

**NADEL, INC. FLEXIBLE BENEFITS PLAN  
AMENDMENT 1**

**ARTICLE I  
PREAMBLE**

- 1.1 **Adoption and effective date of amendment.** The Employer adopts this Amendment to NADEL, INC. Flexible Benefits Plan (the "Plan"). The sponsor intends this Amendment as good faith compliance with the requirements of these provisions. This Amendment shall be effective on or after the date the Employer elects in Section 2.1 below.
- 1.2 **Supersession of inconsistent provisions.** This Amendment shall supersede the provisions of the Plan to the extent those provisions are inconsistent with the provisions of this Amendment.
- 1.3 **Construction.** Except as otherwise provided in this Amendment, any reference to "Section" in this Amendment refers only to sections within this Amendment and is not a reference to the Plan. The Article and Section numbering in this Amendment is solely for purposes of this Amendment, and does not relate to any Plan article, section, or other numbering designations.

**ARTICLE II  
ELECTIONS**

- 2.1 **Effective Date.** The provisions of this Amendment, unless otherwise indicated are effective as of 1/13/2021.
- 2.2 **H.R. 133 Consolidated Appropriations Act Amendment(s).** The Employer hereby amends the Plan as follows:

**Carry Forward Rule for Dependents who Aged Out During Pandemic**

On December 27, 2020, H.R. 133 Consolidated Appropriations Act was signed into law, 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).

Effective as of the effective date, the Employer amends their plan to allow for reimbursement out of Dependent Care Flexible Spending Arrangements for dependents up to a maximum age of 13 (increased from 12) for any dependent who attained age 13 during the last plan year where the participant enrolled during regular open enrollment in a Daycare Flexible Spending Arrangement by January 31, 2020. And for any remaining funds carried forward into the subsequent plan year.

1) In general-In the case of any eligible employee, section 21(b)(1)(A) of the Internal Revenue Code of 1986 shall be applied by substituting "age 14" for "age 13" for purposes of determining the dependent care assistance which may be paid or reimbursed with respect to such employee under the dependent care flexible spending arrangement referred to in paragraph (3)(A) with respect to such employee during—

- (A) the plan year described in paragraph (3)(A), and  
(B) in the case of an employee described in paragraph (3)(B)(ii), the subsequent plan year.

(2) Application of subsequent plan year limited to unused balance from preceding plan year. Paragraph (1)(B) shall only apply to so much of the amounts paid for dependent care assistance with respect to the dependents referred to in paragraph (3)(B) as does not exceed the unused balance described in paragraph (3)(B)(ii).

(3) Eligible Employee. For purposes of this section, the term "eligible employee" means any employee who—

(A) is enrolled in a dependent care flexible spending arrangement for the last plan year with respect to which the end of the regular enrollment period for such plan year was on or before January 31, 2020, and

(B) has one or more dependents (as defined in section 152(a)(1) of the Internal Revenue Code of 1986) who attain the age of 13—

- (i) during such plan year, or  
(ii) in the case of an employee who (after the application of this section) has an unused balance in the employee's account under such arrangement for such plan year (determined as of the close of the last day on which, under the terms of the plan, claims for reimbursement may be made with respect to such plan year), the subsequent plan year.

**Carryover of Unused Funds in Health and Dependent Care Flexible Spending Arrangements for 2020 and 2021 Plan Years.**

On December 27, 2020, H.R. 133 Consolidated Appropriations Act was signed into law, 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).

Effective as of the effective date, the Employer amends their plan to allow the carryover of unused funds from plan year 2020 to plan year 2021 and unused funds from plan year 2021 to plan year 2022.

For plan years ending in 2020 and 2021, a plan that includes a health flexible spending arrangement or dependent care flexible spending arrangement shall not fail to be treated as a cafeteria plan under the Internal Revenue Code of 1986 merely because such plan or arrangement permits participants to carryover (similar to the rules applicable to health flexible spending arrangements) any unused benefits or contributions remaining in any such flexible spending arrangement from such plan years to the plan year ending in 2021 and 2022.

These changes permit participants to carryover any unused benefits or contributions remaining in their 2020 and 2021 flexible spending arrangement from such plan year to the subsequent plan year.

The carryover 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 or 2021 will not be eligible to contribute to an HSA during the extend period (unless the FSA is a limited FSA).

**Post-Termination Reimbursements from Health FSAs**

On December 27, 2020, H.R. 133 Consolidated Appropriations Act was signed into law, 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).

Effective as of the effective date, the Employer amends their plan to allow for terminated participants to continue to receive reimbursements from their Health FSA unused funds thru the end of the plan year their participation ceased. This guidance only applies to the 2020 and 2021 plan year.

A plan that includes a health flexible spending arrangement shall not fail to be treated as a cafeteria plan under the Internal Revenue Code of 1986 merely because such plan or arrangement allows (under rules similar to the rules applicable to dependent care flexible spending arrangements) an employee who ceases participation in the plan during calendar year 2020 or 2021 to continue to receive reimbursements from unused benefits or contributions through the end of the plan year in which such participation ceased (including any grace period).

The extension of the period for incurring claims under this guidance is an extension of coverage that is not HSA compatible, consequently any terminated employee with unused amounts remaining after termination, (including any grace period) will not be eligible to contribute to an HSA during the post-termination coverage period.

**Section 125 Change in Status under the Health or Dependent Care FSA**

Effective as of the effective date, the Employer amends their plan to allow for the below change in status flexibility. This is a temporary change effective only for the plan year ending in 2021.

On December 27, 2020, H.R. 133 Consolidated Appropriations Act was signed into law, 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, under certain circumstances, prospective changes to health and dependent care FSA elections as follows:

- a) employees may revoke a health FSA election, make a new election, or decrease or increase an existing election on a prospective basis; and
- b) employees may revoke a dependent care FSA election, make a new election, or decrease or increase an existing election on a prospective basis.

Employers are not required to allow unlimited election changes but may determine the extent to which such changes are permitted and applied. Any change allowed shall not permit a revocation or decrease in election below the amount already disbursed.

This amendment has been executed this 26<sup>th</sup> day of January, 2021

Name of Employer: Nadel Inc.

By: Nadel Inc.  
EMPLOYER

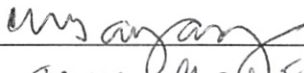
CERTIFICATE OF ADOPTING RESOLUTION

The undersigned authorized representative of NADEL, INC. hereby certifies that the following resolutions were duly adopted on 1/26/21 (date) and that such resolutions have not been modified or rescinded as of the date hereof;

RESOLVED, that the Amendment to the Plan (the Amendment) is hereby approved and adopted, and that an authorized representative of the Employer is hereby authorized and directed to execute and deliver to the Administrator of the Plan one or more counterparts of the amendment.

The undersigned further certifies that attached hereto is a copy of the Amendment approved and adopted in the foregoing resolution.

Date: 1/26/2021

Signed: 

Christina Tayag, Chief Financial Officer  
[print name/title]