

***Your 2008 Enrollment Guide***  
***Benefit Basics Plan***

**2008 Open Enrollment:**

*Monday, October 29*  
*through Friday, November 16, 2007*  
*(until 11:59 p.m. Central Time)*

**Enroll for your 2008 benefits via**  
***Direct ACTION***



# Open Enrollment 2008 Is Here!

It's time to enroll for 2008 benefits. This enrollment guide describes your benefit options and details your decisions for 2008.

## What's Inside

Calendar of Events for the 2008 Benefit Basics Plan Enrollment .....	2
Who Needs to Enroll for 2008? .....	3
What Is Changing for 2008? .....	4
Making Your Benefit Decisions .....	6
Medical .....	6
Preventive Care Coverage .....	8
Prescription Drug Coverage .....	8
Finding a Provider and Plan Contact Information .....	9
Dental.....	10
Health Care Flexible Spending Account .....	11
Steps to Enrolling .....	14
If You Don't Enroll.....	15
Making Mid-Year Changes to Your Benefits .....	15

### IMPORTANT!

All employees who wish to enroll must enroll via *Direct ACTION* and **confirm** their elections during the enrollment period, which runs from **Monday, October 29** through **Friday, November 16, 2007** (until 11:59 p.m. Central Time). After November 16, you will not be able to make changes until the 2009 open enrollment period unless you have an eligible change in status or experience another event under which benefit changes are allowed. See page 15 for more information.

## Your 2008 Enrollment Resources

Your enrollment resources provide you with information to help you make your 2008 benefit elections, along with information on how to enroll using *Direct ACTION*.

Your resources include:

- **This enrollment guide** — Provides an overview of the Benefit Basics Plan, including details on each enrollment decision;
- **Direct INFO** — Contains detailed information about your benefit options; and
- **Your on-line personalized enrollment work sheet** — Presents your personal benefit options and price tags.

To access it, click on the "Enrollment Work Sheet" link in the left navigation bar under "My Benefits" on *Direct ACTION*. You can print your work sheet from any computer with Internet access that is connected to a printer.

## WEB TIPS!

### **Print Your Confirmation Statement!**

After you enroll via *Direct ACTION*, print a confirmation statement to verify your 2008 benefit elections.

**NOTE:** The "What Is Changing for 2008?" section of this enrollment guide constitutes a Summary of Material Modifications (SMM) to the Summary Plan Description (SPD) with respect to the implementation of tobacco and non-tobacco user medical rates, and the change in the vision claims administrator, benefits, and network.

## Calendar of Events for the 2008 Benefit Basics Plan Enrollment

Here is the calendar of events for the upcoming open enrollment:

Event	Timing	What to Expect
<b>Enrollment period</b>	<b>Monday, October 29 to Friday, November 16 (until 11:59 p.m. Central Time)</b>	<p>This is the enrollment period for the Benefit Basics Plan effective January 1, 2008 through December 31, 2008. Please see "Who Needs to Enroll for 2008?" on page 3 to learn if you need to enroll. You may enroll for your benefits via <i>Direct ACTION</i> by logging in to the:</p> <ul style="list-style-type: none"> <li>▪ <b>Internet</b> at <a href="http://www.squared.com/employeedirect">www.squared.com/employeedirect</a>; or</li> <li>▪ <b>Intranet</b> and accessing the Employee <i>Direct</i> Home Page, then clicking on "Login to <i>Direct ACTION</i>."</li> </ul> <p>You may enroll 24 hours a day, seven days a week from Monday, October 29 through Friday, November 16, 2007 (until 11:59 p.m. Central Time).</p>
<b>New medical ID cards</b>	<b>Early January 2008</b>	If your 2007 medical option is not available to you in 2008 and you default by not enrolling, you and your covered dependents will receive a new medical ID card.
<b>Flexible Spending Account debit card</b>	<b>Early January 2008</b>	If you elect to open a Health Care Flexible Spending Account (FSA) and did not have an FSA in 2007, you will receive a debit card from PayFlex. See page 11 for more information. If you have an FSA in 2007 and elect to open an FSA in 2008, you will not receive a new debit card.

### **Use Direct INFO to View Your 2008 Benefits**

- Login to *Direct INFO* (Employee ID and password required).
- Click on "Open Enrollment" in the left navigation bar.
- Click on the second "Open Enrollment" in the left navigation bar to go to the Open Enrollment home page.
- Under "Topics you will find on this page" click on the green text with the name of the benefit you are interested in reviewing, or scroll down the page to review all benefits.
- Click on the green text under the "More" link in each section to review current and next year's plans.

## Who Needs to Enroll for 2008?

You need to enroll for 2008 benefits if:

- **You are currently enrolled in medical coverage.** You will have to complete the Benefits Eligibility Survey to declare your tobacco use as well as the tobacco use of any of your dependents you intend to cover under your medical coverage. If you do not complete the Survey during this open enrollment period, you will be enrolled in your current election at the tobacco-user rate for 2008. This means you will see an increase in your cost for medical coverage.
- **You want to participate in the Health Care Flexible Spending Account (FSA) for 2008.** Your FSA election does not roll over from year to year. You *must* re-enroll if you want to participate in the Health Care FSA for 2008 — even if you are already participating in the FSA in 2007 and want to keep the same contributions for 2008.
- **You want to make any changes to your current elections.** After the open enrollment period ends on November 16, you will *not* be able to make changes to your benefit elections until the 2009 open enrollment period — unless you have an eligible change in status or experience another event under which election changes are allowed (see page 15 for more information). Please carefully consider if your 2007 elections will meet your needs in 2008 before you decide not to make any changes.
- **You want to update your dependent information.** If you need to add a dependent to or drop a dependent from your benefits (for example, as a result of the birth of a child) for 2008, you must login to *Direct ACTION* to initiate your change and revise coverage.
- **Your 2007 medical option is no longer available because:**
  - You’ve moved; or
  - Your home address has been added to or deleted from a network area.

Generally, if the medical option you enrolled in for 2007 is not listed on your on-line personalized enrollment work sheet as an option for 2008, you need to enroll in another medical option.

**NOTE:** If you enrolled in a medical option as an exception for 2007, the option may not be listed on your on-line personalized enrollment work sheet. However, you still may be able to re-elect the same option as an exception for 2008. (Please see the following bullet for more information.)

- **You enrolled in a medical option as an exception for 2007.** If you continue to be eligible for an option as an exception in 2008, there is a message on the “Medical” screen on *Direct ACTION*. If you want to re-enroll in an option as an exception for 2008, you must:
  - Complete a medical waiver form and fax it to Employee *Direct* to make this option available to you; and
  - Re-elect the option through *Direct ACTION* to complete your enrollment.
- **You were recently hired.** If you were hired on or after October 15, 2007, you will need to make elections for 2007 and 2008 using *Direct ACTION*. Special enrollment instructions are included with your open enrollment guide.

# What Is Changing for 2008?

The following medical plan changes will be effective beginning January 1, 2008.

## Tobacco User Rates for Medical Coverage

For 2008, medical rates for all tobacco users will increase. If you and your covered dependents have been tobacco free since January 1, 2007 or completed the Free & Clear Quit for Life program during the 12 months prior to 2008 open enrollment, you qualify for lower medical insurance rates and save money! If you or any dependents you intend to cover under your medical coverage use tobacco or did not complete the Quit for Life program, you will pay higher rates for medical plan coverage.

To declare your and your dependents' tobacco use during open enrollment, complete the Benefits Eligibility Survey on-line through *Direct ACTION*.

If you do not complete the Survey during open enrollment and you are currently enrolled in a medical plan option, **your 2008 rates will default to the tobacco-user rates**. This means you will see an increase in your cost for medical coverage. You will not be able to change your tobacco status until the next open enrollment period.

Review the following chart for the monthly 2008 tobacco and non-tobacco medical rates.

	Non-Tobacco User Rates				Tobacco User Rates			
	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Spouse + Child(ren)	Employee Only	Employee + Spouse	Employee + Child(ren)	Employee + Spouse + Child(ren)
<b>Basic PPO</b>	\$56.38	\$111.08	\$97.55	\$152.22	\$82.98	\$137.68	\$124.15	\$178.82

## Vision Claims Administrator, Benefits and Network

Vision care coverage for employees enrolled in the Basic PPO and Basic Out-of-Area medical options will be provided by Spectera. Vision care will remain part of your medical plan coverage, so you do not need to make a separate election to have coverage. However, there will be a difference in in-network versus out-of-network benefit coverage. See the chart on the next page for more information.

## Vision Care Program Summary of Schedule of Benefits\*

Eligible Service	In-Network Benefit	Out-of-Network Benefit / Reimbursement
<b>Eye exam</b>	\$15 co-payment; 100%	Up to \$60
<b>Eyeglass frames**</b>	\$30 co-payment <ul style="list-style-type: none"> <li>▪ Designer frames — employee pays cost over \$130 retail frame allowance, generally between \$25 – \$50</li> </ul>	Up to \$70
<b>Eyeglass lenses**</b>	\$30 co-payment (includes single lenses, bifocal lenses, trifocal lenses and lenticular lenses)	Up to \$50 – \$90 (depending on lens type)
<b>Eyeglass lens options***</b>	<ul style="list-style-type: none"> <li>▪ Polycarbonate coating: covered in full</li> <li>▪ Standard scratch resistant coating: covered in full</li> <li>▪ Anti-reflective coating: \$40</li> <li>▪ Ultraviolet protection: \$16</li> </ul>	Employee pays full cost
<b>Contact lenses</b>	<ul style="list-style-type: none"> <li>▪ Disposable contacts: \$30 co-payment for up to six boxes (depending on prescription), plus Fitting Fee and Evaluation covered at 100%</li> <li>▪ Necessary contacts: \$30 co-payment; 100%</li> <li>▪ All other elective contacts: \$175 allowance toward the contact lenses, and Fitting Fee and Evaluation</li> </ul>	Up to \$175 -- \$210 (depending on lens type)

\* Benefits are available every 12 months based on last date of service.

\*\* The \$30 co-payment for eyeglasses is for the combined hardware (frames and lenses). Additional costs may apply depending on additional lens options.

\*\*\* Additional eyeglass lens options are available.

**NOTE:** You are covered to receive eyeglasses (frames and lenses) OR contact lenses once every 12 months based on last day of service.

# Making Your Benefit Decisions

## Medical

The medical plan helps you and your family with the costs of maintaining good health and treating illness or injury. Your on-line personalized enrollment work sheet and the *Direct ACTION* enrollment tool list your options, along with the price tag per pay period. Your eligibility to participate in a specific option is based on your home zip code. Depending on where you live, you can choose from the following medical plan options:

Your Options	Coverage Categories
<ul style="list-style-type: none"><li>▪ Basic PPO Plan</li><li>▪ PPO Exception*</li><li>▪ Basic Out-of-Area</li><li>▪ No coverage</li></ul>	<ul style="list-style-type: none"><li>▪ Employee Only</li><li>▪ Employee + Spouse</li><li>▪ Employee + Child(ren)</li><li>▪ Employee + Spouse + Child(ren)</li></ul>

\* If you are eligible for the PPO as an exception, there is a message on the "Medical" screen on *Direct ACTION*.

### Exception Option

The PPO Exception option is *only* for employees whose home zip code is *outside* the PPO network area. This option provides a way for those who live outside a network area to take advantage of in-network benefits by traveling to a network area. If this option applies to you, there is a message on the "Medical" screen on the *Direct ACTION* enrollment tool indicating you are eligible.

To elect this option, you must complete a waiver form and fax it to Employee *Direct* to make the PPO option available to you. Completing the waiver form does not finalize your enrollment in the selected option. Once the option is made available to you by Employee *Direct*, you must then access *Direct ACTION* to enroll in the option for 2008.

**NOTE:** If you are eligible to enroll in the PPO option as an exception, you can print the waiver form from the "Forms" page on *Direct ACTION*.

#### ***Confirm Your Provider Remains in the Network***

Before you confirm your medical election for 2008, call UnitedHealthcare's toll-free number or visit its Web site to confirm that your provider is included in the network. See the "Finding a Provider and Plan Contact Information" chart on page 9 for contact information, or link to UnitedHealthcare's Web site through *Direct INFO*.

## Medical Option Comparison Chart

The following chart provides a summary of your medical plan. More detailed plan information can be found in your Benefit Basics binder or on *Direct* INFO.

<b>Medical Option Comparison Chart</b>			
	<b>Basic PPO Plan</b>		<b>Basic Out-of-Area Plan</b>
	<i><b>In-Network</b></i>	<i><b>Out-of-Network</b></i>	
<b>Deductible (Individual/Family)</b>	\$350/\$1,050	\$700/\$2,100	\$350/\$1,050
<b>Annual Out-of-Pocket Maximum (Individual/Family)</b>	\$1,500/\$2,250 (excludes deductible)	\$3,000/\$4,500 (excludes deductible)	\$1,500/\$2,250 (excludes deductible)
<b>Office Visit Co-Payments/ Co-Insurance *</b>	<ul style="list-style-type: none"> <li>▪ \$35 for primary care physician</li> <li>▪ \$50 for specialist</li> </ul>	40%	20%
<b>Plan Coverage Amount</b>	80%	60%	80%
<b>Your Co-Insurance</b>	20%	40%	20%
<b>Emergency Room Visit Co-Payment/ Your Co-Insurance</b>	\$100	\$100	80%
<b>Mental Health/Substance Abuse Co-Payment/ Your Co-Insurance</b>	20% (inpatient) \$35 (outpatient)	40%	20%

\* Some benefits are paid at other levels. Refer to "Eligible Services" in the Summary Plan Description.

### ***Reconstructive Surgery Reminder***

The Company's medical plan covers the following procedures when done in connection with a mastectomy in a manner determined in consultation with the attending physician and patient:

- Reconstruction of the breast on which the mastectomy was performed;
- Surgical reconstruction of the other breast for symmetrical appearance; and
- Prostheses and treatment of other physical complications at any stage of the mastectomy, including lymphedemas.

This coverage is subject to the plan's pre-certification requirements for inpatient hospitalization and to the same annual deductibles, co-insurance and lifetime maximums that apply to any other covered medical or surgical procedures under the medical plan.

## IMPORTANT!

### ***Vision Coverage***

Your vision coverage is part of your medical plan and is provided by Spectera. Login to *Direct* INFO to better understand the vision coverage offered by the Medical Basics Plan. Then, login to [www.spectera.com](http://www.spectera.com) or call Spectera's 24-hour toll-free provider locator at 1-800-839-3242 to locate a provider near you.

### ***Chronic Care Programs Continue***

The Company will continue to provide the chronic care programs, which offer you personalized support and information about conditions such as asthma, cardiac disease, diabetes or ulcers.

These programs have helped many employees and their dependents take control of their health, which also reduces the overall cost of treating the condition.

## Preventive Care Coverage

Your preventive care coverage is an important part of your medical plan, because it encourages you to be proactive about your health. (Preventive care includes tests and screenings such as a physical exam, pap test, hypertension or prostate screening, and well baby care.) Refer to your Benefit Basics binder for the complete list of eligible services and coverage amounts. Use the chart below to better understand how your preventive care works.

Preventive Care Summary			
	Basic PPO Plan		
	<i>In-Network</i>	<i>Out-of-Network</i>	<i>Out-of-Area</i>
<b>Preventive Care</b>	100% after \$35 co-payment per office visit	No coverage	80%

## Prescription Drug Coverage

Your prescription drug coverage is part of your medical plan. This coverage provides you with retail and mail order pharmacy prescription drug benefits — offering you cost savings and convenience. Any co-payments for prescription drugs do not count toward your out-of-pocket maximum for the medical plan.

Caremark is the prescription drug claims administrator. Your prescription drug coverage is detailed in the chart below. Contact Caremark at 1-800-824-6349 or [www.caremark.com](http://www.caremark.com) to find out whether a drug is considered generic, preferred brand or brand and/or short-term or long-term.

**NOTE:** Long-term drugs must be purchased through the Mail Order Program.

Prescription Drug Costs for the Basic PPO Plan			
Co-Payment	Generic	Preferred*	Brand*
<b>Retail</b> (For up to a 30-day supply of a short-term drug)	\$10	\$20	\$35
<b>Mail Order</b> (For up to a 90-day supply of a long-term drug)	\$20	\$40	\$70

\* If a generic is available you also must pay the difference between the full cost of the generic and the brand name (or preferred brand) drug, plus the brand name (or preferred brand) drug co-payment.

## WEB TIP!

### ***Learn How to Save Money on Prescription Drugs***

Prescription drugs are one of the main drivers of increasing health care costs. Using your prescription drug program effectively by requesting generic drugs will help both you and the Company manage health care expenses. Learn more about generic drugs by logging in to Caremark's Web site (see page 9 for Web address), or accessing its Web site through *Direct* INFO.

## Finding a Provider and Plan Contact Information

It's important that you have up-to-date information on health care providers. Because this information is frequently updated, we encourage you to contact the health care organizations directly via their Web sites or toll-free phone numbers. The following table lists how to find this information. You can also link directly to these Web sites through *Direct ACTION* — by clicking on the “Service Providers” link in the left navigation bar and selecting your carrier from the list in the pop-up window.

<b>Finding a Provider and Plan Contact Information</b>		
<b>Health Care and Prescription Drug Providers</b>	<b>Customer Service Numbers</b>	<b>Web Sites</b>
<b>UnitedHealthcare PPO</b>	General: 1-888-624-2941	www.myuhc.com/groups/sqd <ul style="list-style-type: none"> <li>▪ Click “Find Physicians &amp; Facilities”</li> <li>▪ Select a plan — UnitedHealthcare Options PPO</li> <li>▪ Enter applicable criteria, then click “Continue”</li> </ul>
<b>Caremark</b>	Retail Pharmacy Program: 1-800-824-6349  Mail Order Program: 1-800-344-8075	www.caremark.com
<b>Vision Care Provider</b>	<b>Customer Service Number</b>	<b>Web Site</b>
<b>Spectera</b>	General: 1-888-624-2941  Provider Locator: 1-800-839-3242	www.spectera.com <ul style="list-style-type: none"> <li>▪ Click “Members and Future Members”</li> <li>▪ Click “Future Member”</li> <li>▪ Enter applicable criteria, then click “Submit”</li> </ul>
<b>Dental Care Provider</b>	<b>Customer Service Number</b>	<b>Web Site</b>
<b>Delta Dental</b>	General: 1-800-323-1743	www.deltadentalil.com <ul style="list-style-type: none"> <li>▪ Click “Dentist Search”</li> <li>▪ Enter applicable criteria, then click “Search for a Dentist”</li> </ul>
<b>Flexible Spending Account Provider</b>	<b>Customer Service Number</b>	<b>Web Site</b>
<b>PayFlex</b>	General: 1-800-284-4885	www.payflex.com

## What's Covered

- **Preventive services** include exams and cleanings.
- **Basic services** include fillings and X-rays.
- **Major services** include restorative work and dentures.

## Reminder: Check if Your Dentist Is in the Network

To see if your provider is a Delta Dental participating dentist, contact Delta Dental or review the on-line provider directories. See page 9 for details.

## Dental

The dental plan helps you and your family with the costs of maintaining good dental health. You just need to decide which coverage category you would like to elect.

Your Options	Coverage Categories
<ul style="list-style-type: none"> <li>▪ Basic Dental Plan</li> <li>▪ No coverage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Employee Only</li> <li>▪ Employee + Spouse</li> <li>▪ Employee + Child(ren)</li> <li>▪ Employee + Spouse + Child(ren)</li> </ul>

## Dental Coverage

The chart below provides a summary of the Basic Dental Plan option.

Basic Dental Plan Summary				
Type of Service	Deductible (Individual/Family)	Plan Coverage Amount	Annual Plan Maximum	Your Co-Insurance
Preventive	\$100/\$200	90%	\$2,000 per person	10%
Basic Services		80%		20%
Special Oral Surgery		80%		20%
Major Services		50%		50%

## Using Delta Dental Network Providers

The dental plan allows you to go to any general or specialty dentist for treatment within two Delta Dental networks — DeltaPreferred and DeltaPremier.

When you call your dentist's office to make an appointment, ask if your dentist participates in either of Delta's networks. Your out-of-pocket costs will vary depending on the network your dentist participates in or whether your dentist is out-of-network. You will maximize your benefits by receiving care from a DeltaPreferred network dentist. Average discounts range from 15% to 35% for the Preferred network and 5% to 10% for the Premier network.

Here's an example of how the type of network provider you receive services from affects your out-of-pocket expenses. If you need a crown, assume the DeltaPreferred fee allowance is \$500, the Maximum Plan Allowance (MPA)\* is \$600 and your dentist normally charges \$700. Since the Basic Dental option covers crowns at 50%, your out-of-pocket cost (excluding deductible) would be:

- **DeltaPreferred Dentist — \$250** (50% of the \$500 fee allowance)
- **DeltaPremier Dentist — \$300** (50% of the \$600 MPA)
- **Out-of-Network Dentist — \$400** (50% of the \$600 MPA *plus* \$100 difference between the MPA and the dentist's billed charge)

\* The Maximum Plan Allowance (MPA) is an amount determined by Delta Dental from claim charges submitted on a regional basis for a given service by dentists of similar training within the same geographical area. Delta Dental's term, "Maximum Plan Allowance (MPA)," replaces the term, "usual and customary (U&C)" or "reasonable and customary," which other medical and dental claims administrators use to describe the same type of charges.

# Health Care Flexible Spending Account

With the Health Care Flexible Spending Account (FSA), you elect to have money deducted from your paycheck, before taxes are taken out, to pay for eligible health care expenses not covered by the medical and dental plans. This can help you save on out-of-pocket expenses such as deductibles, co-payments and co-insurance.

The annual maximum contribution to the Health Care FSA is \$3,000. This means you can contribute from \$50 to \$3,000 to the Health Care FSA in 2008. Use the “Health Care Flexible Spending Account Work Sheet” on page 13 to help you decide how much to contribute in 2008.

Remember, you need to plan your expenses carefully because you cannot carry over unused amounts from one calendar year to the next. This is an Internal Revenue Service (IRS) requirement (see page 12 for more information).

Your Options	Your Contribution Amounts
▪ Health Care FSA	▪ From \$50 to \$3,000 per year
▪ No account	▪ No contribution

## Use Your FSA for Over-the-Counter Medications

Remember, *you can purchase certain non-prescription medications on a before-tax basis*. Products such as antacids, aspirin, pain relievers, cough medicine, allergy medications and other over-the-counter medications used to treat an illness or injury that are purchased without a prescription can be reimbursed through your Health Care FSA. Go to [www.payflex.com](http://www.payflex.com) for a comprehensive list of covered items.

## PayFlex Debit Card

To pay for eligible health care expenses with your FSA, you will be able to use the PayFlex debit card. This allows you to access money directly from your account to pay for eligible expenses. Use it at the pharmacy or your physician’s office to pay for eligible expenses such as co-payments, short-term or mail-order prescriptions, and over-the-counter (OTC) medications. When ordering mail-order prescriptions, you may provide your debit card information to your prescription provider to have the expense automatically taken from your FSA. By using the card, you can pay for eligible expenses at the point of service. In addition, it:

- Provides immediate access to your FSA funds — you avoid paying with cash or check;
- Reduces paperwork — you avoid filling out a claim form; and
- Provides immediate payment of the expense — you avoid waiting for reimbursement.

**PayFlex monitors the use of the debit card to ensure the right expenses are reimbursed. Be sure to save your receipts that reflect health care expenses you paid for with your FSA (either by using your debit card or mailing a claim form).** PayFlex may request documentation for your expenses. Your itemized receipts should list the merchant name, name of the item/product, date and amount. If requested documentation is not received in a timely manner, your PayFlex debit card will be deactivated.

If you newly enroll in the Health Care FSA, you will receive your debit card in mid-January. If you re-enroll in the Health Care FSA for 2008, you will continue to use your current PayFlex debit card. You will not receive a new card.

## Paper Claim Form Available

If you do not use your debit card, you can mail or fax your FSA claims to PayFlex, and your claims will be processed on a daily basis. PayFlex also has an e-mail alert system, called e-Notify, that will e-mail you when your paper claim has been processed. Express claims can also be submitted on-line.

## The Health Care Flexible Spending Account: An Example

Suppose you earn \$30,000 a year and incur \$1,500 in eligible Health Care FSA expenses during 2008. By using the Health Care FSA, you would have \$341 more in take-home pay because you would pay less in taxes!

	<i>With the Health Care FSA</i>	<i>Without the Health Care FSA</i>
<b>Your Pay</b>	\$30,000	\$30,000
Pre-tax contributions to the Health Care FSA, used for eligible health care bills	- \$1,500	- \$0
<b>Taxable Pay</b>	<b>\$28,500</b>	<b>\$30,000</b>
Federal Income Tax	- \$3,871	- \$4,097
FICA (Social Security) Tax	- \$2,180	- \$2,295
<b>Health Care Bills, Paid After Taxes</b>	- \$0	- \$1,500
<b>Take-Home Pay</b>	<b>\$22,449</b>	<b>\$22,108</b>
<b>Annual Tax Savings</b>	<b>\$341</b>	<b>\$0</b>

**NOTE:** This example uses 2007 tax rates and assumes that you are single, with no dependents. It considers only federal income taxes and FICA taxes; you could save even more in state taxes.

### How Can I Learn More about Eligible Expenses for the Health Care FSA?

For a list of eligible health care expenses, contact:

- The IRS by calling **1-800-829-3676** or visiting **[www.irs.gov/formspubs](http://www.irs.gov/formspubs)** and selecting "Forms and Publications by Number" and downloading *Publication 502*; or
- PayFlex Info Line by calling **1-800-284-4885** (or 1-402-345-0666) or by visiting **[www.payflex.com](http://www.payflex.com)**.

You may also login to *Direct* INFO for a list of eligible expenses.

### ***You Must Enroll to Participate in the FSA***

If you want to contribute to the Health Care FSA for 2008, you must login to *Direct* ACTION to confirm your 2008 election. Otherwise, any account you may have had for 2007 will close effective December 31, 2007.

### ***Plan Your Contributions Carefully***

The Internal Revenue Service (IRS) requires that you use all the money in your FSA during the year. Any amount remaining at the end of the year cannot be carried over and is forfeited, so estimate your expenses carefully. Keep in mind, however, that the benefits of an FSA may outweigh this disadvantage.

## Health Care Flexible Spending Account Work Sheet

Use this work sheet to help you decide how much to contribute to your Health Care FSA in 2008.

Health Care FSA Work Sheet		
Eligible Expenses	Actual Expenses in 2007	Estimated Expenses for 2008
<b>Medical Expenses</b>		
▪ Deductibles	\$	\$
▪ Co-insurance	\$	\$
▪ Co-payments	\$	\$
▪ Amounts above Plan limits	\$	\$
▪ Routine care above Plan limits	\$	\$
▪ Expenses not reimbursed by your Medical Plan	\$	\$
▪ Eligible over-the-counter medications	\$	\$
<b>Total Medical Expenses</b>	<b>\$</b>	<b>\$</b>
<b>Other Health Care Expenses</b>		
▪ Dental expenses not reimbursed by the Basic Dental Plan (i.e., orthodontia)	\$	\$
▪ Vision care, glasses and contact lenses above Plan limits, including corrective eye surgery (i.e., LASIK)	\$	\$
▪ Hearing care above Plan limits	\$	\$
▪ Other health care expenses not listed above	\$	\$
<b>Total Other Health Care Expenses</b>	<b>\$</b>	<b>\$</b>
<b>Line A: Total Estimated Unreimbursed Health Care Expenses</b>		
(Add the two total expenses from above. This is the estimated amount you can expect to pay in 2008 for health care expenses not covered by the Plan. This is also the approximate total <b>annual</b> contribution you might consider making to your Health Care FSA.)		\$
<b>Line B: Your Contribution Each Pay Period</b>		
(Divide <b>Line A</b> by 24 if you are paid semi-monthly, or by 48 if you are paid weekly. This is the amount that would be deducted from each paycheck for your Health Care FSA contributions.)		\$

## DON'T FORGET!

***Open Enrollment is Monday, October 29 through Friday, November 16, 2007.***

### ***Enroll Anytime!***

You can enroll any time beginning on Monday, October 29 through 11:59 p.m. (Central Time) on Friday, November 16.

### ***Elections Stay in Effect for 2008***

Your 2008 benefit elections will stay in effect throughout 2008 — you can only change certain elections if you have an eligible change in status or experience another event under which election changes are allowed (see “Making Mid-Year Changes to Your Benefits” on page 15 for more information).

## Steps to Enrolling

### Step 1

**Review this enrollment guide and your on-line personalized enrollment work sheet.** Your on-line personalized enrollment work sheet can be found by clicking on the “Enrollment Work Sheet” link in the left navigation bar under “My Benefits” on *Direct ACTION*.

### Step 2

**Decide if you want to make changes.** You must enroll if you want to change any benefits for 2008 or update your dependent information. However, you must also enroll if you want to participate in a flexible spending account for 2008.

### Step 3

**Enroll for benefits.** You may enroll for your benefits via *Direct ACTION* by logging in to the:

- **Internet** at [www.squared.com/employeedirect](http://www.squared.com/employeedirect); or
- **Intranet**, where you should access the Employee *Direct* Home Page and click on “Login to *Direct ACTION*.”

To access *Direct ACTION*, you will need your Employee ID along with your password. Contact Employee *Direct* if you do not have your Employee ID or password.

**If you are currently enrolled in medical insurance, you must declare your tobacco use status on the Survey. Otherwise, you will default to the tobacco-user rate.**

Have your personalized enrollment work sheet ready. You can enroll **any time** beginning on *Monday, October 29 through 11:59 p.m. (Central Time) on Friday, November 16.*

### Step 4

**Review and confirm your elections.** Your elections will not be saved unless you click the “Confirm” button on the “Review Your Elections” page.

### Step 5

**Print a confirmation statement.** Once your elections are saved, you may print a confirmation statement. **Make sure you receive your confirmation number before exiting *Direct ACTION* or your elections will not be saved.** Carefully review and save your confirmation statement. If you need to make changes, you must do so by November 16, 2007 (by 11:59 p.m. Central Time).

### Step 6

**Check your deductions on your first 2008 paycheck by comparing them to the deductions shown on your confirmation statement you print from *Direct ACTION*.** If the deductions do not match, contact Employee *Direct* immediately to report the discrepancy.

## If You Don't Enroll

If you do not enroll by **November 16** (by 11:59 p.m. Central Time), in most cases, you will remain covered under the same options you are enrolled in for 2007. However, if you do not complete the Benefits Eligibility Survey in the *Direct ACTION* enrollment tool during open enrollment and you are currently enrolled in a medical plan option, **your 2008 rates will default to the tobacco-user rates**. In addition, you will not be able to participate in the Health Care Flexible Spending Account if you do not enroll.

If you enrolled in an option as an exception and you do not enroll, you will be automatically enrolled in the Basic PPO or Basic Out-of-Area option depending on your home zip code.

In addition, you will not be able to make changes to your benefits until 2009 open enrollment — unless you have an eligible change in status or experience another event under which election changes are allowed (see “Making Mid-Year Changes to Your Benefits” below for more information).

## Making Mid-Year Changes to Your Benefits

According to Internal Revenue Service (IRS) rules, the benefit coverage you elect remains in effect for the entire calendar year. However, you may be able to change your benefits during the year under certain circumstances, as described below.

- **If you have an eligible change in status** such as a marriage, divorce, birth or adoption of a dependent child, or death of a spouse or dependent.
- **If you have a significant change in cost or coverage.** If your coverage level or cost for coverage dramatically changes during the year, you may be able to change your coverage or increase your contributions to reflect the change, or choose another option providing similar coverage.
- **If you qualify for a special enrollment** because you, your spouse or your dependent experiences an employment change that affects benefits.

If you have a change in status or another event under which benefit changes are allowed, you must login to *Direct ACTION* within 31 days of the event to complete your change in status and make any necessary benefit changes. The date the change in status occurs is considered day one of the 31-day period.

For more information on making mid-year changes to your benefits, please refer to the “General Information” section of your Benefit Basics binder.

### ***Review Your Life Insurance Beneficiary Designations On-line***

Keeping your beneficiary information up to date ensures that your benefit will be distributed as you intended in the event of your death. If you have not confirmed your designations on-line through *Direct ACTION* or if you need to update your designations, click on the “Life Insurance Beneficiary” link under “My Benefits” on *Direct ACTION*.

## ***Change in Status Reminder***

If you experience an eligible change in status between the close of the enrollment period and the end of the year, you will need to login in to *Direct ACTION* within 31 days and complete a 2007 status change to update your benefit elections.

For example, if you get married on November 27, 2007 and want medical coverage for you and your spouse for the remainder of 2007 and 2008, you must make your change on *Direct ACTION* within 31 days of the event so you can have coverage for you and your spouse through the end of 2007. In addition, you will need to update your 2008 benefit elections by contacting Employee *Direct*.

**NOTE:** If you initiate a status change on *Direct ACTION* after December 14, 2007, you must notify Employee *Direct* to ensure both your 2007 and 2008 coverages are updated.



*This guide has been prepared to help you understand what benefits you may be entitled to under benefit plans sponsored by the Company. Please keep this guide with your other Plan materials to be sure you have all of your benefit information at hand. The official Plan documents will control in the case of any differences between them and the information provided here. While the Company expects to continue its benefit programs, it reserves the right to terminate, suspend, withdraw, amend or modify all or any part of these Plans at any time without notice. Any such change or termination of the Plans will be based solely on the decision of the Plan Sponsor and/or the Plan Administrator and may apply to any or all groups of employees, including active or disabled employees and current or future retirees and their dependents as determined under the Plans. No supervisor, manager, or any other representative of the Company has any authority to enter into any oral agreement contrary to the foregoing or contrary to the terms of any Summary Plan Description (SPD) or applicable Plan document.*

