

Benefit Plans for 2007-08

Ft. Zumwalt will remain with our current insurance providers for 2007-08. Your benefit package includes District paid medical, dental, vision, and \$50,000 life insurance available to you at no cost. The new rates are included in this packet for dependent insurance. **Please review the rate sheet enclosed!**

Annual Open Enrollment is now through August 31

Open enrollment is your opportunity to change benefits you already have in effect. If you wish to change medical plans, add or drop dependents, or apply for additional life insurance, the change form must be in the District Office by the close of business on **August 31, 2007. Due to payroll deadlines, there can be no exceptions.**

All certified and full-time support staff employees are eligible for medical, dental, vision, and life insurance. An employee may enroll as a new hire or during open enrollment. Otherwise, changes can only be accepted as the result of a qualifying event (birth, death, adoption, marriage, divorce, or loss/gain of spouse's employment). **Benefits office must be notified within 30 days of the qualifying event to add or drop members and/or dependents.**

If you change medical plans, insurance companies cannot add the information into their systems until October 1; therefore, it is not unusual for your new cards to arrive in the middle of October. Make sure you have refilled your prescriptions prior to making a medical change.

The **Open Enrollment meeting** will be at **DuBray Middle School** in the library from 2:00 p.m. – 5:00 p.m. on Wednesday, August 15. This is a walk-in meeting; feel free to bring your spouse if you have specific questions. The insurance representatives will be there to meet with you personally.

Have you ever thought about opening a 403(b) but just didn't know what to do? Do you know the difference between an annuity and a mutual fund? Come and meet the representatives of our 403(b) plans. They will be in the Commons at DuBray Middle School during our open enrollment meeting. **This is the only opportunity we invite the representatives to meet with you personally.**

New Info for Flexible Benefit Plans (125 Cafeteria Plans)

If you are currently signed up to have your dependent deductions withheld before taxes, you are no longer required to re-enroll every year. To verify your pre-tax deductions, look at your check stub for the word "CAFÉ" beside the deduction. You will only have to complete a form if you want to stop the pre-tax deduction.

Flexible Benefits Plan Election Form

- Pre-tax health insurance payroll deductions. This form is for new enrollments, open enrollment, or changes after open enrollment for family status. The form is on the last page of this packet and also available on our website www.fzschoools.org/benefits.

Enrollment in the Flexible Benefits Plan Election allows you to pay the premiums for dependent coverage on a pre-tax basis, which gives you more take home pay. Your elective contributions will be reduced from your gross payroll and will not be subject to income tax or FICA withholding. Participation in the Plan will reduce FICA contributions on your behalf.

Flexible Spending Accounts:

- Participation in this plan requires enrollment every year. Please read the form for eligibility requirements. Participating employees elect a certain dollar amount to be deducted before taxes. The employee is reimbursed from these funds with proof of eligible expenses. Deductions begin October 1 and are divided equally over 16 paychecks or until the elected amount is met.

Employees should use caution in selecting the amounts. Any money remaining in the accounts after the year-end grace period will not be reimbursed. If an employee terminates before all funds are reimbursed from the dependent day care, these funds are not eligible for reimbursement.

- The Medical Flexible Spending limit is \$2,000 (check the enclosed form for eligibility)
- Dependent Care Flexible Spending limits are \$5,000 married couple, \$2,500 individual (check the enclosed form for edibility)

Anthem Blue Cross Blue Shield – What you will see new

Anthem Blue Cross Blue Shield will be our carrier. The product we have is known as BLUE ACCESS CHOICE PPO. There will be a new ID card with a new group number. Be sure to destroy your old card. The product comparison sheet is available on our website at www.fzschoools.org/benefits. Your new cards may not arrive until late September or early October.

Some enhanced features include: Urgent Care Co-pay (\$35 for in-network), foot orthotics, and private duty nursing.

Rates increased 5.25 percent; however, office visits remain at \$10. The prescription drug co-pays limits did not change. The emergency room co-pay is still \$100. Prescription drugs are classified in Tiers and are cost driven. Please check the formulary at www.anthem.com to verify that your prescription did not change tiers.

- **Tier 1 - \$10**
- **Tier 2 - \$20**
- **Tier 3 - \$45**
- **90-Day Mail Order Pharmacy** (contact *Precision RX* - 3 mo. supply for the price of 2 co-pays)
- **Self-injectable drugs** – 20% up to \$100 per prescription, annual co-insurance maximum is \$2,000.

Out-of-network charges are paid on the maximum allowed amount after the deductible:

- Deductible \$1,000 Individual/\$2,000 Family
- Co-insurance (paid at 80%/20%) \$1,500 Individual/\$3,000 Family

GHP Sensicare

GHP SENSICARE POS – Premiums increased 14.4 percent for 2007-08. The Sensicare line is an open access product. You simply choose a doctor from the in-network provider listing. Office visits remain \$10 for both physician and specialist. In-network Urgent Care is \$50; emergency room charges are \$100. If a member is admitted to the hospital, these charges are waived. Remember, emergencies must be true emergencies to be covered.

All members have the GHP prescription drug benefits listed below:

- **\$5 Tier 1**
- **\$15 Tier 2**
- **\$35 Tier 3**
- **90-Day Mail Order Pharmacy** (available through *Caremark* - 3 mo. supply for the price of 2 co-pays). GHP Members can also take advantage of the 90-day pharmacy benefit at the **O'Fallon K-Mart**. Simply request your prescription be dispensed for a 90-day refill.
- Visit www.ghp.com for a complete pharmacy listing.

GHP members can go out-of-network by paying a deductible and co-insurance. When going out-of-network, pre-certification is required for non-emergency hospital visits, outpatient surgery, and certain other services. Otherwise, members may be responsible for 100% of the cost of these services. When you are traveling out-of-network and have a true emergency, you are not billed for emergency room services. Be sure to call GHP within 24 hours.

These charges apply to out-of-network only, and are paid on reasonable and customary fees:

- | | |
|-------------------------------|-----------------------------------|
| ➤ Deductible | \$300 Individual/\$900 Family |
| ➤ Co-insurance | 30% Employee portion |
| ➤ Total out-of-pocket expense | \$2,000 Individual/\$4,000 Family |

Vision Benefits of America

There was a 3 percent increase in the plan for 2007-08. The new family rate is \$14.40 per month.

Benefits include:

- Eye exam and lenses every 12 months
- Frames every 24 months
- In lieu of glasses, a \$160 contact lens allowance (exam deducted from this amount)
- Call 1-800-432-4966 once a year for a benefits voucher or order on-line at www.visionbenefits.com

Enhanced benefits when using a participating provider:

- Solid and gradient lens tints, UV protective coating, and scratch resistant coating
- Progressive (no-line) multi-focal lenses
- Polycarbonate lens material

United Concordia Dental

United Concordia did not increase for 2007-08. We have our own specialized web page at www.ucci.com, under "Clients' Corner." In the alphabetical listing, click on "F" and locate "Ft. Zumwalt School District." Members can view the summary of benefits, download a claim form, e-mail customer service, verify dental benefits, or search for a provider.

- Maximum benefit - \$1,000 per person per year
- Deductible - \$25 per person (x3 per family)
- Diagnostic and Preventative (no deductible) – paid at 100% in-network
- Basic services – paid at 80% in-network
- Major services – paid at 60% in-network
- Orthodontic – paid at 60% or lifetime maximum of \$1,500 (dependents up to age 19)

For the best use of your benefit allowance, always use an in-network provider. The huge discounts you receive for services from a participating provider stretch your \$1,000 benefit a long way.

Sun Life of Canada

The District provides full-time employees with \$50,000 life insurance at no cost. There was no increase in premiums for 2007-08 for dependent or optional life; however, employees' with optional life insurance who reach a new age band will notice an increase in premiums (i.e., age 40, 45, 50, 55, etc.).

Enrollment will be on-line for members wishing to increase optional life. Please plan to attend the Open Enrollment meeting for specific instructions. Likewise, **all** dependents requesting coverage must complete an "Evidence of Insurability" form. If approved, Sun Life will notify the applicant and the employer. Watch your paycheck after you receive the notice to make sure the deduction is in place.

Plan to attend the open enrollment meeting if you want to increase your life insurance or add/drop dependent life insurance.

Life insurance beneficiary changes can be done all year. You are not limited to open enrollment to make those changes. Please contact Cathee Bresnahan by e-mail (cbresnah@fz.k12.mo.us) or phone (636-272-6620, ext 226), and the proper forms will be sent to you.

Medicare & You

Medicare is normally considered secondary if you are working an average of 20+ hours per week. Contact the Medicare Coordination of Benefits Contractor at 1-800-999-1118 if you have questions about multiple plans. Be sure your insurance provider knows if you or your dependent is covered under Medicare, also.

Once you become Medicare eligible, we encourage you to enroll in Medicare. Failure to enroll at your first eligible opportunity subjects you to penalty fees if you enroll later.

Enclosed is your Medicare D letter of creditable coverage for 2007-08 for those employees who need proof of creditable coverage. This letter provides proof of creditable coverage under our plan for the term October 1, 2007, through September 30, 2008. You do not need to enroll in Medicare D if you are covered under our medical plans.

Your first paycheck

LOOK AT YOUR FIRST PAYCHECK STUB TO VERIFY DEDUCTIONS! Sometimes old deductions reactivate and current deductions deactivate. A quick look at your check can help us correct the problem on your next payroll check.

For Benefits, contact Cathee Bresnahan, 636-272-6620, ext 226

For Payroll, contact Connie Spraul, 636-272-6620, ext 231

INSURANCE OPTIONS FOR FULL TIME EMPLOYEES

Effective October 1, 2007 - September 30, 2008

HEALTH INSURANCE (CHOOSE ONE)

Anthem Blue Cross Blue Shield - #000H8894-0001		Per Check	Monthly
Employee Only	District Paid	264.89	\$529.78
Employee's Spouse	Optional	264.88	529.76
Employee's Child or Children*	Optional	198.64	397.28
Employee's Family (Spouse + Children*)	Optional	463.54	927.08
GHP SENSICARE #6211480001		Per Check	Monthly
Employee Only	District Paid	245.43	\$490.86
Employee's Spouse	Optional	245.42	490.84
Employee's Child or Children*	Optional	208.61	417.22
Employee's Family (Spouse + Children*)	Optional	385.32	770.64

*Unmarried dependent children to age 25

DENTAL INSURANCE

UNITED CONCORDIA FLEX - # 821651000		Per Check	Monthly
Employee Only	District Paid	16.10	\$32.20
One Dependent (Child* or Spouse)	Optional	17.70	35.40
Two or More Dependents (Spouse + Children*)	Optional	36.16	72.32

*Unmarried dependent children to age 25

OPTICAL INSURANCE

VISION BENEFITS OF AMERICA - #1439		Per Check	Monthly
Employee Only	District Paid	3.32	\$6.64
Employee's Family (Spouse + Children*)	Optional	7.20	14.40

*Unmarried dependent children to age 25

LIFE INSURANCE

SUN LIFE OF CANADA - # 96433		Per Check	Monthly
Employee Only (Coverage Amount: Employee \$50,000)	District Paid	3.00	\$6.00
Dependent Life Insurance (Coverage: Spouse \$25,000) (Coverage: Children - 14 days through 5 mos. - \$1,250) (Coverage: Children - 6mos. through 21/23 if full-time student - \$12,500)	Optional	2.25	4.50
Employee's Optional Life Insurance (Coverage Amount: Available in \$10,000 increments up to \$150,000)	See Age Chart Below		
Age: Under 30	Per \$10,000	0.25	0.50
30-39	Per \$10,000	0.25	0.50
40-44	Per \$10,000	0.45	0.90
45-49	Per \$10,000	0.75	1.50
50-54	Per \$10,000	1.35	2.70
55-59	Per \$10,000	2.15	4.30
60-64	Per \$10,000	3.15	6.30
65-69	Per \$10,000	5.00	10.00
70-74	Per \$10,000	8.35	16.70

FORT ZUMWALT SCHOOL DISTRICT
2007-08 Insurance Comparison Chart

TYPE OF SERVICE	ALLIANCE CHOICE		GHP SENSICARE	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Office Visits	\$10 physician & specialist	Deductible & co-insurance apply	\$10 physician & specialist	Deductible & co-insurance apply
Hospital	No Charge	Subject to deductible and co-insurance	No charge	Deductible & co-insurance apply (\$200 penalty for failure to pre-certify)
Deductible	N/A	\$1,000 individual/\$5,000 family	N/A	\$300 individual/\$900 family
Co-Insurance (Employee's portion)	N/A	Individual \$1,500/Family \$3,000 Total out-of-pocket maximum is \$2,500	N/A	\$2,000/\$6,000 excludes co-pays, deductibles, applicable penalties, and benefits specifically excluded. Policy Maximum \$1,000,000
Prescriptions	Wellpoint Pharmacy \$10 /Tier 1 \$20 /Tier 2 \$45/ Tier 3 90-day mail order –2x co-pay through <i>Precision-RX</i>	In-network co-pay + 30% of the allowed amount for the drug plus the difference between the allowed amount and the actual charge for the drug.	Caremark Pharmacy \$5 Tier 1 (Generic) \$15 Tier 2 (Brand) \$35 Tier 3 (Non-Formulary) 90-day mail order –2x co-pay (also available at O'Fallon K-Mart only)	Only available during an emergency and must have prior approval by GHP.
Self-injectable drugs	20% of allowed amount for 30 day supply (max. \$100 per prescription – max. out-of-pocket \$2000)	Member pays more at a non-network pharmacy.	Injectables covered under the pharmacy plan	N/A
Preventive Care	\$10 per visit *Well-Child Care *Routine Immunizations *Routine Physicals *Hearing Exams *Prostate Exam *Gynecological Exam *Mammograms (100% unless office co-pay applies)	Subject to deductible and co-insurance. For routine immunizations, see provider instructions.	\$10 per visit *Well-Child Care *Routine Immunizations *Routine Health Assessments *Vision/Hearing Screening *Mammogram Screening *Annual Gynecological Exam & Pap Smear	Covered only in HMO Annual Gynecological Exam & Pap Smear -subject to \$10 co-pay & UCR limitations.
Hospital	No Charge	Deductible and co-insurance apply.	No Charge	Deductible & co-insurance apply (\$200 penalty for failure to pre-certify)
Surgery	No Charge unless office visit co-pay applies, then \$10.	Deductible and co-insurance apply.	In office / \$10 Inpatient/no charge Outpatient/no charge Surgical center/no charge	Deductible & co-insurance apply (\$200 penalty for failure to pre-certify)
Maternity Care	\$10 co-pay for first visit. Inpatient care- 100% of eligible expenses for hospital & physician delivery.	Deductible and co-insurance apply.	\$10 initial visit only (pre-natal & post-natal) Hospital –no charge	Deductible & co-insurance apply (\$200 penalty for failure to pre-certify)
Chiropractor	Preventative & maintenance care excluded.	Not covered	\$10 visit/spinal manipulations only	Covered only in HMO
Emergency Ambulance	100% of eligible expenses (must be classified as true emergency)	Subject to deductible and co-insurance	100% covered (must be classified as true emergency)	30% per occurrence after deductible.
Emergency Room /Urgent Care	\$100 (waived if admitted) Urgent Care – St. John's Mercy Urgent Care (\$35)	\$100(waived if admitted; deductible & co-ins apply). Balance billing applies. Urgent Care –ded. & co-ins apply	\$100 (waived if admitted). \$50 Urgent Care	\$100 (waived if admitted). Urgent Care-30% of covered expenses after deductible & HMO co-pay.

Schedule of Events for Insurance Meetings and Open Enrollment

NEW TEACHER PACKETS

Packets are available for pick-up at District Office on:
 Tuesday, July 31
 Wednesday, August 1
 Thursday, August 2

NEW TEACHERS MUST ATTEND ONE MEETING:

Tuesday, August 7
 10:00 a.m. – 11:30 a.m.
 West High School Library
 Last Name: A-K

Wednesday, August 8
 2:00 – 3:30 p.m.
 West High School Library
 Last Name: L-Z

Tuesday, August 14
 2:30 – 3:30 p.m.
 DuBray Middle School Library
 Final Sign-up date

NEW SUPPORT STAFF – working 30 or more hours per week – MANDATORY (SECRETARIES/NURSES/PARAPROFESSIONALS/CLERKS/CUSTODIANS/FOOD SERVICE)

Thursday, August 16
 1:30 p.m. – 3:30 p.m.
 DuBray Middle School Library

Only sign-up date scheduled

OPEN ENROLLMENT

**FOR ALL DISTRICT EMPLOYEES WANTING TO MAKE CHANGES
FOR 2007-08 or SIGN-UP FOR A 403(b)**

**Wednesday, August 15
 2:00 p.m. – 5:00 p.m.
 DuBray Middle School Library**

For ALL employees who want to:

- Change their current insurance coverage
- Add additional life insurance
- Talk to the insurance representatives
- Enroll in the 125 Cafeteria Plans – includes new enrollments for pre-tax deductions for dependent insurance, Medical and Day Care Reimbursements (annual enrollment required for reimbursement accounts)
- Meet with a 403 (b) Tax Sheltered Annuity Representative (located in the Commons).

**FINAL DATE FOR OPEN ENROLLMENT REQUEST FORMS – FRIDAY, AUGUST 31.
 COVERAGE WILL BEGIN OCTOBER 1.**

FLEXIBLE BENEFITS PLAN

SUMMARY PLAN DESCRIPTION

We are pleased to acquaint you with the Fort Zumwalt School District (the "District") Flexible Benefits Plan (the "Plan"). This Plan enables you to (1) make your contributions for medical, dental, and vision coverage with before-tax dollars, (2) allocate a portion of your wages on a before-tax basis to a Medical Care Reimbursement Account that may be used to provide tax-free reimbursements to you for certain qualifying health care services, and (3) allocate a portion of your wages on a before-tax basis to a Dependent Care Assistance Account that may be used to provide tax-free reimbursements to you for certain qualifying dependent care services.

ELIGIBILITY AND ENROLLMENT

Eligibility

You are eligible to participate in this Plan if you are a current employee of the District and you meet the eligibility requirements (listed below) for each benefit.

1. Health Care Program (Medical, Dental and Vision Coverage)
 - You meet the eligibility criteria for the District-sponsored health plan as specified in the Business Office Procedure Handbook; and
 - You are an employee of the District prior to the beginning of the Plan Year (October 1).
2. Medical Care Assistance Program
 - You work at least thirty (30) hours per week; and
 - You are an employee of the District for at least twelve months prior to the beginning of the Plan Year (October 1).
3. Dependent Care Assistance Program
 - You work at least thirty (30) hours per week; and
 - You are an employee of the District for at least twelve months prior to the beginning of the Plan Year (October 1).

Enrollment

You may enroll in the Plan by completing an election form. Election forms can be obtained from the Plan Administrator. The election form must be filed with the Plan Administrator during Open Enrollment. Open Enrollment is the period designated by the Plan Administrator prior to the beginning of a Plan Year during which you may submit your election for the coming Plan Year. If you are hired during a Plan Year, you must file the election form by the date designated by the Plan Administrator.

Once you submit an election form for the Health Care Program, it will continue in force for future Plan Years unless you revoke or modify it. However, you must submit an election for each year for the Medical Care Assistance Program and the Dependent Care Assistance Program.

The Plan is administered on the twelve-month period from October 1 to September 30 (the "Plan Year"). Once you are enrolled you must remain in the Plan for the entire Plan Year as long as you remain an eligible employee. You may not stop or change your election amount during the Plan Year unless you incur a qualified change in status and the Plan Administrator approves of such modification. A "qualified change in status" is any event described under IRS regulations that allows a participant to modify his or her existing coverage elections and generally includes the following:

- Marriage
- Divorce
- Reduction in work hours that affects your eligibility for this Plan or for the District-sponsored health plan
- Death of a spouse or child
- Birth or adoption of a child
- Termination of employment of your spouse.

Generally, you may request the Plan Administrator to change your election only to the extent your change in status affects your Plan election. (See Termination of Participant on page 11 below with regards to a change in election upon termination and rehire).

If you are a nine-month employee, you must provide at least 30 days prior written notice before you cancel coverage during the summer months. Until your cancellation is effective, you must continue dependent insurance premiums at your expense through the end of the Plan Year, including the summer months. If you do not, your dependent coverage is subject to cancellation due to nonpayment of premiums.

HOW THE PLAN WORKS

The Plan is a flexible spending account cafeteria plan as described by Section 125 of the Internal Revenue Code. The Plan allows you to convert taxable salary into pre-tax benefits. There are three parts to this Plan. If you meet the eligibility requirements, you may elect to participate in one, two or all three of the following:

Part 1. Payment of Cost of Health Coverage

You may pay for your cost of coverage under the District's medical, dental, and vision plans. Your contributions will be deducted from the paychecks you receive throughout the Plan Year. The District will make the premium payments on your behalf.

Part 2. The Fort Zumwalt Medical Care Reimbursement Plan

Upon enrollment, a health care reimbursement account will be established for you. You may elect to have a portion of your salary credited to the account each Plan Year. The elected amount may not exceed the limit set out on the enrollment form (\$2,000 for the year beginning October 1, 2006) per year.

Your elected contribution will be automatically deducted in equal amounts from sixteen payrolls you receive throughout the year and credited to your health care reimbursement account. The amount you elect to contribute should be based on an estimate of eligible expenses you expect to incur during the Plan Year. (See Health Care Reimbursement Eligible Expenses, below, for a description of eligible expenses.)

To benefit from the Plan, you submit eligible expenses incurred during the Plan Year, or during a Plan Year's grace period ending December 15, and are reimbursed for those expenses from your account. This reimbursement is made with your pre-tax salary resulting in tax savings to you.

Federal income tax laws allow a deduction for qualifying medical expenses not covered by insurance or any plan, but only to the extent these expenses exceed 7.5% of adjusted gross income. For a more complete explanation of the medical expense deduction, see IRS Publication 502, Medical and Dental Expenses.

Health Care Reimbursement Eligible Expenses

Under the Plan you will be reimbursed only for health care expenses meeting all of the following conditions:

1. The expenses are incurred for services rendered during the Plan Year.
2. You incur the expense for yourself, your spouse or other tax dependent.
3. The expenses are unreimbursed expenses for medical care as defined in Code Section 213, including, but not limited to amounts paid for hospital bills, doctor and dental bills, and drugs.

Part 3. The Fort Zumwalt Dependent Care Assistance Plan

Upon enrollment, a dependent care assistance account will be established for you. You may elect to contribute a portion of your salary to be credited to the account per year. The elected amount may not exceed the lesser of \$5,000 (\$2,500 if married, filing separately), the amount of your earned income for the year, or if you are married at the end of the calendar year, the earned income of your spouse for that year. If the District employs both you and your spouse, the sum of your elected amounts may not exceed the lesser of the two earned incomes or \$5,000.

Your elected contribution will be deducted automatically in equal amounts from sixteen payrolls throughout the year and credited to your dependent care reimbursement account. The amount you elect to contribute should be based on an estimate of eligible expenses you expect to incur for the care of your dependent(s) during the Plan Year. (See Dependent Care Eligible Expenses, below, for a description of eligible expenses.)

To benefit from the Plan, you submit eligible expenses incurred during the Plan Year and are reimbursed for those expenses from your account. This reimbursement is made with your pre-tax salary, resulting in tax savings to you.

You should be aware of another tax-favored alternative for dependent care expenses. Federal income tax laws provide a limited tax credit for qualifying dependent care expenses. In general, the dependent care tax credit is 20% of up to \$2,400 of eligible expenses (\$4,800 for two or more dependents) for a person with adjusted gross income of \$28,000 or more. The credit increases to 30% as adjusted income decreases from \$28,000 to \$10,000. You cannot use the same expense for both reimbursement under the Dependent Care Assistance Plan and for the federal tax credit. In addition, the dollar amount of expenses eligible for the credit is reduced dollar for dollar by the amount of expenses excluded from your income under the Plan. For a more complete explanation of the credit see IRS Publication 503, Child and Dependent Care Credit.

Dependent Care Eligible Expenses

Under the Plan you will be reimbursed only for dependent care expenses meeting all of the following conditions:

1. The expenses are incurred for services rendered during the Plan Year.
2. Each individual for whom you incur the expense is
 - (A) a dependent under age 13 whom you are entitled to claim as a dependent on your federal income tax return, or
 - (B) a spouse or other tax dependent who is physically or mentally incapable of caring for himself or herself.
3. The expenses are incurred for the care of a dependent described above, or for related household services, and are incurred to enable you to be gainfully employed.
4. If the expenses are incurred for services outside your household, they are incurred for the care of a dependent who is described in 2(A) above, or who regularly spends at least 8 hours per day in your household.

5. If the expenses are incurred for services provided by a dependent care center (i.e., a facility that provides care for more than 6 individuals not residing at the facility), the center complies with all applicable state and local laws and regulations.
6. The expenses are not paid or payable to a child of yours who is under age 19 at the end of the year in which the expenses are incurred.
7. The expenses are not paid or payable to an individual for whom you or your spouse is entitled to a personal tax exemption as a dependent.
8. The reimbursement (when aggregated with all other reimbursements received by you under the Plan during the same year) may not exceed the least of the following limits:
 - (A) \$5,000 (\$2,500 if married, filing separately).
 - (B) Your earned income (after any reduction due to your contributions to the Plan).
 - (C) If you are married, your spouse's actual or deemed earned income.

For purposes of (C) above, your spouse will be deemed to have earned income of \$200 (\$400 if you have two or more dependents described in paragraph 2 above), for each month in which your spouse is (i) physically or mentally incapable of caring for himself or herself, or (ii) a full-time student at an educational institution, provided your spouse is a full-time student for at least five months of the calendar year.

FORFEITURES

If you do not use all of the monies contributed to the Plan by the end of the Plan Year (including the grace period with respect to the Medical Care Assistance Program), you may not carry it over to the next Plan Year. You will forfeit any unused amounts at the end of the Plan Year.

Extension Period

Your account will be held open for 90 days following the end of the Plan Year. During that time you may continue to submit eligible Dependent Care and Medical Care expenses which were incurred during that Plan Year and may be reimbursed for them up to the balance in your account.

Termination of Participant

If you terminate employment during the year, your contribution to the Medical Care Reimbursement Account will cease upon your termination of employment unless you continue coverage pursuant to COBRA. See COBRA CONTINUATION COVERAGE on page 12 below. If you do not elect COBRA coverage, you may continue to submit and be reimbursed for eligible expenses that were incurred during the year through the date your employment ceased, up to the balance in your account at the time of your termination. Any unused portion in your account at the end of the 90 days following the end of the Plan Year in which your termination occurred will be forfeited.

If you terminate employment and then return to employment within thirty days, you will automatically be reinstated in the Plan with your previous elections in effect, unless an intervening qualified change in status has occurred which permits you to modify your election. If you terminate employment and return to employment after thirty days, you must again satisfy the eligibility requirements of the Plan before participating.

GENERAL INFORMATION

The Plan is intended to qualify as a cafeteria plan under section 125 of the Internal Revenue Code (the "Code"); the Dependent Care Assistance Program is intended to qualify as a dependent care assistance program under section 129 of the Code. The Plan is sponsored and administered by:

Fort Zumwalt School District, 110 Virgil, O'Fallon, Missouri 63366 Telephone: (636) 272-6620

Funding

No separate trust fund or escrow account will be established in order to pay benefits due under the Plan that will give your claims any greater right to assets of the District than any other unsecured general creditor of the District. Benefits due will be paid out of general District assets.

Election Amounts

Amounts you elect to have excluded from your gross income for a Plan Year will be divided among your payroll periods. Your contributions are not subject to Social Security and income taxes.

Your elected contribution must remain constant throughout the Plan Year unless you have a qualified change in status. Before the next Plan Year begins you will have an opportunity in a new election to designate an amount for that Plan Year. You may not make any contributions to the Plan other than the pre-elected monthly contribution.

If you are a highly compensated employee, your election may be automatically reduced to prevent the Plan from discriminating in favor of highly compensated employees.

Effect on Social Security

Participation in the plan may result in a slight reduction in Social Security benefits. This reduction occurs because your salary reduction under the Plan reduces your income for Social Security purposes.

W-2 Income Reporting

Since Plan contributions are not wages, they are not included as annual earnings on your W-2 form.

Participant's Responsibility

It is your responsibility to be sure that the expenses you submit are legitimate eligible expenses. You also are responsible for making sure that you do not use the federal tax credit on your income tax return for expenses for which you have been reimbursed under the Dependent Care Assistance Plan. Similarly, you are responsible for making sure that you do not use the federal tax deduction for premium payments that have been made for you under the Plan.

In addition, you will be required to provide the name, address and taxpayer identification number of the person performing the dependent care service on your tax return for any year in which you participate in the Dependent Care Assistance Plan.

CLAIMS SUBMISSIONS

Claims for dependent care or medical care reimbursement may be submitted by using forms provided by the District. You must provide bills or receipts with the claim form as requested by the District.

CLAIM PAYMENTS

Dependent care or medical care eligible expenses will be reimbursed to you. Checks will not be issued to providers of service. Properly completed and documented requests should be sent to OLB Systems, P.O. Box 1100, St. Charles, Missouri 63302-1100.

If the amount of Dependent Care expense claimed exceeds the amount in your account at the time of the claim, only the amount in your account will be reimbursed to you. The remaining expenses will be held and will automatically be paid to you in the next payment up to the account balance at that time.

PLAN TERMINATION, CHANGES OR AMENDMENTS

The District reserves the right to amend or terminate the Plan at any time.

DISCLAIMER

This summary describes only the principal features of the Plan and should not be considered the Plan Document. The complete terms of the Plan are set forth in the Plan Document, and the Plan Document will govern over any other written or verbal statement.

EXPENSE DENIAL REVIEW

All claims and grievances with respect to the District's medical, dental or vision plans must be filed with the insurance carrier for those plans. A participant whose request for dependent care or medical care reimbursement is denied may file a written request with the District for a review of his claim.

COBRA CONTINUATION COVERAGE

If your employment with the District terminates and you have a positive balance in your Medical Care Assistance Program Account at that time, you may elect to continue coverage under the Medical Care Assistance Program. Continuation coverage is not available under this Plan with respect to any other benefit. To elect continuation coverage, you will need to elect to complete a COBRA election form provided by the District and you will have to continue monthly contributions to your Medical Care Assistance Program Account on an after-tax basis. The District may require the amount of the monthly contributions to be 102% of your pre-termination contribution amount. Your coverage under the Medical Care Assistance Program Account may continue only for the remainder of the Plan Year in which you terminate your employment with the District.

STLD01-1221137-1

Fort Zumwalt School District Flexible Benefits Plan Summary Description

Important Notice from Ft. Zumwalt School District About Your Prescription Drug Coverage and Medicare

The Centers for Medicare and Medicaid Services (CMS) require that the following notice be issued to eligible Medicare recipients annually. This notice only applies to Medicare eligible employees, dependents, retirees, and COBRA participants currently covered under our group medical plans.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Ft. Zumwalt School District and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Ft. Zumwalt School District has determined that the prescription drug coverage offered by Anthem Blue Cross Blue Shield and GHP is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

Individual's can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st. Beneficiary's leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

If you do decide to enroll in a Medicare prescription drug plan and drop your Anthem Blue Cross Blue Shield or GHP prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

Anthem Blue Cross Blue Shield: \$10 Tier 1; \$20 Tier 2; \$45 Tier 3
Group Health Plan (GHP): \$5 Tier 1; \$10 Tier 2; \$35 Tier 3

You should also know that if you drop or lose your coverage with Ft. Zumwalt School District and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

For more information about this notice or your current prescription drug coverage...

Contact our office for further information at 636-240-2072, x 226. NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through Ft. Zumwalt School District changes. You also may request a copy.

For more information about your options under Medicare prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number) for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Date:	August 13, 2007
Effective Date of Plan:	October 1, 2007, - September 30, 2008
Name of Entity/Sender:	Ft. Zumwalt School District
Contact--Position/Office:	Cathee Bresnahan
Address:	110 Virgil Street, O'Fallon, MO 63366
Phone Number:	636-240-2072

Ft. Zumwalt School District

FLEXIBLE SPENDING ACCOUNTS (FSA)
Enrollment Required Annually

Plan Year: 2007

Name _____ Social Security Number _____

Address _____ City State/Zip _____

School/Work Location _____ Position _____

Ft. Zumwalt Hire Date _____ Effective Date October 1, 2007

Please read the eligibility and enrollment rules carefully before enrolling in these plans. Per regulations and Plan terms, once you enroll, you cannot change an enrollment election before the end of the Plan Year unless you have a qualifying status change. In addition, if your eligible expenses are less than your annual contribution at the end of the plan year's extend grace period, you will lose any money remaining in your account.

Request for reimbursements require a signed affidavit and documentation submitted to a third-party administrator and are normally reimbursed within 5-7 working days.

? **Medical Flexible Spending Arrangement (MFSA) - Requires 1 year tenure**

Must be employed with the District **prior to October 1, 2006.**

- ◆ **Must work at least 30 hours per week.**
- ◆ Maximum amount allowed - \$2,000

The MFSA may be used to reimburse your eligible **medical expenses that are not paid by insurance**. Many health, dental and vision care expenses qualify for reimbursement. Qualifying expenses are as **described** in IRC Section 213 and must be for specific and medically necessary health care/treatment. Note that expenses associated with cosmetic health procedures and general health promotion (such as diet and exercise), and premiums that you pay for individual health insurance or coverage sponsored by other employers ARE NOT ELIGIBLE.

I elect MFSA coverage in the amount of \$ _____ for the Plan year.

My tax-free contribution rate to the MFSA will be divided by 16 payrolls, equal to \$ _____ per payroll.

? **Dependent Care Flexible Spending (DCFS) - Requires 1 year tenure**

Must be employed with the District **prior to October 1, 2006.**

- ◆ **Must work at least 30 hours per week.**
- ◆ Dependent child/children must be under age 13, unless there is a medical necessity.
- ◆ Maximum amount is \$5,000 (2,500 if you are married but file an individual, rather than joint federal income tax return).

The DCFS may be used **to reimburse dependent care expenses** that are necessary due to your employment with Ft. Zumwalt School District. Each person receiving care must be your dependent for income tax purposes and must reside with you.

I elect DCFS coverage in the amount of \$ _____ for the Plan year.

My tax-free contribution to the DCFS will be divided by 16 payrolls, equal to \$ _____ per payroll.

Signature: _____

Date: _____

**FORT ZUMWALT SCHOOL DISTRICT
FLEXIBLE BENEFITS PLAN INFORMATION**

October 1, 2007

The Flexible Benefits Plan is a voluntary fringe benefit plan sponsored by the District. The Plan may save you money because it allows you to pay for certain expenses tax-free.

You participate in the Plan by having your salary reduced by the amounts you elect in order to pay for the benefits you elect, as described below. The amount of your salary reductions is not subject to income tax or FICA withholding, and the benefits you receive under the Plan are tax-free as well.

Dependent Medical Insurance Contributions. The Plan allows you to pay on a pre-tax basis your contributions for District sponsored health, dental and disability coverage for dependents. To participate, select on the Enrollment Form which coverage you want to pay through the Plan.

Medical Flexible Spending Arrangement (Medical FSA). The Medical FSA provides an opportunity for you to pay your out-of-pocket family medical expenses tax-free. Eligible expenses include your health plan deductibles and expenditures for medical care that are not paid by insurance. Expenses associated with general health promotion, over the counter medications, cosmetic procedures and individually paid insurance premiums are not eligible.

To participate in the Medical FSA you must insert the amount of coverage you elect on the Enrollment Form, up to the limit set out on the Enrollment Form (\$2,000 for the year beginning October 1, 2006). That amount will be deducted in equal amounts from each paycheck and credited to your account. To benefit from the Medical FSA, you submit eligible expenses incurred during the plan year, or during a 2½ month grace period after the end of the plan year, and are reimbursed for those expenses from your account.

The amount you elect should be based on your best estimate of your uninsured medical expenses for the upcoming plan year. Any unreimbursed balance at the end of each year will be forfeited. Your annual Medical FSA amount of coverage, less expenses already reimbursed for the year, is available throughout the plan year to reimburse eligible expenses.

Dependent Care Flexible Spending Arrangement (Dependent Care FSA). The Dependent Care FSA provides an opportunity for you to pay your work-related dependent care expenses tax-free. Eligible expenses include expenses of caring for your children under age 13, and expenses of caring for older children and adult dependents if care is required due to medical considerations.

The dependent receiving care must be your dependent for federal income tax reporting purposes and must reside with you. You may utilize a dependent care facility, pre-school or a private provider. The provider may be related to you, but may not also be your dependent. If you use a provider other than a tax-exempt organization, please note that you must obtain the provider's social security number or EIN. This information must be disclosed annually on your federal income tax return.

To participate in the Dependent Care FSA you must insert the amount of coverage you elect on the Enrollment Form. You may elect up to \$5,000 of coverage annually (\$2,500 if you are married and file an individual (rather than joint) federal income tax return). The amount you elect will be deducted in equal amounts from each paycheck and credited to your account. To benefit from the Dependent Care FSA, you submit eligible expenses incurred during the plan year and are reimbursed for those expenses from your account.

The amount you elect should be based on your best estimate of your dependent care expenses for the upcoming plan year. Any unreimbursed balance at the end of each year will be forfeited. At any given time during the plan year, you may receive reimbursement only from the balance in your Dependent Care FSA at that time.

Please note: FSA amounts may only be used to reimburse expenses incurred in the current plan year, and, in the case of the Medical FSA, during a 2½ month grace period following the end of the plan year. Consider your FSA elections carefully – they may not be changed or revoked until the end of the plan year except under qualifying circumstances. Account balances may not be carried forward to the next plan year. Unreimbursed balances are forfeited.

Ft. Zumwalt School District
FLEXIBLE BENEFITS PLAN ELECTION FORM
For Pre-Tax Health Insurance Payroll Deductions

2007-08

Name _____ Social Security Number _____
Address _____ City State/Zip _____
School/Work Location _____ Position _____
Ft. Zumwalt Hire Date _____ Effective Date 10/1/2007

Please make your benefit program elections below. This form will not be accepted unless signed and dated.

Your elections are binding and ordinarily may not be revoked or changed until the next Open Enrollment. Mid-year election changes are permitted only upon certain "Qualified Changes in Status," which are described in the Summary Plan Description. Your elections will apply until: 1) You leave employment with Ft. Zumwalt School District, or 2) You lose eligibility to participate according to Plan terms, or 3) You revoke these elections or submit new elections in writing during a future enrollment period, or 4) The Plan is terminated by the sponsoring Employer.

Your elections will remain in effect for future years until a new election form supersedes this enrollment election.⁽¹⁾

Section A: Cafeteria Plan for Pre-Tax Health Insurance Payroll Deductions:

- New Employee Electing Pre-Tax Deductions for dependent insurance premiums.
- Current Employee Electing Pre-Tax Deductions for CHANGED dependent coverage during the Open Enrollment period. ⁰
- Current Employee Electing Pre-Tax Deductions for changed dependent coverage based on a "Qualified Change in Status."

You must be eligible under the employer sponsored insurance plan as specified in the DOP Handbook to receive this benefit. Your elections will take effect on the first day of your eligibility for group insurance or on the first day of the Plan Year (if made during Open Enrollment).

Contributions for dependent health insurance will be withheld from your payroll in a pre-tax manner. Your contributions are as determined by the District and are based on the coverage in which your dependent(s) are enrolled. This form is not for enrollment for dependent coverage under the District's health insurance plan; this form enables you to pay the premiums for dependent coverage on a pre-tax basis.

Consider your elections carefully. Your elective contributions will be reduced from your gross payroll and will not be subject to income tax or FICA withholding. Participation in the Plan will reduce FICA contributions made on your behalf.

Section B: Insurance Waivers:

If you are declining enrollment for yourself or your dependents (including your spouse) in the Fort Zumwalt School District Health Plan because of other health coverage, you may in the future be able to enroll yourself or your dependents in this plan, provided that you request enrollment within 30 days after your coverage ends. In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption. To be eligible for the enrollment rights described above, the Fort Zumwalt School District Plan requires you to state in writing that the reason you declined enrollment is because you or your dependents have coverage under another group health plan or other health insurance coverage. Therefore, if you do not check the box below indicating that the reason for declining enrollment is coverage under another health plan, you may not be eligible for the special enrollment rights. In addition, you may enroll during a future enrollment period. Open enrollment occurs in August for plan years beginning in October.

- I elect to waive Group Health Insurance because I have other insurance coverage.
- I elect to waive dental insurance.
- I elect to waive vision insurance.

- I do not want my dependent deductions withheld pre-taxed.

Signature

Date

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FLEXIBLE BENEFITS PLAN INFORMATION**

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The dependent receiving care must be your dependent for federal income tax reporting purposes and must reside with you. You may utilize a dependent care facility, pre-school or a private provider. The provider may be related to you, but may not also be your dependent. If you use a provider other than a tax-exempt organization, please note that you must obtain the provider's social security number or EIN. This information must be disclosed annually on your federal income tax return.

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