

Dear Participant:

You elected to participate in the flexible spending portion of the Section 125 Flexible Benefit Plan being sponsored by your employer. The amounts you have elected to be set aside for your Unreimbursed Medical Expense and/or your Dependent Care will be in force for the next plan year.

As a general rule, Section 125 regulations allow a benefit election change only in the event of a change in status which affects your need for an elected benefit. The change must also be *consistent* with the change in status.

The following items are included in this booklet:

- (1) A summary of the types of expenses which may be reimbursed,
- (2) important reminders concerning your Section 125 flexible spending account(s),
- (3) explanations for voucher completion,
- (4) a supply of voucher forms, and
- (5) information about our DIRECT DEPOSIT service.

Treasury Notice 2005-42 allows for a “grace period” of 2½ months following the end of each Section 125 plan year to incur expenses before the “use it or lose it” forfeiture rule applies. A 15 day “run-off” period to submit claims incurred during the previous 14½ months will follow.

If you have any questions, please call us at (866) 853-FLEX (3539).

The Flex Reimbursement Department
First Financial Administrators, Inc.
Houston, Texas