



MH HOLDING, INC. Plan Detail Sheet

Plan Year: January 1, 2012 through December 31, 2012

Eligibility:

The Full Plan is effective **January 1, 2012**. You are eligible to participate, subject to all IRS guidelines, if you are a regular employee working forty (40) hours or more per week. Your elections will become effective on January 1st. For new employees that join the Company during 2012 or in subsequent plan years, on the first of the month following or coinciding with thirty (30) days of service.

Maximum Elections:

	<u>Health Expenses</u>	<u>Dependent Care</u>
Maximum (per year)	\$ 5,000.00*	\$ 5,000.00**
Minimum (per year)	\$ 500.00	\$ 500.00

*Keep in mind that the IRS will be implementing a mandatory maximum on the Health FSA beginning **January 1, 2013**. This amount will be **\$2,500.00**. This will go into effect beginning with the next plan year.

If you are married and filing separately, your childcare maximum election is **\$2,500.00.

Annual Elections:

Your annual plan elections are irrevocable for the Plan Year. Please consider your medical and dependent care expenses carefully prior to electing coverage under each plan. If you do not incur enough expenses to reach your full election amount in the Plan Year's time frame, some of your contributions may be forfeited.

Open Enrollment:

If you do not elect to participate on your initial eligibility date, you may do so during the next annual open enrollment period. Open enrollment will normally occur several weeks prior to the end of the Plan Year. All open enrollment changes are effective for the next upcoming Plan Year following the close of open enrollment. You may elect to change your salary deferral amount for your Health Flexible Spending Arrangement (Health FSA) and/or your Dependent Care Assistance Program Flexible Spending Arrangement (DCAP FSA) during open enrollment. If you have deductions towards your employer's group health plans, these deductions will be automatically deducted on a pre-tax basis unless you opt out and pay this with after-tax income.

Status Changes:

Mid-year you may change your elections only if you experience a qualifying event, subject to certain plan restrictions. Please call 125MAX for details and to receive a Change of Status Form.

Per Paycheck Elections:

Your FULL annual election/s will be spread evenly over the appropriate pay periods in this Plan Year. Should you become eligible mid-year, your annual election/s will be divided by the number of remaining paychecks in the Plan year.

Eligible Claims:

Many health care expenses, including copays, Rx, dental, vision, and non-medicine over-the-counter items are eligible reimbursement. Dependent care expenses that enable

parents to be gainfully employed are also eligible for reimbursement. The IRS establishes the guidelines for claims eligibility. Your eligible Health FSA claims must be incurred during the plan year and after your participation effective date. If you terminate employment, medical claims must be incurred prior to your termination date, unless you qualify for, and elect Health FSA COBRA.

If you elect the DCAP FSA benefit and you terminate, you will until the end of the plan year to submit for work-related expenses incurred during your employment.

➤ **If you are in the High Deductible Health Plan** and begin contributing to a **Health Savings Account (HSA)** and want to participate in the Health FSA, **understand** you can only be reimbursed for dental, vision and those medical expenses incurred after you have met the statutory minimum annual deductible for your High Deductible Health plan. Please check with 125MAX LLC or your Human Resources for those amounts.

Reimbursements:

Claims are adjudicated and processed by 125MAX. Reimbursements will be given to you on the next available Friday after the beginning of the month as a non-taxable reimbursement for those non-debit card related claims. These reimbursements are received in addition to your normal compensation. If your employment is terminated, any reimbursements owed (from claims submitted), will be mailed to you.

Claim Filing:

Claims need to be submitted to 125MAX **before the last Friday of the month in order to be reimbursed to you on the next available Friday**. Claims may be submitted as they are incurred or they may be bundled and filed on a periodic basis. All claims for the Plan Year must be received by **March 31st** (Run-Out Period) after the Plan year-end.

Premium Only Plan Contributions (POP):

Also, as an eligible employee, you may participate in your Employer's Pre-Tax POP after satisfactorily completing your employee benefits waiting period. Your Employer may sponsor a portion of this cost and the Pre-Tax POP allows you to pay for any employee and/or dependent contributions (or, in other words, your portion of the group premium coverages) in the plan on a pre-tax basis. This is not a reimbursable benefit. You may participate in the POP without participating in the other programs. The salary reduction under this benefit shall be in addition to any other contributions under the other benefit programs maintained by your Employer.

Additional:

This Plan Detail Sheet provides a brief summary of several important elements of your Pre-tax Flexible Benefits Plan. Additional details will found in the Welcome Letter you will receive after enrolling in the 125MAX plan, or on our website: www.125max.com. For full plan details, rules, and restrictions, please refer to the Summary Plan Description.



Health Care Reform Impacts Over-the-Counter Drugs and Medicines

The Health Care Reform Bill of 2010 (aka Patient Protection and Affordable Care Act-PPACA) restricts the use of Health Flexible Spending Account (FSA), Health Reimbursement Account (HRA), or Health Savings Account (HSA) funds to purchase Over-the-Counter (OTC) drugs and medicines. These restrictions apply to OTC purchases made on or after **January 1, 2011**, impacting all participants and plans at the same time, regardless of the plan year.

Remember what has changed?

Began on January 1, 2011, Health FSA funds may no longer be used to purchase **OTC drugs and medicines** (other than insulin) without a *doctor's prescription* from a medical provider.

As of that date:

If you purchase an OTC drug or medicine that is required to treat a specific medical condition, you can submit a claim for reimbursement, but you must include a *doctor's prescription*.

A "prescription" means a written or electronic order for a medicine or drug that meets the legal requirements of a prescription in the state in which the medical expense is incurred and that is issued by an individual who is legally authorized to issue a prescription in that state.

Examples of OTC drugs and medicines that will require a *Doctor's prescription*:

<i>Acid Controllors</i>	<i>Cough, Cold & Flu</i>
<i>Allergy & Sinus</i>	<i>Digestive Aids</i>
<i>Antibiotic Products</i>	<i>Feminine Anti-Fungal/Anti-Itch</i>
<i>Anti-Diarrheals</i>	<i>Hemorrhoidal Preps</i>
<i>Anti-Gas</i>	<i>Laxatives</i>
<i>Anti-Itch & Insect Bite</i>	<i>Motion Sickness</i>
<i>Anti-parasitic Treatments</i>	<i>Pain Relief Respiratory Treatments</i>
<i>Baby Rash Ointments/Creams</i>	<i>Sleep Aids & Sedatives</i>
<i>Cold Sore Remedies</i>	<i>Stomach Remedies</i>

What has stayed the same?

The new restrictions do not apply to purchases of **insulin or eligible OTC medical supplies**. Health FSA funds can continue to be used for those items. Therefore, you can continue to purchase them by submitting a claim form with proper documentation for reimbursement (without a *Doctor's prescription*).

Examples of OTC medical supplies that will continue to be eligible:

<i>Bandages & First Aid Kits</i>	<i>Heating Pads</i>
<i>Birth Control Products</i>	<i>Hot & Cold Packs</i>
<i>Blood Pressure Kits</i>	<i>Incontinence Products</i>
<i>Canes and Walkers</i>	<i>Insulin</i>
<i>Contact Lens</i>	<i>Nebulizers</i>
<i>Contact Lens Solutions</i>	<i>Orthopedic Aids</i>
<i>Denture Products</i>	<i>Pregnancy & Fertility Kits</i>
<i>Diabetes Testing Supplies</i>	<i>Splints, Supports, Braces</i>
<i>Durable Medical Equipment</i>	<i>Thermometers</i>
<i>Hearing Aid Batteries</i>	<i>Wheelchair & Accessories</i>

Plan Ahead!

Please consider the new OTC rules when estimating your Health FSA election during enrollment.

This change for OTC medicines is expected to affect only a small percentage of your Health FSA reimbursements. Therefore, 125MAX suggests that you continue to make your FSA elections as usual.

Questions?

Call 125MAX at 800-843-6608



BRACE YOURSELF!

WITH A Flexible Spending Account

Did you know that you can pay for orthodontia and braces with money you set aside in your Flexible Spending Account (FSA)?

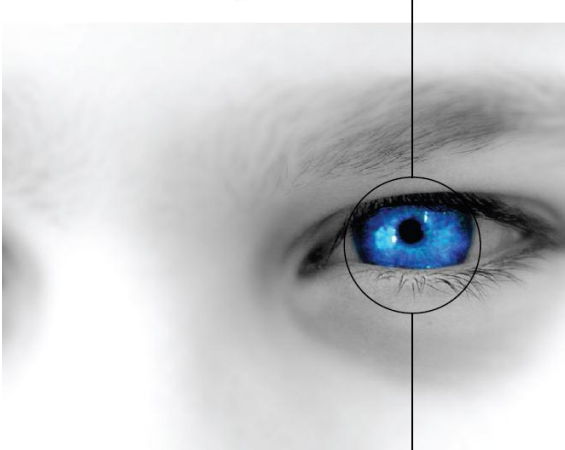
It's true. Although these expenses may not be covered by your dental insurance, you CAN use FSA dollars that have not been taxed, to help cover the cost of braces and any orthodontia work.

The cost of braces continues to rise and can be anywhere from \$2,000 to \$6,000. By using FSA dollars, you can save \$1,000 if you're in the 25% tax bracket, or even more!

So, if braces are in your future, now's the time to sign up for an FSA.

Ask your HR representative for more information today.

Improve Your Focus!



with a Flexible Spending Account

Did you know that you can pay for LASIK with money you set aside in your Flexible Spending Account (FSA)?

That's right. Although this procedure is not covered by medical insurance, you CAN use FSA dollars, that have not been taxed, to cover the cost of LASIK surgery.

For a typical Lasik procedure costing \$3,900, you can save almost \$1,000, if you're in the 25% tax bracket!

So, if you're lookin' to lose the glasses, make sure you sign up for an FSA this year.



125MAX Flex Expenses Eligible for Reimbursement (not exhaustive)

HSA Participants may only use this plan for dental/vision, and those expenses that are incurred after the IRS minimum statutory deductible is met. For 2012, the minimum deductible amounts are: Single coverage \$1200.00, Family Coverage \$2400.00.

Medical

- Acupuncture
- Ambulance
- Artificial limbs
- Braille books and magazines
- Chiropractic visits
- Closed Caption TV equipment
- Contact Lenses, solutions and cleaners
- Contraceptives
- Deductibles
- Dental expenses
- Dentures
- Dermatologists
- Diagnostic fees
- Eyeglasses
- Handicapped car controls
- Hearing devices and batteries
- Infertility treatments
- Insulin
- Laboratory fees
- Obstetrical expenses
- Orthodontia
- Orthopedic shoes
- Osteopaths
- Over-the-counter items (non-medicine)
- Over-the-counter medicine (only with doctor's prescription, or certificate of necessity)
- Oxygen
- Pap smears
- Physical therapy
- Physician prescribed weight loss
- Podiatrists
- Prescription drugs
- Psychiatric care
- Psychologist fees
- Radial/Laser eye surgery
- Seeing Eye dog and its upkeep
- Smoking cessation programs
- Special education for the handicapped
- Special blend vitamins by prescription
- Sterilization fees
- Support Braces- Letter of Medical Necessity Required
- Surgical expenses
- Therapeutic Care for drug or alcohol addiction
- TMJ-related expenses
- Well-baby care

- Wheelchairs
- X-Rays

Dependent Care

- Care of a dependent child (12 years and under)
- Care of a dependent adult or child living in the home who is unable to care for themselves due to disability
- Day care center expenses
- Housekeeping Fees (if part is attributed to dependent care)
- Pre-School
- Summer day camp expenses
- YMCA fees (for day care)

This is only a partial list of the most commonly claimed eligible **medical** expenses. For a complete listing, go to IRS Publication 502 at: <http://www.irs.gov/pub/irs-pdf/p502.pdf>
Please note: Flex Plans reimburse based on when the expense is incurred, not when paid. Health insurance premiums and HMO premiums MAY qualify for credit on your tax return, but are not allowed to be reimbursed through the 125MAX Flex plans. Also, some items in Pub 502 are tax deductible only and not reimbursable through the Flex plan.

Please check with your 125MAX representative.



125MAX Flex Expenses Ineligible for Reimbursement (not exhaustive)

HSA Participants may only use this plan for dental/vision, and those expenses that are incurred after the IRS minimum statutory deductible is met. For 2012, the minimum deductible amounts are: Single coverage \$1200.00, Family coverage \$2400.00.

Medical

- Bottled water
- Cosmetic prescription drugs (Propecia, Rogaine, etc.)
- Cosmetic surgery procedures (unless necessary to eliminate a deformity, personal injury or disease)
- Food items
- Dental Veneers
- Expenses for food, clothing or entertainment
- Marriage/Group Counseling
- Over-the-counter medicines without a doctor's prescription
- Prescription drugs for cosmetic purposes
- Teeth bleaching/whitening kits
- Vitamins and Dietary Supplements
- Premiums for individual coverage or coverage by spouse's employer

Dependent Care

- Care for a dependent over age 12
- Outside care of dependent when there is a stay-at-home spouse
- Child support payments
- Overnight camp expenses
- Tuition for a child in kindergarten or higher grade



125MAX Eligible Expense Estimator Worksheet

Flexible Spending Accounts (FSA) offer many benefits to employees by providing a simple way to gain tax savings. Participating in an FSA allows you to contribute, on a pre-tax basis through payroll deduction, to a health and/or dependent care account. When you incur eligible expenses, as outlined by the IRS, you may then request reimbursement from your account(s). The reimbursements you receive from these accounts remain tax-free when they are paid to you in your paycheck as a non-taxable reimbursement.

HEALTH FSA

Use this worksheet to estimate eligible medical expenses that you and your qualifying dependents may incur during the 2012¹ Plan Year (January 1, 2012 – December 31, 2012). This list is not all-inclusive of eligible expenses but contains some of the most common ones and is not taking into account if you've established an HSA.

Annual Family Health Care Expenses	Amount Paid in 2011	Estimate for 2012 ¹
Medical expenses (office visits, emergency or urgent care, surgery, lab work, therapy)	\$	\$
Prescription drug expenses (copayments for home delivery or coinsurance for retail prescriptions)	\$	\$
Over-the-Counter (OTC) non-medicine (refer to the listing of OTC eligible expenses)	\$	\$
Vision care expenses (exams, lenses, frames, contact lenses, cleaners, etc.)	\$	\$
Dental/orthodontia expenses (braces, cleanings, fillings, dentures, extractions, etc.)	\$	\$
Hearing care expenses (exams, hearing aids)	\$	\$
Braille books and magazines, specialized telephones or televisions for the hearing or sight impaired (additional cost above regular cost for item)	\$	\$
Tuition fees to a special school for a child with learning disabilities	\$	\$
Certain other eligible health care expenses that may not be covered by insurance (wheelchair purchase and maintenance, transportation costs essential to medical care, drug/alcohol treatment programs, guide dog, lead paint removal, nursing services, medically necessary weight loss programs)	\$	\$
Total: Use as a contribution-level guideline for 2012¹ Contribution maximum – \$5,000* *This amount will be reduced to \$2,500 due to Health Care Reform beginning January 1, 2013.	\$	\$

DCAP FSA

Use this worksheet to estimate your eligible child and dependent care expenses during the 2012¹ Plan Year (January 1, 2012 – December 31, 2012). This is not an all-inclusive listing of eligible expenses but contains some of the most common ones.

Annual Dependent Care Expenses	Amount Paid in 2011	Estimate for 2012 ¹
Dependent care center fees (qualifying child or adult day care)	\$	\$
Nursery school fees (excluding Kindergarten)	\$	\$
Before-/After-school care	\$	\$
Private sitter (for expenses incurred while you, and spouse, if married, work)	\$	\$
Certain other eligible dependent care expenses	\$	\$
Total: Use as a contribution-level guideline for 2012¹ Contribution maximum – \$5,000	\$	\$

¹ Or when you become eligible for this Flex Plan.



Employee Annual Tax Savings Estimator

A. Employee portion of Group Insurance _____ per month
(not reimbursable) X 12 = \$ _____

B. Eligible out-of-pocket Medical Expenses:

Co-Pays \$ _____
Deductibles \$ _____
Prescriptions \$ _____
Over-the-counter (non-medicine) \$ _____
Eye exams & surgery \$ _____
Dental \$ _____
Orthodontia \$ _____
Other \$ _____

Total \$ _____

C. Dependent Care Expenses \$ _____

Total Expenses \$ _____

(Estimated taxes saved) _____ x _____ %
multiply by your tax bracket percentage – average is 28%

Potential Employee Yearly Savings \$ _____



Enrollment Form
 Medical and/or Dependent Care Flexible Spending Arrangement
Plan Year: January 1, 2012 – December 31, 2012

Current 2011 Participant (complete name only-unless other personal information has changed)

Employee Data					
Employer Name: MH HOLDING COMPANY, INC.					
Employee Name:			Social Security Number:		
Mailing Address:			Daytime Phone:		
City, State, Zip:			Evening Phone:		
E-mail Address:			Date of Hire:		
May 125MAX communicate with you via email? (i.e. HIPAA Privacy Notice, EOBs, etc.) <input type="checkbox"/> Yes <input type="checkbox"/> No					
List All Tax Dependents (spouse, children, etc.) <i>Need birth dates for all dependents</i> <input checked="" type="checkbox"/> = dependent child under 26					
Name	Relationship	Date of Birth	Name	Relationship	Date of Birth
					<input type="checkbox"/>
<input type="checkbox"/>					<input type="checkbox"/>
<input type="checkbox"/>					<input type="checkbox"/>

Type of Election and Current Coverage					
Type of Election:	<input type="checkbox"/> Open Enrollment	<input type="checkbox"/> Family Status Change	<input type="checkbox"/> New Hire		
New Hire (only)	Date of Eligibility:	First Contribution (payroll date):			
Health FSA Election:	<input type="checkbox"/> Traditional Health FSA (employee and spouse ineligible for HSA)				
For those with HDHP and considering HSA	<input type="checkbox"/> Traditional Health FSA for employee only, or employee plus children (preserves spouse's HSA eligibility)				
	<input type="checkbox"/> Limited scope/Post-Deductible Health FSA (<u>dental/vision expenses</u> and medical expenses after minimum statutory high deductible is met – preserves ee and spouse's HSA eligibility)				

Participant's Premium Only Contributions					
Deduct Premium Contributions Pre-Tax:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	Total Per Paycheck Contribution: \$		
Current Coverage (Check all that Apply)	<input type="checkbox"/> Medical	<input type="checkbox"/> Dental	<input type="checkbox"/> Vision	<input type="checkbox"/> Other:	

Participant's Flexible Spending Arrangement Request					
Please indicate desired participation for the current Plan Year. This election may not be changed during the Plan Year unless a qualified family status event occurs.					
Health Flexible Spending Arrangement			Dependent Care Flexible Spending Arrangement		
<input type="checkbox"/> I <u>do</u> wish to participate <input type="checkbox"/> I <u>do not</u> wish to participate			<input type="checkbox"/> I <u>do</u> wish to participate <input type="checkbox"/> I <u>do not</u> wish to participate		
Plan Year Maximum: \$ <u>5,000.00*</u>			Plan Year Maximum: \$ <u>5,000.00*</u>		
Plan Year Minimum: \$ <u>500.00</u>			Plan Year Minimum: \$ <u>500.00</u>		
Annual Election ÷ # of Payrolls = Pay Period Amount			Annual Election ÷ # of Payrolls = Pay Period Amount		
\$ _____ \$ _____			\$ _____ \$ _____		
This election is for eligible medical expenses for you and/or your spouse and dependents. For example; acupuncture, co-pays, eyeglasses, prescription drugs, and certain over-the-counter purchases.			*If you are married and filing separately, your childcare maximum election is \$2,500.00.		
<ul style="list-style-type: none"> Premium contributions should not be counted. For plan information and/or on-line web access info please visit our website at: www.125max.com. *Be advised this amount will be capped at \$2,500 with the start of the next plan year due to health care reform. 			This election is for eligible dependent care expenses (daycare, childcare, or elder care). This election should not be used for medical expenses for your dependents. You must actually be at work while your eligible dependent is provided care. If you are married, both you and your spouse must be working while care is provided to your eligible dependent. Generally, one of the following eligibility guidelines must be satisfied. * Your spouse must be working outside the home (if you are married); or * You must be a single parent; or * Your spouse must be a full-time student at least five months during the year while you are working; or * You are divorced and the child is in your custody.		

Employee Certification	
I have read and understand the 125MAX Health and/or Dependent Care Flexible Spending Arrangement Plan guidelines as outlined in the Enrollment Packet and I understand the restrictions that apply to eligible expense reimbursement requests. <i>Further, I understand that the above salary reduction request which will be allocated to my Flexible Spending Arrangement will be forfeited according to current plan provisions and tax laws if I do not incur and appropriately submit any eligible expenses within the Plan Year.</i> I certify the above information to be true and that the dependents that I intend to claim expense reimbursements for are legally dependent on me for their support as defined by current tax law. I agree to have my compensation reduced by the amounts indicated above. I understand that my election to reduce my compensation could affect my Social Security benefits and other wage-based social insurance programs. I further understand that the deduction elections indicated above will remain in effect for the entire Plan Year and cannot be changed or revoked unless I experience a qualified change in family status as defined by the law. I understand that my signature on this enrollment form constitutes a formal salary reduction agreement between my Employer and me.	
Date:	Participant Signature: