 - 7:45:06 PM GMT
-  Email viewed by Tom Cherry (tcherry@cffc.com)
2021-05-25 - 12:42:59 PM GMT- IP address: 209.156.105.210
-  Document e-signed by Tom Cherry (tcherry@cffc.com)
Signature Date: 2021-05-25 - 12:44:04 PM GMT - Time Source: server- IP address: 209.156.105.210
-  Agreement completed.
2021-05-25 - 12:44:04 PM GMT