



Your Part-time Benefits Program Guide

Coverage that fits



HR Services
1-800-337-2363

Coverage that fits

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* Includes Regular Part-time Associates scheduled at least 20 hours.

This summary is an overview. The terms and conditions of the benefits described are determined solely by the summary plan descriptions or plan documents and summaries of material modifications of the Macy's, Inc. Welfare Benefits Plan. In the event of any inconsistent provisions, the language of the plan documents applies. As in the past, the Company reserves to itself, pursuant to its sole and exclusive discretion, the right to change, amend or terminate this Plan without regard to satisfaction of prior eligibility conditions. Benefits described herein may not automatically apply to associates at all locations or associates covered under a labor agreement.

Read this Program Guide carefully...

Why This Program Guide?



The purpose of this Program Guide is to give benefits-eligible part-time associates* detailed information about the nationwide group benefits program. Use this guide to help you select coverage that fits you and your family.

How Do I Enroll in Benefits?



Before you are eligible to enroll, HR Services will mail a notice with instructions to your home. When you receive this notice, you can visit the Company's intranet site, *in-site*, to enroll in or change your benefits. Log on to *in-site* from work or by visiting the website www.employeeconnection.net after you receive your notice.

WHAT'S AVAILABLE ON *in-site*:

- Benefit Highlights - general information about the group benefit plans
- Benefit Comparison Chart booklets
- Certification of Change in Family Status Form to use when reporting a change in family status within 31 days of the change
- Links to health carriers and the Flexible Spending Accounts vendor, SHPS, Inc.
- Beneficiary Designation Forms
- And more....

HR Services

If you have questions about your benefits, call HR Services at 1-800-337-2363.

Getting Started

When you first become eligible for group benefits and again each July 1, you have the opportunity to review your benefit choices and enroll or make any necessary changes. Your enrollment decisions are important because they affect your personal and financial protection. So it's important to make *informed* decisions about your benefits. This Program Guide will help you do that.

Our associates count! The Company will offer a comprehensive program of benefits for regular part-time associates. Regular Part-time associates will be able to choose from the following plans and options:

Available after one month

- Medical. Three options. Includes employee assistance program with Starbridge Choices for associates and their families.
- Dental. Dental coverage available even if not enrolled in medical coverage.
- Life Insurance. Coverage from half times pay ($\frac{1}{2}$ x pay) to six times pay (6 x pay). Dependent coverage available.
- Accidental Death & Dismemberment (AD&D). Coverage from half times pay ($\frac{1}{2}$ x pay) and one times pay (1 x pay) to ten times pay (10 x pay). Family coverage available.
- Health Care Flexible Spending Account (FSA)*. Reimbursement for eligible health care expenses and save on taxes.
- Dependent Care Flexible Spending Account (FSA). Reimbursement for eligible dependent care expenses so an associate can work and save on taxes.

Available after six months

- Coverage in case of short-term disability. Generally available after six months of coverage. Coverage and plans vary by division. In some cases, coverage is optional.
- Long Term Disability. Coverage in case of long-term disability. Generally available after six months of employment. May not be available at all locations.

** A Limited Flexible Spending Account (LFSA) is also available for dental and vision expenses only. You can enroll in a LFSA if you participate in or will participate in a Health Savings Account at a financial institution such as a bank.*

Health Care

It's important to make *informed* decisions about your benefits - especially your health care coverage. After one month of employment, the Company offers you limited health care coverage. Like any other purchase, you should take a careful look at the overall value of your options, the pros and cons of each option, and of course, the cost. Check the details carefully before you make your decisions.

The Health Care Program allows you to elect medical and/or dental coverage as needed, to cover yourself and eligible dependents, and to cover different dependents in medical and dental coverage.

- **Spouse/Domestic Partner.** All health care options allow you to cover your spouse or your eligible same-gender domestic partner. For details, see page 16.
- **Children.** Generally, eligible dependents include your unmarried children, your children up to age 19, and your children who are full-time students. Coverage for a full-time student ends at the end of the month of his or her 23rd birthday, although age limits for full-time students may vary in some states*. Eligible dependents also include any dependent, unmarried child who is incapable of self-sustaining employment by reason of mental retardation or physical handicap and who becomes so incapable prior to reaching age 19, and who is dependent upon the covered associate for support and maintenance. Generally you can cover dependent children of your eligible same-gender domestic partner who meet the same criteria.

* Company-sponsored medical and/or dental options in the following states may allow you to cover dependents over age 23. This list is subject to change.

- | | | | |
|------------|-----------------|----------------|----------------|
| • Colorado | • Kentucky | • Nevada | • South Dakota |
| • Delaware | • Louisiana | • New Jersey | • Tennessee |
| • Florida | • Maine | • New Mexico | • Texas |
| • Georgia | • Massachusetts | • North Dakota | • Utah |
| • Illinois | • Minnesota | • Rhode Island | • Virginia |
| • Iowa | | | |

Call (800) 337-2363 for details.

Medical

After one month of service, you can enroll in one of three medical options on a pre-tax or after-tax basis. Following are details about the High, Mid and Basic options from Starbridge Choices, a CIGNA health insurance plan.

	Star High	Star Mid	Star Basic
Maximums	No lifetime maximum	No lifetime maximum	No lifetime maximum
Physician Services			
Doctor visit	\$20 copayment	\$20 copayment	\$20 copayment
Outpatient Benefits			
Deductible	\$100 per plan year	\$100 per plan year	\$100 per plan year
Maximum benefit	\$2,000 per plan year	\$2,000 per plan year	\$1,500 per plan year
Diagnostic and Surgical	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible
Emergency Room	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible
Inpatient Benefits	No deductible; \$10,000 maximum benefit; limit 1 occurrence per plan year	No deductible; \$5,000 maximum benefit; limit 1 occurrence per plan year	Not included
Accident Benefits	\$1,500 maximum benefit per accident; limit 3 accidents per plan year	\$1,500 maximum benefit per accident; limit 2 accidents per plan year	Not included
Wellness Benefit	\$20 copayment; \$100 maximum benefit per plan year	\$20 copayment; \$100 maximum benefit per plan year	\$20 copayment; \$100 maximum benefit per plan year
Prescription Drugs			
	\$15 copayment, generic \$25 copayment, preferred brand Member has advantage of discounted prescription drug rates; \$500 maximum benefit per plan year	Member has advantage of discounted prescription drug rates; Starbridge Choices contributes up to \$20 toward each prescription; limit 10 prescriptions per plan year	Member has advantage of discounted prescription drug rates; Starbridge Choices contributes up to \$20 toward each prescription; limit 5 prescriptions per plan year

For those enrolled in any Starbridge Choices option, a \$10,000 benefit is paid in the event of accidental death.

A **24-Hour Health Information line** provides toll-free access to a registered nurse any time, seven days a week, for helpful medical information and advice. In addition, CIGNA's **Employee Assistance Program (EAP)** provides a toll-free number for participants and dependents to talk about a family matter, stress at work or a personal problem.

Online tools include the ability to locate participating physicians, compare doctors by price, research medical conditions and treatments, view plan and benefit information and check claims status and history.

Participants also can take advantage of health and wellness products and services through CIGNA's **Healthy Rewards** program. These include discounts on vision care, weight management, tobacco use cessation, fitness club memberships and magazines.

Dental

MetLife Basic Option PPO is available to part-time associates. You can elect to have your contributions taken on a pre-tax or after-tax basis.

“PPO” stands for Preferred Provider Organizations (PPO). Enrolled associates will be able to use in-network and out-of-network dentists and specialists as desired, but benefits generally are higher if in-network providers are used.

	MetLife Dental Basic
Providers	
Network Providers	MetLife Dental Preferred Dentist Program (PDP)
Non-participating Providers	Benefit payments will be based on MetLife Dental’s non-participating dentist fee
Deductibles and Maximums	
Annual Deductible (per plan year; does not apply to preventive care)	<p>All states except Texas: Individual: \$75 in-network or \$100 out-of-network**; Family: \$225 in-network or \$300 out-of-network**</p> <p><i>**Claims applied to the in-network and out-of-network deductible may be combined to meet the plan’s deductible requirement</i></p> <p>Texas residents only: Individual: \$75 combined in-and out-of-network**; Family: \$225 combined in- and out-of-network</p>
Annual Benefit Maximum Per Plan Year	\$1,000
Lifetime Orthodontic Benefit Maximum (per person)	Not covered
Covered Dental Services*	
Preventive Care (including routine diagnostic services such as oral exams, routine and periodontal cleaning, x-rays, etc.)	No charge
Basic Care (including fillings, extractions, periodontics, etc.)	50% coinsurance
Major Restorative Care (includes crowns, bridgework, dentures, etc.)	50% coinsurance
Orthodontia (dependent children under age 19)	Not available

* Frequency limitations and age restrictions apply to certain services under the program.

You can elect dental coverage if needed. You don’t have to be enrolled in medical coverage to elect dental coverage.

You can cover your Spouse/Domestic Partner, your unmarried children, your children up to age 19, and your children who are full-time students (generally up to the end of the month of his or her 23rd birthday, although age limits for full-time students may vary in some states as described earlier in this booklet). Eligible dependents also may include disabled dependents. An Affidavit of Domestic Partnership may be required if you want to cover a Domestic Partner or dependent children of your eligible same-gender domestic partner who meet the criteria above.

Consider the Tax Advantages

There are several ways you can save on taxes through the Company's health care program. First, you may choose to make your payroll contributions with pre-tax dollars. When you do, contributions for medical and dental coverage are deducted from your pay before Federal and state income tax is withheld.

PRE-TAX OR AFTER-TAX?

You can elect to have health care contributions made on a pre-tax or after-tax basis. While pre-tax contributions can lower your taxable income, there are some restrictions.

Here's what you need to know:

- **Pre-tax Option.** Your contribution will be made before Federal, state and FICA taxes are calculated. (FICA stands for Federal Insurance Contributions Act.) Your election must remain in effect for the entire enrollment year, which ends each June 30, unless your family status changes during the year (due to marriage, birth of a child, etc.).
- **After-tax Option.** Your contribution will be made after Federal, state and FICA taxes are calculated. You may drop dependents or cancel coverage at any time throughout the year.

Health Care FSA Program

The Health Care Flexible Spending Account (FSA) Program offers eligible associates a way to reduce Uncle Sam's tax bite and stretch the buying power of every dollar you deposit to this account. When you set aside part of your pre-tax pay in the Health Care FSA, you automatically get a tax break in every paycheck. Your contributions to the Health Care FSA will be used to reimburse eligible expenses you incur during the plan year in which you are enrolled.

If you haven't taken advantage of the tax savings offered in the Health Care FSA in the past, take another look. You do not need to enroll in a Company-sponsored medical option to participate in the Health Care FSA Program.

You may contribute from \$120 to \$5,000 to a Health Care FSA during an entire plan year (generally July 1 through June 30). The amount is prorated if you enroll at any other time of the plan year. If you participate, your contributions will be made each pay period through convenient payroll deductions.

EXAMPLES OF ELIGIBLE HEALTH CARE FSA EXPENSES INCLUDE:

- medical and dental deductibles, coinsurance and copayments;
- prescription drug copays and coinsurance;
- smoking cessation program fees;
- orthodontia;
- hearing aids;
- prescription eye glasses and contact lenses;
- most other health care expenses that are eligible tax deductions (except insurance premiums and cosmetic surgery); and
- certain over-the-counter (OTC) items, including non-prescription antacids, allergy medication, pain relievers and cold medicines purchased to alleviate or treat personal injury or sickness. Dietary supplements and vitamins are not eligible for reimbursement.

FSA participants enjoy the convenience of a debit card to make payments and purchases. After associates enroll, the FSA administrator, SHPS, Inc. will mail details and the debit card.

For those who shop for over-the-counter items at many major retailers including Walgreens, using a FSA debit card will mean instant documentation of eligible expenses.

If SHPS requires documentation for a payment or purchase made with a FSA debit card, SHPS will request an Explanation of Benefits (EOB) or receipt from the participant.

Participants can submit other claims with documentation, too. If desired, SHPS can deposit reimbursement to a participant's bank account.

Internal Revenue regulations do not permit individuals who are contributing to a Health Savings Account to be enrolled in a Health Care FSA that covers medical costs that can be paid from the HSA. However, eligible dental and vision expenses can be covered by a Flexible Spending Account. For this reason, the Company offers associates the opportunity to enroll in a Limited Flexible Spending Account (LFSA) that covers dental and vision expenses only.

So, if you are enrolled and contributing to your or your spouse's Health Savings Account, you may want to participate in the Limited FSA.

You may contribute from \$120 to \$1,500 to a Limited FSA during an entire plan year (generally July 1 through June 30).

EXAMPLES OF ELIGIBLE LIMITED FSA EXPENSES INCLUDE:

- orthodontia;
- dentures, bonding and sealants for dentures;
- prescription eye glasses, sunglasses, sports goggles;
- contact lenses and solutions;
- artificial eye and polish; and
- radial keratotomy, laser surgery or other vision correction surgery.

An Associate Example of FSA Tax Savings



Mary is a single parent who planned her expected health care expenses carefully and plans to use her Health Care FSA to save money. Mary calculated she would spend at least \$1,200 during the next twelve months on copays for her child’s office visits to the doctor and for prescriptions. She will also pay toward deductibles, coinsurance and other medical, dental and vision expenses. The following example shows the tax savings Mary could realize through her Health Care FSA—leaving more take-home pay in her pocket.

Mary’s Tax Savings with a Health Care FSA Account

	If she participates	If she does not participate
Annual salary before taxes	\$35,000	\$35,000
Minus her Health Care FSA deposit	- \$ 1,200	- \$ 0
Net income	\$33,800	\$35,000
Minus her estimated federal taxes (based on 2006 tax rates)	- \$ 4,996	- \$ 5,268
Net pay	\$28,804	\$29,732
Minus her health care expenses	- \$ 0*	- \$ 1,200
Net pay Mary can spend	\$28,804	\$28,532
Estimated tax savings	\$ 272	\$ 0

For illustrative purposes only.

* Mary gets reimbursed from her Health Care FSA.

Note: Using the Health Care FSA or Limited FSA may result in a slight loss of future Social Security benefits because FSA contributions are not subject to FICA tax withholding.

Life Insurance

The Optional Life Insurance Program allows you to tailor your coverage to your needs:

- **Associate Life Insurance coverage.** Coverage based on the multiple of eligible annual pay* you select rounded to the next higher \$1,000. Maximum coverage is the lesser of six times pay (6 x pay) or \$2.5 million. You decide whether to have contributions deducted on a pre-tax or after-tax basis.
- **Spouse/Domestic Partner Life Insurance coverage.** \$10,000 of coverage for your spouse or same-gender domestic partner.
- **Child(ren) Life Insurance coverage.** \$5,000 of coverage for each eligible dependent child.

Associate Life Insurance

If you are newly eligible, you may enroll in a multiple of your eligible annual pay:

- one-half times pay ($\frac{1}{2}$ x pay), or
- one times pay (1 x pay) to six times pay (6 x pay) rounded to the next higher \$1,000.

If newly eligible, no Statement of Health form will be required if you elect *the lesser of* three times pay (3 x pay) or the highest multiple of pay that does not exceed \$500,000.

A Statement of Health form will be required if you elect:

- four times pay (4 x pay) to six times pay (6 x pay), or
- any multiple of pay that results in coverage over \$500,000.

Any time you submit a Statement of Health form, HR Services will enroll you in the highest multiple of pay for which you are eligible - called the guarantee issue amount. If the insurance carrier approves your Statement of Health, HR Services will enroll you in your requested multiple of pay on the first of the month after the insurance carrier's notification of approval. If your Statement of Health is not approved, you will remain enrolled in the guarantee issue multiple of pay.

Increases in multiple of pay at annual enrollment or for a change in family status will require that you submit a Statement of Health form and receive the insurance carrier's approval for the increase.

** Annual pay as defined in the program includes regular pay, overtime pay, cash bonuses, commissions and incentive pay received in the prior calendar year.*

For a newly eligible associate, annual pay is defined as:

- *Hourly paid associates: Multiply your hourly rate by your weekly scheduled hours, then multiply by 52.*
- *Salaried paid associates: Your annual salary.*



PRE-TAX OR AFTER-TAX?

You can elect to have Associate Life Insurance contributions made on a pre-tax or after-tax basis. While pre-tax contributions can lower your taxable income, there are some restrictions. Here's what you need to know:

- **Pre-tax Option.** Your contribution will be made before Federal, state and FICA taxes are calculated. (FICA stands for Federal Insurance Contributions Act.) Your election must remain in effect for the entire enrollment year, which ends each June 30, unless your family status changes during the year (due to marriage, birth of a child, etc.).
- **After-tax Option.** Your contribution will be made after Federal, state and FICA taxes are calculated. You may drop dependents or cancel coverage at any time throughout the year.

Rates for Associate Life Insurance coverage are based on your age.

Federal tax regulations require that the Company report your "imputed income" as taxable income to you. Imputed income is the difference between the value of your group life insurance coverage in excess of \$50,000 and your after-tax contributions for coverage. Your imputed income is subject to Federal, state and FICA taxes.

Spouse/Domestic Partner Life Insurance

If you are married or have a same-gender domestic partner, you may elect Spouse/Domestic Partner Life Insurance coverage of \$10,000. An Affidavit of Domestic Partnership may be required if you want to cover a Domestic Partner.

If your spouse/domestic partner was hospitalized during the previous 90 days, you will need to submit a Statement of Health for your spouse or domestic partner and receive the insurance carrier's approval. If the insurance carrier approves, the coverage will be effective on the first of the month after the insurance carrier's notification of approval. If the insurance carrier does not approve, the coverage will not be effective.

Rates for Spouse/Domestic Partner Life Insurance coverage are based on your age.

Child(ren) Life Insurance

If you have a dependent child or children, you may elect Child(ren) Life Insurance coverage of \$5,000 for each eligible child.

Generally, eligible dependents include your unmarried children from birth to 19 years of age, or to age 25 if a full-time student, and dependent on you for support and maintenance. The unmarried children of your same-gender domestic partner who meet the same criteria and who reside in your home also are eligible. Eligible dependents also include any dependent, unmarried child who is incapable of self-sustaining employment by reason of mental retardation or physical handicap and who becomes so incapable prior to reaching age 19, and who is dependent upon you for support and maintenance. He or she will continue to be eligible for coverage under the policy regardless of age for as long as the policy is in force. An Affidavit of Domestic Partnership may be required if you want to cover dependent children of your eligible same-gender domestic partner who meet the criteria above.

The rate for Child(ren) Life Insurance is a flat amount regardless of the number of children covered.

Accidental Death & Dismemberment (AD&D)

The Optional Accidental Death & Dismemberment (AD&D) Program gives you choices:

Individual Coverage. Coverage based on the multiple of your eligible annual pay⁺ you select rounded to the next higher \$1,000. Maximum coverage is the lesser of ten times pay (10 x pay) or \$1.5 million.

Individual + Family Coverage. Coverage for your spouse or same-gender domestic partner and eligible dependent children.

If you are newly eligible, you may enroll in a multiple of your eligible annual pay⁺:

- one-half times pay ($\frac{1}{2}$ x pay), or
- one times pay (1 x pay) to ten times pay (10 x pay) rounded to the next higher \$1,000.

Your cost for AD&D coverage depends on the multiple of coverage you select. Contributions are deducted on an after-tax basis.

Eligible dependents for Individual + Family AD&D coverage include:

- **Spouse/Domestic Partner.** An Affidavit of Domestic Partnership may be required if you want to cover a Domestic Partner.
- **Children.** Your unmarried children from birth to 19 years of age, or to age 25 if a full-time student, and dependent on you for support and maintenance. The unmarried children of your domestic partner who meet the same criteria and who reside in your home also are eligible. Eligible dependents include any dependent, unmarried child who is incapable of self-sustaining employment by reason of mental retardation or physical handicap and who becomes so incapable prior to reaching age 19, and who is dependent upon the covered associate for support and maintenance. He or she will continue to be eligible for coverage under the policy regardless of age for as long as the policy is in force. An Affidavit of Domestic Partnership may be required if you want to cover dependent children of your eligible same-gender domestic partner who meet the criteria above.

Benefits for your dependents are a percentage of the amount of coverage you elect for yourself.

BENEFICIARIES FOR LIFE INSURANCE AND AD&D —

If you enroll in both the group life insurance and AD&D programs, the beneficiary designation you make on *in-site* will apply to both programs unless you indicate otherwise.

A primary beneficiary receives the proceeds from your coverage in the event of your death. A contingent beneficiary receives the proceeds only if your primary beneficiary predeceases you. You may name more than one beneficiary. If you name more than one beneficiary, you must identify the percentage of proceeds to be paid to each. All percentages must total 100%.

If you enroll in the Spouse/Domestic Partner Life Insurance option, Child(ren) Life Insurance option, or Individual + Family AD&D option, you, the associate, are always the beneficiary for your dependents.

⁺ Annual pay as defined in the program includes regular pay, overtime pay, cash bonuses, commissions and incentive pay received in the prior calendar year.

For a newly eligible associate, annual pay is defined as:

- Hourly paid associates: Multiply your hourly rate by your weekly scheduled hours, then multiply by 52.
- Salaried paid associates: Your annual salary.

Disability Benefits

Long-term disability insurance gives you income during the time you need to receive treatment to recover from a serious illness or manage the challenges of an extended disability that prevents you from returning to work.

Long Term Disability

The Company offers Long Term Disability (LTD) coverage to replace some of your income in case you need it.

Your cost for coverage is based on your eligible covered pay and age based rate tables. The benefit payment is 60% of your covered pay (up to certain limits) and, because you contribute on an after-tax basis, benefits you receive from the Plan will be free from Federal income tax under current tax laws.

In addition, any LTD benefits you receive may be offset by other benefits for which you are eligible. These could include social security, workers' compensation, and any other salary continuation program.

Benefits are generally payable for approved disabilities after a 26-week waiting period (13 weeks at some locations). The length of time you receive LTD benefits depends on when you become disabled. For example, payments would continue to age 65 if you become disabled prior to reaching age 60. The older you are when you become disabled, the shorter the period of coverage. If you become disabled at age 69 or older, you would receive benefits for no more than 12 months.

You may enroll when first eligible without a Statement of Health. If you do not enroll in LTD when first eligible, a Statement of Health will be required if you decide to enroll due to a life event.

A pre-existing condition limitation applies when you enroll in LTD. A pre-existing condition can be an injury or illness that occurred or began before you became a Plan member. Additional information is available on *in-site* or on request.

Short Term Disability

Your division's Short Term Disability Plan may provide you with partial income protection when an authorized health care provider certifies that you are medically disabled and unable to work as a result of an injury or illness. The coverage offered, the cost and whether you must make an election to be enrolled vary by division.

Dependent Care Flexible Spending Account (FSA)

You can establish a Dependent Care Flexible Spending Account (FSA) up to \$5,000 through June 30. You contribute pre-tax dollars to this FSA, which lowers your tax withholding. Then you are reimbursed from the FSA for payments you have made for eligible dependent care expenses that are incurred so that you and your spouse can work.

You may participate in the Dependent Care FSA Program if you have:

- A dependent child or children under age 13 or
- Any other dependent (such as an adult child, spouse or grandparent) living with you on a regular basis and who is mentally or physically unable to care for himself or herself.

Eligible expenses include those required to provide household and dependent care services needed to allow you and, if applicable, your spouse, to be employed. Examples of eligible expenses include:

- Child care expenses, from babysitters to child care centers
- After-school programs and most summer day camp fees
- Elder care expenses for eligible adults



Carefully evaluate if the Dependent Care FSA Program or the federal Dependent Care Tax Credit is the best tax savings opportunity for you.

If you are married, your spouse must be a wage earner, a full-time student at least five months of the year or disabled and unable to provide for his or her own care. If you and your spouse file separate income tax returns, you are limited to a maximum contribution of \$2,500 annually.

For highly compensated participants, contributions to the Dependent Care FSA Program will be limited to \$1,500 and may be further reduced or recharacterized if necessary to satisfy any IRS nondiscrimination requirements. (Generally, a highly compensated employee for 2007 is someone who earned in excess of \$100,000 in 2006.)

Once you make your election, your contributions will be prorated over the remaining pay periods through June 30, and set aside in your Dependent Care FSA. Your taxable income for the year will be reduced by the amount you contribute, so your income tax will be lower.

SHPS, Inc. is the FSA administrator. To be reimbursed, you will be required to submit the name, address and Taxpayer Identification Number (TIN) or social security number of the dependent care provider. For your convenience, you can request deposit to your bank account.

Carefully estimate your eligible dependent care expenses from your eligibility date through June 30. Any contributions remaining in your Dependent Care Flexible Spending Account at the end of the year and not claimed by September 30 will be forfeited. IRS guidelines do not permit them to be returned to you.

Changes during the Year

When a change in your family status occurs, you must report the change to HR Services no later than 31 days after the date of the event to request to change or to cancel your benefits. You must call to report these changes whether you contribute on a pre-tax or after-tax basis.

Changes in your family or job status that could result in changes to your coverage include:

- Marriage
- Divorce
- Birth of a child
- Adoption or placement for adoption
- Death of a dependent
- Medicare entitlement
- End of a dependent's full-time student status
- Termination or commencement of your spouse's employment
- Change in your employment or your spouse's employment that affects benefits
- Loss of other group medical coverage if you have not previously elected coverage under this health care program
- Obtaining other group medical coverage while you are covered under this health care program

Any changes in coverage must be directly related to your change in family status.

If you are enrolled in any benefits on a pre-tax basis and do not notify HR Services of a family status change within 31 days, your benefits (except for the exclusion of ineligible dependents) and contributions may not change until the next annual enrollment - generally July 1. These benefits could include Medical, Dental, Associate Life Insurance, Short Term Disability, Health Care Flexible Spending Account and Dependent Care Flexible Spending Account.

- Health Care FSA is subject to Internal Revenue Service (IRS) regulations, which limit changes. Changes are only permitted for qualified family status changes that result in a change in the number of covered dependents, such as the birth of a baby, marriage or divorce.
- Dependent Care FSA is subject to Internal Revenue Service (IRS) regulations, which limit changes. If your dependent care provider increases or decreases the cost of care significantly, you may be able to adjust your contribution amount. Otherwise, changes are only permitted for qualified family status changes, such as the birth of a baby, marriage or divorce, or a change in day care provider.

If you are enrolled in any benefits on an after-tax basis, you may drop a dependent or cancel coverage at any time during the year. These benefits could include Medical, Dental, Associate Life Insurance, Spouse/Domestic Partner Life Insurance, Child(ren) Life Insurance, Accidental Death & Dismemberment, Long Term Disability and Short Term Disability.

PLEASE NOTE:

Associate contributions will be required as of the effective date of any changes in coverage.

Contact Information

Contact	Telephone	Website
For Medical Coverage:		
Starbridge Choices, a CIGNA health insurance plan	(877) 209-7098	www.starbridgechoices.com
For Dental Coverage:		
MetLife Dental	(888) 262-4883	www.metdental.com
For Flexible Spending Accounts (FSAs):		
SHPS, Inc.	(877) 777-7195	http://spendingaccount.shps.com
HR Services		
Representatives are available from 9 a.m. to 9 p.m. ET, Monday through Friday.	(800) 337-2363 Select option 2.	www.employeeconnection.net

DOMESTIC PARTNERS AND DEPENDENTS OF DOMESTIC PARTNERS –

To cover a same-gender domestic partner and/or the unmarried children of your covered same-gender domestic partner who meet the same criteria as other dependents, you must complete and submit the Company's Affidavit of Domestic Partnership except in the states noted below.

Associates with same-gender domestic partners who reside in California, Connecticut, the District of Columbia, Maine, New Jersey and Vermont must follow their respective state's formal Domestic Partner Registration process. They are not required to complete the Company's Affidavit of Domestic Partnership. All other associates and domestic partners are required to complete the Company's Affidavit of Domestic Partnership. The affidavit is available on *in-site* or by calling the benefits line at (800) 337-2363.

As required by California law, associates with opposite-gender domestic partners who reside in that state may be eligible for coverage if one of the domestic partners is age 62 or over and eligible for Social Security benefits. Call the benefits line at (800) 337-2363 for additional information. They are not required to complete the Company's Affidavit of Domestic Partnership.

7/2007-6/2008