



FLEXIBLE BENEFITS PLAN AND MEDICAL EXPENSE REIMBURSEMENT PLAN

CLAIM INSTRUCTIONS

If you elected to participate in the MBA Medical Expense Reimbursement Plan, you may be entitled to receive tax-free cash reimbursements for certain uninsured medical and dental expenses incurred by you during the 12-month period used by the Medical Expense Reimbursement Plan for record keeping purposes. This 12-month period is called the Plan Year and runs from January 1 to December 31.

The maximum amounts that can be reimbursed to you during the Plan Year will be limited to the amount of compensation reduction you have elected to contribute to the Medical Expense Reimbursement Plan.

HOW TO SUBMIT CLAIMS FOR REIMBURSEMENT

If you participate in the Medical Expense Reimbursement Plan you will be given a Claim Voucher Form. It is important that you carefully fill out the Claim Voucher Form; before you turn in your claim, you should make a photocopy of the Claim Voucher Form for your own records.

Please be sure to include any copies of your bills, receipts, canceled checks, or medical/dental insurance claim worksheets that will show that you incurred an expense for which you are entitled to reimbursement. It is **not** necessary that you have actually paid an eligible expense, only that you **incurred** the expense after the time you became a participant of the Plan. However, if the expense is for medical or dental treatment, you will have to prove that the expense was not otherwise covered by insurance. Medical or dental insurance claim worksheets are the best proof of non-insured, major expenses. If you submitted no insurance claim, the statement you sign at the bottom of the Claim Voucher Form includes a representation by you that a submitted expense item has not otherwise been paid by insurance.

WHEN TO SUBMIT CLAIMS

In order to receive a tax-free reimbursement for your eligible expenses, all claims incurred during a Plan Year must be submitted no later than the 90th day following the close of the Plan Year. If you cease to participate in the Plan prior to close of the Plan Year, all claims incurred prior to the date you cease to participate must be submitted no later than the 90th day following the date you cease to participate.

WHEN YOU'RE NOT SURE ABOUT AN EXPENSE

Please refer to the information you have been provided for a list of expenses that generally qualify for reimbursement. Although all of the possibilities are not covered, most of your expenses will fall under one of the listed categories. You should consult with your personal tax advisor in questionable cases. If you are in doubt as to the validity of a claim, go ahead and submit it, along with a brief explanation of the circumstances, and your claim will be routinely processed. If it is not eligible for reimbursement, you will be notified. Prior to submitting a claim on which you have a question, you may call the Plan Administrator.

QUALIFYING MEDICAL EXPENSES

Under the Plan, you will be reimbursed only for those types of health care expenses normally deductible on your federal income tax return (without regard to the 7.5% of adjusted gross income limitation).

They include, for example, expenses you have incurred for:

- ◆ Prescription medicine, drugs, birth control pills and vaccines
- ◆ Medical doctors, dentists, eye doctors, chiropractors, osteopaths, podiatrists, psychiatrists, psychologists, physical therapists, acupuncturists and psychoanalysts (medical care only)
- ◆ Medical examination, x-ray and laboratory service, insulin treatment, and whirlpool baths the doctor ordered
- ◆ Nursing help. If you pay someone to do both nursing and housework, you can be reimbursed only for the cost of the nursing help
- ◆ Hospital care (including meals and lodging), clinic costs, lab fees
- ◆ Medical treatment at a center for drug addicts or alcoholics
- ◆ Medical aids such as hearing aids (and batteries), false teeth, eyeglasses, contact lenses, braces, orthopedic shoes, crutches, wheelchairs, guide dogs and the cost of maintaining them
- ◆ Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spent for gas and oil to go to and from the place you received the care; or you can claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

You cannot obtain reimbursement for:

- ◆ Expenses for which reimbursements are already available under another medical plan
- ◆ Premiums paid for medical coverage under the plan maintained by Modern Business Associates or any other entity
- ◆ The basic cost of Medicare insurance (Medicare A)
- ◆ Life insurance or income protection policies
- ◆ The hospital insurance benefits tax withheld from your pay as part of the social security tax or paid as part of social security self-employment tax
- ◆ Maternity clothes
- ◆ Diaper service
- ◆ Nursing care for a healthy baby
- ◆ Illegal operations or drugs
- ◆ Travel your doctor told you to take for rest or change
- ◆ Funeral expenses

Qualifying medical expenses include only those expenses incurred for:

- ◆ Yourself
- ◆ Your Spouse
- ◆ All dependents you list on your federal income tax return
- ◆ Any person that you could have listed as a dependent on your return, if that person had not received gross income in excess of the minimum amount specified by law or had not filed a joint return
- ◆ If you are divorced or separated, any child of yours that is listed as a dependent on his or her other parent's federal income tax return (and certain other individuals in the case of a multiple support agreement)

IRS Publication 502, Medical and Dental Expenses, has a checklist of medical expenses that can be deducted and therefore reimbursed under this Plan, and those that cannot.