

RESOLUTION

WHEREAS, the City of Crossville previously adopted a Code Section 125 plan, also known as the Cafeteria Plan, (the "Plan"); and

WHEREAS, effective immediately, Internal Revenue Service Notice 2013-71 (the "Notice") modified the "use-or-lose" rule for health flexible spending arrangements (FSAs) to allow, at the plan sponsor's option, employees participating in health FSAs to carry over up to five hundred dollars (\$500.00) of unused amounts remaining at year-end; and

WHEREAS, effective January 1, 2013, the Employer desires to amend the Plan as set forth in the attached Amendment and Summary of Material Modifications to make changes to allow employees a carryover of up to \$500.00 to the flexible spending account, consistent with the requirements set forth in the Notice.

NOW, THEREFORE; BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF CROSSVILLE that the attached Amendment and Summary of Material Modifications has been reviewed and do hereby approve the adoption of the Amendment as set forth therein;

BE IT FURTHER RESOLVED that the City Manager is authorized and directed to take any and all action as may be necessary to effectuate this resolution.

ADOPTED, this _____ day of _____, 2013.

Mayor

Councilman

Councilman

Councilman

Councilman

ATTEST:

City Clerk