

Employee Benefits

2010 Enrollment Guide



Medical | Dental | Vision
Life | Disability | FlexPlan

ABOUT THIS GUIDE

DunderMifflin offers a comprehensive benefits package. The Medical, Dental, Vision, Life, Disability and FlexPlan benefits are summarized in this guide. The purpose of this Enrollment guide is to:

1. Provide Employees with an overview of the Medical, Dental, Vision, Life, Disability and FlexPlan benefits.
2. Explain enrollment options available to you, and your dependents.
3. Explain how to enroll.
4. Highlight the many features and benefits available to you as a **DunderMifflin** Employee.

ABOUT DUNDERMIFFLIN INC.

DunderMifflin Inc. (stock symbol DMI) is a micro-cap regional paper and office supply distributor with an emphasis on servicing small-business clients. With a corporate office in New York City, DunderMifflin has branches in Buffalo, Albany, Utica, Scranton, Akron, Camden, Nashua and Yonkers.

DunderMifflin Inc. provides its customers quality office and information technology products, furniture, printing values and the expertise required for making informed buying choices. We provide our products and services with a dedication to the highest degree of integrity and quality of customer satisfaction, developing long-term professional relationships with employees that develop pride, creating a stable working environment and company spirit.

DunderMifflin Inc. strives to be the employer of choice in each of the communities we serve. We aim to improve the quality of life for our employees and their respective communities.

We encourage each employee of **DunderMifflin** to help make our work culture friendly and welcome.

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Eligibility and Enrollment

Eligibility & Enrollment

How to Enroll

To enroll, all eligible employees must complete the enrollment form within 31 days of your effective date.

When Your Coverage Starts

Employee benefits are scheduled to start on the effective date described below. However, you must be actively at work on a full-time basis on the scheduled effective date. In addition, you must have met all of the applicable conditions of the contract(s).

Effective Date (Waiting Period)

- Commissioned Salespeople and Call Center employees are effective on the 1st day of the month following 90 days of full-time employment.
- All other employees are effective on the 1st day of the month following 30-days of full-time employment.

When Your Coverage Ends

Employee benefits end as described below.

Medical, Dental and Vision coverage ends on the last day of the month following termination.

Life and Disability coverage ends on the date of termination.

Eligible Person

Your eligible dependents are: your legal spouse; your unmarried dependent children up to age 25 (up to age 26 if a full-time student at an accredited school).

We exclude any dependent who is insured by this plan as an employee. In addition, we exclude any dependent on active military duty.

Eligible Dependents

Your eligible dependents are: your legal spouse; your unmarried dependent children up to age 25 (up to age 26 if a full-time student at an accredited school).

We exclude any dependent who is insured by this plan as an employee. In addition, we exclude any dependent that is on active military duty.

Adding New Dependents

Participants may enroll Dependents who join their family because of any of the following events: birth; legal adoption; placement for adoption; marriage; legal guardianship or court/administrative order.

Coverage begins on the date specified in the contract(s) if the Plan Administrator received the completed enrollment form and any required contribution for coverage within 31 days of the event that makes the new Dependent eligible.

Declining Coverage

Declining Medical: If you decline enrollment for yourself or any of your dependents because of other health coverage (including COBRA coverage), you may be able to enroll in this plan in the future, provided you request enrollment within 31 days of losing eligibility for other coverage or gaining a new dependent.

If you decline enrollment during your initial enrollment period and have no other health coverage, you must wait until the next open enrollment period to enroll. If there is a qualifying event, please see Special Enrollment Period.

Declining Dental, Vision, Life and/or Disability: Penalties, waiting periods and/or underwriting approval may be required if you elect to participate after your initial eligibility period.

Special Enrollment Period

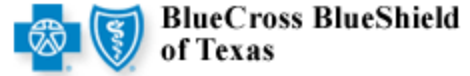
An Eligible Person and/or Dependent may also be able to enroll during a special enrollment period. A special enrollment period applies to an Eligible Person and any Dependents when one of the following events occurs: Birth; Legal Adoption; Placement for Adoption; Marriage; or Loss of "other coverage" in special circumstances.

Coverage begins on the date of the event (for example, a birth or marriage) if the Plan Administrator receives the completed enrollment form and any required contribution within 31 days of the event.

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Visit www.gammonbenefits.com/dunder for complete benefit info.

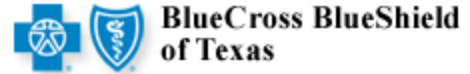
Medical Insurance



Group Number: Blue Access® 002 108 34 Summary of Benefits, Effective July 1, 2010

Covered Benefits	Network	Non-Network
Deductible (Single/Family)	\$500/\$1,500	\$1,000/\$3,000
Out-of-Pocket Limit (Single/Family)	\$2,500/\$5,000	\$5,000/\$10,000
Physician Home and Office Services (PCP/SCP) Primary Care Physician (PCP)/ Specialty Care Physician (SCP) Including Office Surgeries and allergy serum: <ul style="list-style-type: none"> ▪ allergy injections (PCP and SCP) \$5 ▪ allergy testing 20% ▪ MRAs, MRIs, PETS, C-Scans, Nuclear Cardiology Imaging Studies, non-maternity related Ultrasounds and Pharmaceuticals 20% 		40%
Preventive Care Services Services include but are not limited to: Routine Exams, Pelvic Exams, Pap testing, PSA tests, Immunizations, Annual diabetic eye exam, Vision and Hearing screenings <ul style="list-style-type: none"> ▪ Physician Home and Office Visits (PCP/SCP) \$30/\$30 ▪ Other Outpatient Services @ Hospital/Alternative Care Facility 20% ▪ Immunizations through age 5 No copayment/coinsurance 		40%
Emergency and Urgent Care <ul style="list-style-type: none"> ▪ Emergency Room Services @ Hospital (facility/other covered services) (copayment waived if admitted) \$100/20% ▪ Urgent Care Center Services \$75 ▪ MRAs, MRIs, PETS, C-Scans, Nuclear Cardiology Imaging Studies, non-maternity related Ultrasounds and Pharmaceuticals 20% ▪ Allergy injections \$5 ▪ Allergy testing 20% 		\$100/20%
Inpatient and Outpatient Professional Services Include but are not limited to: <ul style="list-style-type: none"> ▪ Medical Care visits (1 per day), Intensive Medical Care, Concurrent Care, Consultations, Surgery and administration of general anesthesia and Newborn exams 20% 		40%
Inpatient Facility Services Unlimited days except for: <ul style="list-style-type: none"> ▪ 60 days Network/Non-Network combined for physical medicine/rehab (limit includes Day Rehabilitation Therapy Services on an outpatient basis) ▪ 90 days Network/Non-Network combined for skilled nursing facility 	20%	40%
Outpatient Surgery Hospital/Alternative Care Facility <ul style="list-style-type: none"> ▪ Surgery and administration of general anesthesia 20% 		40%

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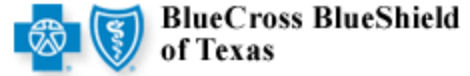
MEDICAL INSURANCE (CONTINUED)

Covered Benefits	Network	Non-Network
Other Outpatient Services (network & non network combined) (including but not limited to): <ul style="list-style-type: none"> ▪ Non-Surgical Outpatient Services For example: MRIs, C-Scans, Chemotherapy, Ultrasounds, and other diagnostic outpatient services. ▪ Home Care Services (Network/Non-network combined) 90 visits (excludes IV Therapy) ▪ Durable Medical Equipment and Orthotics (Network/Non-network combined) \$4,000 benefit limit (excluding Prosthetic Devices, Limbs and Medical Supplies) ▪ Prosthetic Devices \$4,000 limit ▪ Prosthetic Limbs \$10,000 limit ▪ Physical Medicine Therapy Day Rehabilitation programs ▪ Hospice Care ▪ Ambulance Services 	20% 20% 20%	40% 40% 20%
Accidental Dental: \$3,000 limit (network & non network combined)	Copayments/Coinsurance based on setting where covered services are received	Copayments/Coinsurance based on setting where covered services are received
Outpatient Therapy Services (Combined Network & Non-Network limits apply) Physician Home and Office Visits (PCP/SCP) Other Outpatient Services @ Hospital/Alternative Care Facility Limits apply to: <ul style="list-style-type: none"> ▪ Physical/Manipulation therapy excluding Chiropractic Services: 20 visits ▪ Occupational therapy: 20 visits ▪ Chiropractic Services: 26 visits (Network) Non-Network Not Covered ▪ Speech therapy: 20 visits ▪ Cardiac Rehabilitation: 36 visit limit ▪ Pulmonary Rehabilitation: 20 visit limit 	\$30/\$30 20%	40% 40%
Behavioral Health Services: (Network and Non-Network) <ul style="list-style-type: none"> ▪ Inpatient Facility Services ▪ Physician Home and Office Visits (SCP) ▪ Other Outpatient Services @ Hospital/Alternative Care Facility ▪ 90 days Network/Non-network combined for Residential Treatment Center 	Copayments/Coinsurance based on setting where covered services are received	Copayments/Coinsurance based on setting where covered services are received
Human Organ and Tissue Transplants¹ <ul style="list-style-type: none"> ▪ Acquisition and transplant procedures, harvest, and storage. 	No copayment/coinsurance	30%
Lifetime Maximum (Combined Network and Non-network)⁴	Unlimited	\$1 million

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Pharmacy



Prescription Drugs	Network	Non-Network
Network Retail Pharmacies: (30-day supply) Includes diabetic test strip	\$15 / \$35 / \$60	50% (min \$75) cost share brand ²
Anthem Rx Direct Mail Service: (90-day supply) Includes diabetic test strip	\$30 / \$70 / \$120	Not Covered
<p>Prescription Drugs Network Tier structure equals 1/2/3 Member may be responsible for additional cost when not selecting the available generic drug. Specialty Medications must be obtained via our Specialty Pharmacy network in order to receive network level benefits.</p>		

Notes:

- Flat dollar copayments and Non Network Human Organ and Tissue Transplants are excluded from the out-of-pocket limits. Also Prescription Drug deductibles/copayments/coinsurance are excluded from the out-of-pocket limits.
- Deductible(s) apply only to covered medical services listed with a percentage (%) coinsurance. However, the deductible does not apply to Emergency Room Services where a copayment and a percentage (%) coinsurance applies.
- Network and Non-network deductibles, copayments, coinsurance, and out-of-pocket maximums are separate and do not accumulate toward each other.
- Dependent Age: to the end of the calendar year which the child turns age 25
- When allergy injections are rendered with a Physicians Home and Office Visit, only the Office Visit cost share applies.
- No copayment/coinsurance means no deductible/copayment/coinsurance up to the maximum allowable amount. 0% means no coinsurance up to the maximum allowable amount. However, when choosing a Non-network provider, the member is responsible for any balance due after the plan payment.
- PCP is a Network Provider who is a practitioner that specializes in family practice, general practice, internal medicine, pediatrics, obstetrics/gynecology, geriatrics, or any other Network provider as allowed by the plan.
- SCP is a Network Provider, other than a Primary Care Physician, who provides services within a designated specialty area of practice.
- Certain diabetic and asthmatic supplies have no deductible/copayment/coinsurance up to the maximum allowable amount at network pharmacies, except diabetic test strips.
- Benefit period = <SELECT>
- Elective abortions are not covered.
- Mammograms (routine and diagnostic) are subject to the PCP/OV cost share in office and outpatient facility settings.

1. Kidney and cornea are treated the same as any other illness and subject to the medical benefits.
2. Rx non-network diabetic/asthmatic supplies not covered except diabetic test strips.
3. Prescription Drugs do not accumulate toward the Medical Lifetime Maximum (if applicable). However, once the Medical Lifetime Maximum is met (if applicable), no additional Prescription Drug claims will be paid.

Precertification: Members are encouraged to always obtain prior approval when using non-network providers. Precertification will help avoid any unnecessary reduction in benefits for non-covered or non-medically necessary services.

Pre-existing Exclusion Period: We will not provide benefits for services, supplies, or charges for any pre-existing condition for the time period specified below (subject to HIPAA portability requirements): **12 months after the member's enrollment date**

A pre-existing condition is a condition (mental or physical) which was present and for which medical advice, diagnosis, care or treatment was recommended or received within the 6 month period ending on the member's enrollment date. Pregnancy and domestic violence are not considered a pre-existing condition. Genetic information may not be used as a condition in the absence of a diagnosis.

This summary of benefits is intended to be a brief outline of coverage. The entire provisions of benefits and exclusions are contained in the Group Contract, Certificate, and Schedule of Benefits. In the event of a conflict between the Group Contract and this description, the terms of the Group Contract will prevail.

Dental Insurance



Dental coverage you can count on. DentalSelect lets you visit any dentist or specialist you want—with lower costs when you choose one within our extensive national network. To find a provider, simply log on to anthem.com.

We're here to help. If you need help anywhere along the way, you can call the number on the back of your ID card, which is answered by a live, domestic customer service representative. Calling after-hours? We can still assist you with our interactive voice-response hotline.

YOUR DENTALSELECT PLAN AT-A-GLANCE

Annual Deductible Individual/Family Combined In and Out of Network	\$ 50 Individual / \$ 150 Family
Annual Maximum Maximum Carryover Provision	\$ 1,000 Included
Out of Network Reimbursement	90th Percentile

Services	PPO Dentists (In-network)	Non-PPO (Out-of-network)
Diagnostic and preventive <ul style="list-style-type: none"> ▪ Oral evaluations, x-rays, Cleanings ▪ Sealants and fluoride, Space maintainers 	NCS/No deductible	NCS/No deductible
Minor restorative <ul style="list-style-type: none"> ▪ Emergency palliative pain treatment ▪ Amalgam restorations (fillings), Composite restoration (fillings) ▪ Sedative fillings 	20% after deductible	20% after deductible
Oral surgery <ul style="list-style-type: none"> ▪ Simple extractions, Removal of impacted teeth, General anesthesia 	20% after deductible	20% after deductible
Endodontic services <ul style="list-style-type: none"> ▪ Root Canal Therapy, Therapeutic pulpotomy, Direct pulp capping 	20% after deductible	20% after deductible
Periodontal services <ul style="list-style-type: none"> ▪ Scaling and root planing, Gingivectomy, Osseous surgery, Soft tissue grafts 	20% after deductible	20% after deductible
Prosthetic Services <ul style="list-style-type: none"> ▪ Crowns, Removable complete and partial dentures ▪ Bridge repair ▪ Implants ▪ Missing Teeth 	50% after deductible Not Covered Not Covered	50% after deductible Not Covered Not Covered
Orthodontic Services <ul style="list-style-type: none"> ▪ Examinations, Records ▪ Tooth guidance, Repositioning (straightening) of the teeth 	50%/No deductible	50%/No deductible
Orthodontic Maximum: \$1,000		
Orthodontic Age Limit: Child to age 19		

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DENTAL INSURANCE (CONTINUED)



Dental Notes

No Cost Share (NCS) means no deductible, copayment, or coinsurance up to the maximum allowable amount. However, a member may be responsible for any balance due after the plan payment, including, but not limited to, benefits that reflect No Cost Share.

International emergency dental program. If you need emergency dental care while traveling internationally, call our international service center right away. Our English-speaking customer service representatives can help you find a dentist. And they can even assist with translation services when contacting the dentist's office.

Extra support for pregnant and diabetic members. To help proactively manage these conditions, our pregnant and diabetic members may be eligible for additional dental benefits. If you have diabetes or are pregnant, please contact our customer service department to determine if you qualify and to learn more about this important program.

Limitations & Exclusions

This is not a contract. It is a partial listing of benefits and services. All covered services are subject to the conditions, limitations, exclusions, terms, and provisions of the dental Certificate.

- Limitations — Below is a partial listing of some of the limitations. Please see Certificate for full list:
- Oral Evaluations. Limited to two per year.
- Prophylaxis or Periodontal Maintenance Procedure. Limited to two treatments per year, singly or in combination.
- Fluoride treatments. Limited to two per year for children up to age 19.
- X-rays. Limited to one set of full-mouth x-rays or its equivalent once every five years. Periapical x-rays are limited to 4 films per year.
- Bitewing X-rays. Limited to one set of up to 4 films twice per year to age 19 and once per year thereafter.
- Sealants. Limited to children under 16 years of age for permanent unrestored first and second molars. Treatment is limited to two applications per tooth per lifetime.
- Space Maintainers. Limited to once per quadrant per lifetime for children up to age 16. Includes all adjustments within six months of placement.
- Palliative Emergency Treatment. Limited to twice per year.
- Sedative Filling. Limited to once per tooth in any 24-month period.
- Amalgam or Composite Resin Restorations (fillings). Limited to once per surface per tooth every 24 months.
- Periodontal Scaling and Root Planing. Limited to once per quadrant every 24 months.
- Periodontal Surgery. Limited to once per quadrant in any three years.
- Crown Lengthening. Limited to once per tooth per lifetime.
- Root Canal Therapy. Root canal therapy limited to one initial treatment per tooth and one retreatment per tooth – for permanent teeth only.
- General Anesthesia. Covered only when used in conjunction with covered oral surgical procedures.

Vision Insurance: BlueView Vision



At Anthem Blue Cross and Blue Shield, we understand that vision benefits are essential to maintaining your overall health and well-being. After all, a slight miscorrection in eyesight can reduce productivity by 10% and work accuracy by nearly 40%. Computer eyestrain can reduce productivity between 10 and 50%.¹

Blue View Vision, our vision program, provides a cost-effective vision plan. The plan is easy to use and offers savings beyond exam coverage. Blue View Vision provides you with an innovative vision program to meet your unique needs and improve your overall wellness.

Finding a Blue View Vision Provider Blue View Vision has an extensive national network of participating providers contracted under a vendor agreement with EyeMed Vision Care. You can easily find a provider conveniently located near you. Nationally, we contract with independent optometrists and ophthalmologists as well as retail locations such as LensCrafters®, Target Optical, Sears Optical, JCPenney Optical, and most Pearle Vision locations. Please call Blue View Vision at (866) 723-0515 if you have questions about your vision benefits or need to locate a provider.

Using a Participating Provider By using a participating provider, you minimize your out-of-pocket expenses and receive the benefits of not having to hassle with paperwork, since the participating provider verifies your eligibility and obtains all the necessary information. You simply pay your copayment and any remaining balance at the time of your appointment.

Blue View Vision providers offer you discount pricing, which is significantly below retail. You receive substantial savings (15%-40% or more) on most eyewear pair purchases, conventional contact lenses, lens treatments, specialized lenses, and various sundry items.

Using a Non-Participating Provider If you choose to go to a non-participating (non-network) provider, you must pay the provider directly at the time of service. Out-of-network claims must be submitted by you. Simply submit a claim for reimbursement. When using a non-participating provider, your coverage may be limited and your out-of-pocket expenses may be greater.

Covered Benefits	Member Benefit From Blue View Vision Network Provider	Non-Network Reimbursement
Vision Examination including dilation and refraction as needed. Covered once every 12 months .	\$20 copayment	Up to \$42
Eyeglasses <ul style="list-style-type: none"> ▪ Eyeglass lenses ▪ Eyeglass frames 	Available at a discount	Not Covered
Contact Lenses	Discount schedule listed below	Not Covered
Exam Only Additional Savings Discounts		Members with Routine Exam Coverage Only
Service <ul style="list-style-type: none"> ▪ Complete Eyeglasses ▪ Frame 	Member Cost 35% off retail price* 20% off retail price	
Standard Plastic Lenses <ul style="list-style-type: none"> ▪ Single Vision ▪ Bifocal Vision ▪ Trifocal Vision 	\$50 \$70 \$105	
Lens Options <ul style="list-style-type: none"> ▪ UV Coating ▪ Tint (Solid and Gradient) ▪ Standard Scratch-Resistance ▪ Standard Polycarbonate ▪ Standard Progressive (Add-on to bifocal cost) ▪ Standard Anti-Reflective Coating ▪ Other Add-ons and Services 	\$15 \$15 \$15 \$40 \$65 \$45 20% off retail price	
Contact Lenses <ul style="list-style-type: none"> ▪ Conventional: materials only 	15% off retail price**	

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Life Insurance



Basic Life and Accidental Death & Dismemberment	
Basic Life	\$20,000
Accidental Death & Dismemberment	\$20,000
Provided by DunderMifflin at no cost.	

Voluntary Life Insurance	
<p>Employee Coverage</p> <ul style="list-style-type: none"> ▪ \$25,000 increments up to \$300,000 ▪ Guarantee Issue up to \$100,000 ▪ Portable ▪ Convenient Payroll Deductions 	<p>Spousal Coverage</p> <ul style="list-style-type: none"> ▪ \$5,000 increments up to \$50,000 (not to exceed 50% of employee amount) <p>Child Coverage</p> <ul style="list-style-type: none"> ▪ \$5,000 or \$10,000 ▪ Children must be older than 15-days and younger than 19, (25 if a full-time student).

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Disability Insurance



Disability Insurance	Long Term Disability Insurance	Short Term Disability Insurance
Elimination Period	Benefits begin after 90 days of disability.	Benefits begin on the 15th day for an accident and on the 15th day for sickness.
Percentage of Salary	60% of Monthly Earnings	60% of Weekly Earnings
Maximum Benefit	\$5,000 per Month Executives: \$10,000 per Month	\$750 per Week
Benefit Duration	Benefits are payable to Age 65, Standard ADEA.	13 weeks.
Eligibility Requirement	30 Hours per Week	30 Hours per Week
Pre-Existing Condition Exclusion Period	3 / 6 / 12 Prudent Person	3 month prior / 12 months covered
Minimum Benefit	Greater of 10% or \$100 per Month	\$50 per Week
Earning Definition	Regular Monthly Earnings Including Commission	Regular Monthly Earnings Including Commission
Definition of Disability	2-Year Own Occ with 80/60	Partial disability with zero day residual benefits
Indexing Benefit	Yes.	--
Recurrent Disability Period	Yes	14-Days
Vocational Rehab	Yes	--
Mental Illness/Substance Abuse Limitation	24 month self-reported per lifetime	None
Rounding	None	Weekly benefit is rounded to the next \$10

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FlexPlan



WELCOME TO PAYFLEX – YOUR NEW FSA VENDOR

DunderMifflin has chosen PayFlex to administer your Flexible Spending Account program.

PayFlex is one of the largest flexible spending account administrators in the country.

This welcome letter outlines your Healthcare and/or Dependent Care Flexible Spending Plan and provides access to www.mypayflex.com where you can access your account balances, submit claims electronically and obtain a direct deposit form.

FlexPlans provide a tax-advantaged way to pay certain out-of-pocket health care and dependent care expenses. The plan allows you to pay these expenses with “pre-tax” dollars, which means that you get a tax deduction for these expenses before you ever file your tax return. You don’t pay Federal income or Social Security taxes on this money and, in most states, you don’t pay state taxes either.

Your Plan	Plan Features
Plan Effective Date	07/01/10
Plan Eligibility	Full-time employees working 30 hours/week
Dependent Care Eligibility	Available for dependent child(ren), under the age of 13, who is claimed as a dependent for tax purposes OR for the care of a disabled spouse or dependent of any age AND if both you and your spouse work or your spouse is a full-time student.
Healthcare Maximum	\$2,500
Dependent Care Maximum	\$2,500 (\$5,000 if married filing jointly)
Reimbursement Options Online via Express Claims Fax: Mail:	www.mypayflex.com 402-231-4310 PayFlex Systems USA, Inc. PO Box 3039 Omaha, NE 68103-3039
Eligible Claims / Grace Period	Claims incurred from 07/01/2010 to 09/15/2011 are eligible for reimbursement. However, you still need to file your claims within 90 days of the end of your plan year to receive reimbursement.
Account Balances Claim Forms Direct Deposit Form Eligible Expense Listing Claim Status Inquiry	Available online at www.mypayflex.com via the Participant Center; accessible using your member number and zip code.

Direct Deposit is Available

PayFlex offers direct deposit, which provides ease of disbursements. If you opt not to enroll in direct deposit, a live check will be mailed to your home.

Claim Notification via Email

When you register your account at www.mypayflex.com, you can also elect to receive e-mail confirmation that your claims have been processed via our e-Notify service.

If you have any questions regarding your account(s), feel free to contact the PayFlex Claim Service Center at (800) 284-4885, Monday through Friday from 7:00 AM – 7:00 PM CST.

HEALTH CARE SPENDING ACCOUNT

Frequently Asked Questions (FAQs)



1. **What is a FlexPlan?**

Authorized by Internal Revenue Code Section 125, Cafeteria Plans, also called reimbursement accounts, flexible benefit plans or Flexible Spending Accounts (FSAs), provide a tax-advantaged way to pay certain out-of-pocket health care expenses, and work-related dependent care expenses.

The plans allow you to pay your expenses with "pre-tax" dollars, which means that you get a tax deduction for these expenses before you ever file your tax return. You don't pay Federal income or Social Security taxes on this money and, in most states, you don't pay state taxes either.

2. **What is the advantage of using Flexible Spending Accounts?**

The advantage of this plan is that you do not pay Federal income, or social security taxes on this money. In most states, you don't pay state taxes either. By paying for your benefit coverages on a pretax basis, and by paying your out-of-pocket health care expenses and daycare expenses through the Flexible Spending Accounts, you can lower the amount of taxes you pay. You add dollars to your spendable income and that means you have more take-home pay and more money in your pocket!

3. **How do the spending accounts work?**

It's easy! You decide if you want to use the Health Care and/or the Dependent Care account. This is how it works:

- You estimate the amount you will spend on out-of-pocket health care expenses and/or dependent care expenses.
- You decide how much you wish to set aside into your Health Care account and/or your Dependent Care account.
- The amounts you wish to set aside into your accounts will come out of your paycheck (on a pretax basis) in equal amounts each pay period on a schedule established by your employer.
As you incur health care expenses or dependent care expenses throughout the year, you submit a claim form along with documentation of your expenses, and are then reimbursed from your accounts. You can be reimbursed by check, direct deposit or through your flex debit card.

4. **How much money can I expect to save in taxes by paying my health care and dependent daycare expenses through the Flexible Spending Account (FSA) plan?**

You can save on Federal and state income taxes (in most states), and social security taxes. Federal taxes generally are 15% to 28%, with social security taxes of 7.65%. Adding these amounts to your state tax will generally bring the savings to at least 30%, and more in some cases.

5. **Does enrollment in the flexible benefit plan affect any other benefits?**

Typically, no. Other employer sponsored benefit plans, such as life insurance or disability income, are based on your gross salary prior to any salary reductions. However, you are saving on Social Security taxes so your Social Security retirement benefits may be minimally impacted.

6. **Do I have to enroll in my employer medical or dental plan in order to enroll in this plan?**

No, enrollment in other group plans is not required in order to participate in this plan.

7. **What does the IRS have to do with this plan anyway?**

In short, everything! The plans are sanctioned and regulated by the Internal Revenue Service. Unlike insurance plans, there are no insurance company rules. All procedures followed are required by Federal IRS regulations. Anytime the IRS gives us a "tax-break", they have certain rules we must follow. Therefore, no exceptions can be made under these plans.

- The IRS requires that you make your election decision before the new plan year begins each year, or before your effective date if you are newly eligible.
- The election decision remains in effect for the plan year, unless you have a Qualifying Life Event or status change, such as a marriage, birth, death of a dependent, etc.
- Any funds left in your account at the end of the year are forfeited. You can avoid forfeitures if you plan carefully (review prior year's expenses to estimate what you will have the next year, be conservative, and plan only for predictable expenses).

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Visit www.gammonbenefits.com/dunder for complete benefit info.

HEALTH CARE SPENDING ACCOUNT (CONTINUED)



Frequently Asked Questions (FAQs)

8. What is the PayFlex™ Card?

The PayFlex™ Card is a debit card that electronically accesses your healthcare account to pay for eligible expenses. You can use the card at qualifying merchant locations wherever MasterCard® is accepted. Qualified merchants include physician and dental offices, vision providers and pharmacies. Over 98% of all healthcare merchants accept the PayFlex™ Card.

9. Why should I use the PayFlex™ Card?

The card allows you to pay for eligible expenses at the point of service. Participants who use the PayFlex™ Card take advantage of four key benefits:

- Immediate payment of your expenses from your healthcare account
- Increases your personal cash flow
- No claim filing due to point-of-sale approval
- Ease of use of your pre-tax funds

Using the PayFlex™ Card is a great way to help relieve you of filing claims; however, it is important that you keep all itemized documentation for the entire plan year in the event the information is requested by PayFlex to comply with IRS regulations.

10. How does the PayFlex™ Card work?

As you incur eligible healthcare expenses, you simply present your PayFlex™ Card for payment. The system will validate that your coverage is active and that you have available funds to cover the transaction. You may view a list of eligible expense items on our website at www.mypayflex.com.

11. What do the PayFlex™ Cards look like?



12. Can I use the card for online purchases?

Yes, however, the expense needs to be an eligible expense. PayFlex has established partnerships with various online vendors to help you spend your pre-tax dollars more efficiently. Accessible via our website, you can buy items such as glasses, contacts, prescription drugs, durable medical equipment and eligible over-the-counter items using your PayFlex™ Card. If you are using another website for ordering healthcare items with your PayFlex™ Card, please make sure that the merchant has implemented an inventory information approval system. You can also refer to our website www.mypayflex.com for a listing of eligible, approved items.

13. How do I order additional cards for a dependent or spouse?

To order additional cards for a spouse or dependent, go to www.mypayflex.com and click on Login. Then click on Debit Cards on the left navigation bar and select Card Order. Fill in the required information and click Submit. You should receive your additional card(s) in the mail in a plain, white envelope within 10-15 business days.

14. Can I buy over-the-counter (OTC) items with the card?

Yes. Certain OTC items can be purchased using the PayFlex™ Card provided the merchant has implemented the inventory information approval system required by the IRS. View a listing of eligible OTC items on our website at www.mypayflex.com.

DEPENDENT CARE SPENDING ACCOUNT**Frequently Asked Questions (FAQs)****1. What is a Dependent Care FSA?**

You can use pre-tax dollars to cover eligible work-related dependent care expenses for qualified dependents, or if you are married, while you and your spouse work or your spouse attends school full-time.

2. Who is a qualified dependent under the Dependent Care FSA?

- Dependent under the age of 13
- Dependent or spouse of employee who is mentally or physically disabled and whom the employee claims as a dependent on his or her federal income tax return

3. Can an adult be a qualified dependent?

Yes, an adult may qualify as a dependent if the employee is providing more than half of that individual's support for the year and the dependent lives with the employee.

4. Do I have to use a day care facility?

No. You can be reimbursed for expenses provided by an individual providing care for your dependent in your home as long as the expenses are incurred for you and your spouse (if married), to work, look for work or attend school full-time.

5. Does my day care provider have to be licensed?

No. However, you are required to submit his/her Tax Identification Number or Social Security Number when filing your federal income tax return.

6. Does my day care provider have to be 18?

No, but the individual must claim the money as income on their tax return.

7. My child attends camp during the summer. Is this eligible?

Generally, no; however, if the camp is day camp and your dependent attends to allow you and your spouse (if married), to work, look for work or attend school full-time, then yes this would be an eligible expense. Overnight camps are specifically excluded.

8. When can I be reimbursed for dependent day care expenses?

Expenses are eligible for reimbursement when they have been incurred, not when you are billed or when you pay for the services.

- For example, your day care provider requires you to pay for the month of September on September 1. You can be reimbursed as the services are incurred, not when you paid for the services.

9. Is it better to take the Federal Dependent Tax Credit from the IRS?

It depends. You must decide to take advantage of the Dependent Care Spending Account through your employer or take the Federal Tax Credit when you file your income tax return at the end of the year. Both will help you save tax dollars on the money you spend for eligible dependent care expenses.

- Generally, if your household income is greater than \$26,000.00 per year, pre-taxing dependent care benefits through the employer-sponsored plan will save you more money.
- A Dependent Care Calculator is available online at www.payflex.com.



ELIGIBLE/INELIGIBLE FLEXPLAN EXPENSES

Examples of Eligible Expenses	Examples of Ineligible Expenses
<p>Acupuncture Alcoholism treatment Ambulance Artificial limbs Artificial teeth Birth control pills Braille books and magazines Breast reconstruction surgery after mastectomy Chiropractors Coinsurance amounts and deductibles Contact lenses, solutions and cleaners Crutches Dental treatment* Dermatologists* Eyeglasses (prescription); including prescription sunglasses, vision exams Hearing devices and batteries Hospital services Immunizations Infertility treatments Insulin Laboratory/diagnostic fees Language training for child with dyslexia or disabled child Laser eye surgery Learning disability Lodging (\$50 per night; medical reasons) Massage therapy (medical necessity) Norplant insertion or removal Nursing services Nutritionist's expenses (medical necessity) Occlusal guards to prevent teeth grinding Orthodontia Over-the-counter medicine* Oxygen Pap smears Physical therapy Pregnancy test--over-the-counter Prescription drugs* Prosthesis Psychiatric care Psychologist Radial keratotomy Seeing-eye dog Smoking cessation programs Sterilization TMJ related treatments Transplants Travel expenses (mileage; air fare) as long as for medical care Viagra Wheelchair Wigs (medical reasons only) X-ray fees</p>	<p>Burial expenses Cosmetic procedures (unless necessary to improve a deformity arising from congenital abnormality, personal injury from an accident or trauma, or a disfiguring disease) Dancing lessons Diapers or diaper service Ear piercing Electrolysis (see cosmetic procedures above) Exercise equipment, unless prescribed by a physician for a specific medical condition Face lifts (see cosmetic procedures) Fitness programs for general health Funeral expenses Hair transplant (see cosmetic procedures above) Health club dues Holistic or natural remedies Illegal operations and treatments Items paid or payable by insurance Items you intend to claim as a credit for federal tax purposes Marriage counseling Maternity clothes Meals – yes, if paid for meals at a hospital or similar institution when receiving inpatient care; no, for Dependent care Naturopathic drugs Non-prescription sunglasses (sunclips) Nursing care for a normal, healthy baby Overnight camp (Dependent Care) Over-the-counter vitamins and dietary supplements Premiums for group health coverage maintained through spouse's employer or individual insurance premiums Rogaine (see cosmetic procedures above) Safety glasses (unless prescription) Swimming lessons Tanning salons and equipment Teeth whitening or bleaching (even if as a result of a congenital defect) Vision discount programs or warranty charges Weight loss programs and drugs (unless specific medical necessity)</p>

*Please note, the latest health care reform bills, the Patient Protection and Affordable Care Acts (recently signed into law by President Obama), impact how over-the-counter (OTC) drugs and medicines are treated with respect to FlexPlans. Effective January 1, 2011 - OTC drugs and medicines will be considered ineligible unless you have a prescription from your physician.

Allowable expenses must be considered "medical care." The definition of "medical care" would need to include amounts paid "for the diagnosis, cure, mitigation, treatment or prevention of disease, or for the purpose of affecting any structure or function of the body."

Insurance Deductions

Bi-Weekly Deductions	Basic Life and AD&D	Long Term Disability ³	Short Term Disability ⁴	Dental ^{1, 2}	Medical ¹
Employee Only	Employer Paid	\$0.21 per \$100	\$0.21 per \$10	\$9.63	\$48.15
Employee + Spouse	n/a	n/a	n/a	\$19.23	\$115.56
Employee + Children	n/a	n/a	n/a	\$23.11	\$101.11
Employee + Family	n/a	n/a	n/a	\$31.78	\$125.19

1. The medical and dental deductions will be pre-taxed under the Section 125 Plan.
2. Includes Vision insurance.
3. The Long Term Disability rate is \$0.21 per \$100 of monthly earnings.
Bi-Weekly LTD Premium = Monthly Earnings (not to exceed \$8,333.33) ÷ 100 X \$0.21.
The maximum bi-weekly LTD deduction is \$17.41.
4. The Short Term Disability rate is \$0.21 per \$10 of weekly benefit.
Bi-Weekly STD Premium = Weekly Earnings (not to exceed \$1,250) ÷ 10 X .6 X \$0.21.
The maximum bi-weekly STD deduction is \$15.67.

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Contact Information

Provider Type Company	Policy Numbers	Contact Info
Medical BlueCross BlueShield of Texas PPO Network	Group ID: 0021-0834 BlueAccess PPO (800) 624-2356	Customer Service (800) 234-0111 Claims Address PO Box 36550 Louisville KY 4023-6550
Pharmacy Anthem/ExpressScripts	RxBin: xxxxxx RxPCN: xx RxGrp: xxxx	Customer Service (800) 281-4880
Dental DentalSelect Vision AnthemLife Basic Life/AD&D AnthemLife Voluntary Life/AD&D AnthemLife Disability AnthemLife	Policy No: 0021-0834	Customer Service (866) 723-0515

Plan Administrator
DunderMifflin Attn: Human Resources One Montgomery Plaza, 4th Floor Austin, TX 78701 Tel (573) 481-2400 Fax (573) 472-9502