

Benefits Handbook Date July 1, 2009

Dependent Care Flexible Spending Account MMC



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Dependent Care Flexible Spending Account

The Dependent Care Flexible Spending Account Plan (the “Plan”) allows you to put aside money before taxes are withheld so that you can pay someone to care for your eligible dependents while you and your spouse (if you are married) work, look for work, or go to school full time.

A Note about ERISA

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that governs many employer-sponsored plans including this one. Your ERISA rights in connection with this Plan are detailed in the *Administrative Information* section.

SPD and Plan Document

This section provides a summary of the Dependent Care Flexible Spending Account Plan (the “Plan”) as of January 1, 2009.

This section, together with the *Administrative Information* section and the applicable section about participation, forms the Summary Plan Description and plan document of the Plan.

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The Plan at a Glance

| Plan Feature | Highlights |
|-----------------------------|--|
| How the Plan Works | <ul style="list-style-type: none"> ▪ You may contribute to the Plan through payroll deductions on a before-tax basis. ▪ When you have reimbursable dependent care expenses, you can receive your money back tax-free, up to the amount that is in your account when you ask for reimbursement. |
| Eligibility | <ul style="list-style-type: none"> ▪ You are eligible if you are an employee classified on payroll as a U.S. salaried employee of MMC or any subsidiary or affiliate of MMC (other than Kroll, Inc., and any of its subsidiaries). ▪ You are eligible if you are classified on payroll as a U.S. full-time regular employee of Kroll, Inc. or any of its subsidiaries. ▪ See “Participating in the Plan” on page 2 for details. |
| Enrollment | <ul style="list-style-type: none"> ▪ You are eligible to enroll: <ul style="list-style-type: none"> – within 30 days of the date you become eligible – during Annual Enrollment ▪ You must enroll each PLAN YEAR in order to participate in the Dependent Care Flexible Spending Account. |
| Contributions | <ul style="list-style-type: none"> ▪ You can contribute: <ul style="list-style-type: none"> – between \$120 and \$5,000 per Plan year – up to \$2,500 per year if you are married and file separate income tax returns. |
| Reimbursements | <ul style="list-style-type: none"> ▪ In general, the Plan will reimburse expenses: <ul style="list-style-type: none"> – for care provided to your qualifying family members during the hours that you and your spouse are working, looking for work, or attending school full time – that generally could be applied as a dependent care tax credit on your tax return if you did not use the Plan – for dependent care services in the Plan year for which you make contributions. |
| Unused Contributions | <ul style="list-style-type: none"> ▪ If you have a balance remaining in your Dependent Care Flexible Spending Account after December 31 of the Plan year, you have a GRACE PERIOD until March 15 of the following Plan year to incur eligible expenses (provided you were still participating on December 31 of the Plan year and excluding expenses INCURRED after your employment ends). ▪ In accordance with IRS rules, you will forfeit any account balance not used to pay eligible expenses incurred between January 1 and December 31 of the Plan year or between January 1 and March 15 of the following Plan year (the grace period) if they are not submitted by May 31. |

| Plan Feature | Highlights |
|----------------------------------|--|
| Qualifying Family Members | <ul style="list-style-type: none"> ▪ Generally, a qualifying family member is: <ul style="list-style-type: none"> – your qualifying child under age 13 who lives with you for more than half the year, if you claim your child as a dependent on your tax return – a dependent of any age, like a parent, grandparent, brother or sister, who is physically or mentally not able to provide self-care, who lives with you for more than half the year, and whom you claim as a dependent on your tax return – your spouse who is physically or mentally not able to provide self-care and who lives with you for more than half the year ▪ See “Participating in the Plan” on page 2 for more details. |
| Contact Information | <p>For more information, contact:</p> <p>Aetna Flexible Spending Account (Claims Administrator) P.O. Box 4000 Richmond, KY 40476-4000 Phone: (888) 238-6226 Fax: (888) 238-3539 Website: www.aetna.com/docfind/custom/mmc</p> <p>MMC does not administer this plan. Aetna Flexible Spending Account’s decisions are final and binding.</p> |

Participating in the Plan

You are eligible to participate in the Dependent Care FSA if you meet the eligibility requirements described in the *Participating in Spending Accounts* section.

You may participate in the Dependent Care FSA if you pay someone to care for your qualifying family members.

You can enroll in this plan even if you are not enrolled in any other Company plan.

Enrollment

To participate in this plan, you must enroll for coverage. You may enroll:

- within 30 days of the date you become eligible to participate,
- during Annual Enrollment
- within 30 days of a qualifying change in family status that makes you eligible to enroll.

You must enroll each PLAN YEAR in order to participate in the Dependent Care Flexible Spending Account.

Enrollment procedures are described in the *Participating in Spending Accounts* section.

Contributions

How do I decide how much to contribute?

You select an amount to contribute for the PLAN YEAR. You can contribute between \$120 and \$5,000. If you are married and file separately on your federal income tax return, the most you can contribute is \$2,500, subject to the minimum income limit.

Since you will forfeit any amount you do not use and you cannot change the contribution election once you make it (unless you have a qualified family status change) or your dependent care provider (e.g., child's day care provider) or eligible expense changes, you should carefully estimate your eligible expenses before deciding on an amount to contribute.

You have to contribute to the Plan to be reimbursed for eligible expenses you incur during the Plan year or during the GRACE PERIOD. You cannot be reimbursed for services that are provided before your coverage begins or after your coverage ends.

Once your election is made it cannot be changed unless you have a qualified family status change and then any changes must be due to, and consistent with, the qualified family status change.

Additionally, although not a qualified family status change, you can change the amount you contribute if your dependent care provider (e.g., child's day-care provider) or eligible expense changes during the year.

Any amount you may have contributed to a Dependent Care Flexible Spending Account with a former employer in a calendar year counts toward that year's \$5,000 (or \$2,500 if applicable) maximum. For example, if you:

- contributed \$2,000 to your former employer's Dependent Care Flexible Spending Account from January through April; and
- began contributing at Marsh & McLennan Companies in May, the maximum amount you are allowed by law to contribute to the Company Dependent Care Flexible Spending Account is \$3,000 for the remainder of the calendar year

The Dependent Care Flexible Spending Account cannot be used for health care expenses INCURRED by any of your family members or tax dependents, so be sure not to include health care expenses when you are calculating your Dependent Care Flexible Spending Account. If you enroll by mistake in the Dependent Care Flexible Spending Account, you cannot transfer the balance to a Health Care Flexible Spending Account or cancel the account during the year.

Does the Company contribute to my spending account?

No, the Company does not make contributions to your account.

What is the minimum amount I can contribute?

You can contribute a minimum amount of \$120 per Plan year to the Plan.

What is the maximum amount I can contribute?

You can contribute up to a maximum amount of \$5,000 per Plan year to the Plan (\$2,500 if you are married and file separate federal income tax returns).

Tax law and IRS rules require that employee contributions to the Plan meet certain non-discrimination tests. Failure to meet such tests will result in the contributions of higher-paid participants being reduced. You will be notified if you are affected.

My spouse's employer also has a spending account that my spouse contributes to; is there a limit to how much I can contribute to my spending account?

You and your spouse are each limited to the maximum contribution allowed by the IRS and, if less, your respective employer's plan.

Also, according to IRS rules:

- if you file a joint tax return, you and your spouse can contribute up to a combined total of \$5,000 per year
- if you and your spouse file separate tax returns, you can each contribute up to \$2,500 per year
- you can't contribute more than the amount of your earned income or your spouse's earned income, whichever is less

If both you and your spouse contribute to a Dependent Care Flexible Spending Account, you can only be reimbursed once for any eligible expense.

My spouse and I both work for the Company; how much can we put in the Plan?

The contribution limits that the Plan imposes on married couples are the same as the IRS limits for married couples. Together, you and your spouse can contribute up to a maximum of \$5,000 per year to the Plan.

How are contributions credited to my account?

Your contributions will be deducted on a before-tax basis from each paycheck you receive after you commence participation and credited to your account.

When will contributions start to come out of my paycheck?

When you first enroll as a newly eligible employee or as a result of a qualified family status change, your contributions will begin in the next available pay cycle after your enrollment.

If you enroll during the Annual Enrollment period, your contributions will begin with the first paycheck of the new Plan year.

Can I transfer contributions between my Dependent Care and Health Care Flexible Spending Accounts?

No, the IRS requires that this Plan and the Health Care Flexible Spending Account remain separate. You can't transfer money between accounts or use money in one account to be reimbursed for expenses related to the other.

What happens to contributions in my spending account that I have not used by the end of the grace period?

In accordance with IRS rules, you will forfeit any account balance not used to pay eligible expenses incurred between January 1 and December 31 of the Plan year or between January 1 and March 15 of the following Plan year (the grace period) if they are not submitted by May 31.

If your participation ends during the year, you will not be reimbursed for expenses incurred after the date your participation ends (for example, after your employment ends). You will, however, have until May 31 of the following Plan year to submit for reimbursement eligible expenses you incurred during the Plan year while you were participating.

Taxes

See the *Participating in Spending Accounts* section for more information about taxes.

Should I use this plan or the federal dependent care tax credit?

For most individuals, participating in a Dependent Care Flexible Spending Account will produce the greater federal tax savings, but there are some for whom the opposite is true. (And in some cases, the federal tax savings from participating in a Dependent Care Flexible Spending Account will be only marginally better.) Because the preferable method for treating benefits payments depends on certain factors, such as your tax filing status (e.g., married, single, head of household), number of Qualifying Individuals, earned income, etc., you will have to determine your tax position individually in order to make the decision. Use IRS Form 2441 ("Child and Dependent Care Expenses") to help make this determination.

Also note that a tax credit is a dollar-for-dollar reduction in the amount of tax due, whereas pre-tax contributions to a Dependent Care Flexible Spending Account are subtracted from gross income, on which income tax is calculated.

You should consult a professional tax advisor for further information.

Can I claim my reimbursed expenses as a credit on my federal tax return?

No. If you are reimbursed for an eligible expense from the Plan, you can not claim it as a credit on your federal income tax return.

How the Plan Works

You may contribute to the Plan through payroll deductions on a before-tax basis. When you have reimbursable dependent care expenses, you can receive your money back tax-free, up to the amount that is in your account when you ask for reimbursement.

The IRS allows you to contribute to this plan if:

- you are single and work
- you and your spouse both work, or your spouse is actively looking for paid work
- your spouse is a full-time student for at least five months of the year
- your spouse is physically or mentally not able to provide self-care

You contribute to the Dependent Care Flexible Spending Account over a 12-month PLAN YEAR, from January 1 to December 31 (or fewer months, if you start or stop participating during the Plan year). You may use your Dependent Care Flexible Spending Account to be reimbursed for eligible expenses INCURRED during the Plan year. If you have a balance remaining in your Dependent Care Flexible Spending Account after December 31 of the Plan year, you have an additional 2½ month GRACE PERIOD (until March 15 of the following Plan year) to incur eligible expenses (provided you were still participating on December 31 of the Plan year and excluding expenses incurred after your employment ends). You then have until May 31 to submit for reimbursement eligible expenses you incur during the Plan year and during the grace period.

In accordance with IRS rules, you will forfeit any account balance not used to pay eligible expenses incurred by March 15 of the following Plan year (the end of grace period) if they are not submitted by May 31.

Example: You can use your 2008 Dependent Care Flexible Spending Account to be reimbursed for eligible expenses incurred between January 1 and December 31, 2008 (the Plan year) or between January 1, 2009 and March 15, 2009 (the grace period). You must submit claims for those eligible expenses no later than May 31, 2009.

Reimbursements

In general, the Plan will reimburse expenses:

- for care provided to your qualifying family members during the hours that you and your spouse are working, looking for work, or attending school full time
- that generally could be applied as a dependent care tax credit on your tax return if you did not use the Plan
- for dependent care services in the PLAN YEAR for which you make contributions.

For guidelines on what constitutes reimbursable expenses, see IRS Publication 503.

Who are the qualifying family members whose expenses may be reimbursed?

Generally, a qualifying family member is:

- your qualifying child under age 13 who lives with you for more than half the year, if you claim your child as a dependent on your tax return
- a dependent of any age, like a parent, grandparent, brother or sister, who is physically or mentally not able to provide self-care, who lives with you for more than half the year, and whom you claim as a dependent on your tax return (or whom you could claim, except that: (1) he or she received gross income above the IRS limitation; (2) he or she is married and filed a joint return with his or her spouse; or (3) you, or your spouse if filing jointly, could be claimed as a dependent on someone else's return.)
- your spouse who is physically or mentally not able to provide self-care and who lives with you for more than half the year

If you are divorced or separated, your child may be considered your qualifying family member even if you do not claim your child as a dependent on your tax return. Contact a professional tax advisor to determine if your child can qualify.

Unless your approved domestic partner or his or her children meet the qualifying family member definition above, the federal government does not permit you to use Dependent Care Flexible Spending Accounts for expenses INCURRED by your approved domestic partner or his or her children.

How do I get reimbursed from my account?

Complete a Flexible Spending Account (FSA) Dependent Care Reimbursement Form and return it as the form instructs.

Include:

- a bill for qualified services
- proof of payment (a receipt or copy of front and back of a canceled check), with the provider's identification number on it

You should keep copies for your records.

Who issues the reimbursements?

Reimbursements are issued by the Claims Administrator. You can submit your eligible expenses for reimbursement at any time after you incur the expense.

Where can I get a Flexible Spending Account Claim Form?

Forms can be found on the Claims Administrator's website and on MMC PeopleLink. In the "Forms" section of MMC PeopleLink, click "View and Print Forms." Then, select "Dental/Medical/Flexible Spending Accounts." Select the Aetna Dependent Care FSA Claim Form.

You may also request a form from the Claims Administrator by calling (888) 238-6226.

How is the reimbursement paid from my account?

The Claims Administrator will reimburse eligible expenses directly to you from your Dependent Care FSA. The Claims Administrator will do one of the following:

- deposit your reimbursement amount directly into your checking or savings account on file with Payroll
- send your check to your home address if you do not have direct deposit of your paycheck

Your first reimbursement may be paid by check while the Claims Administrator authenticates your bank information for direct deposit.

How long does it take for claims to be processed?

Reimbursements are processed within five to seven days of the Claims Administrator's receipt of the completed claim form and required documentation.

Do I need a minimum amount of expenses before I can be reimbursed?

The minimum reimbursement is \$25. You should wait until your eligible expenses total at least \$25 before you submit them for reimbursement.

If your remaining eligible expenses incurred through March 15 of the following Plan year are less than \$25, you can submit them and be reimbursed.

What if the amount of my expense is more than I have in my account?

You will be reimbursed up to the amount you have in your account. The balance will be paid once there is enough in your account to be reimbursed it.

Can I be reimbursed before I pay my provider?

Yes, you may request reimbursement for eligible expenses that are incurred during the Plan year before you pay for them. IRS rules say that expenses are incurred only after the service or item has been provided, not when you are formally billed or pay for the service.

You must submit documentation confirming that services were rendered including dates of service, services rendered and your cost for these services (such as an itemized statement from your provider) before you can be reimbursed for eligible expenses.

Can I be reimbursed for expenses incurred before participation in the Plan?

No, expenses incurred before your participation begins cannot be reimbursed.

How often can I request reimbursement?

You can submit your eligible expenses for reimbursement at any time after services have been provided to you, but the minimum reimbursement is \$25.

In accordance with IRS rules, you will forfeit any account balance not used to pay eligible expenses incurred before March 15 of the following Plan year, if they are not submitted by May 31.

What happens to contributions in my spending account that I haven't used at year end?

In accordance with IRS rules, you will forfeit any account balance not used to pay eligible expenses incurred between January 1 and December 31 of the Plan year or between January 1 and March 15 of the following Plan year (the GRACE PERIOD) if they are not submitted by May 31.

Expenses must be incurred while you are participating. If your participation ends during the year, you will not be reimbursed for expenses incurred after the date your participation ends (for example, after your employment ends). You will, however, have until May 31 of the following Plan year to submit for reimbursement eligible expenses you incurred during the Plan year while you were participating.

How do I appeal a benefit determination or denied claim?

There are special rules, procedures and deadlines that apply to appeals of benefit determinations and denied claims and you have special legal rights under ERISA. Please refer to the Plan *Administrative Information* section for a description of the appeal process.

How can I get a copy of IRS Publication 503?

Go to www.irs.gov and enter "503" in the "Search" box for more information about reimbursable dependent care expenses.

You may also check with the Claim Administrator if you have any questions about reimbursable expenses.

Examples of Eligible Expenses

Expenses reimbursed by this plan include:

- care at licensed nursery schools (below kindergarten), day camps (not overnight camps), before- or after-school programs at kindergarten and beyond, and day care centers for dependent adults or children. To qualify, the school or center must comply with state and local laws and receive a fee for its services
- care provided in or outside of your home by individuals who may be relatives but who cannot be your children under age 19 or your tax dependents
- household services related to the care of eligible dependents who live with you
- any other qualified dependent care expense as defined by the Internal Revenue Code

For guidelines on reimbursable expenses, check the current Internal Revenue Service guidelines, IRS Publication 503, or contact the Claims Administrator.

When you file your claim for reimbursement, you must provide:

- the Social Security number for individual dependent care providers
- the taxpayer identification number for care centers and schools

Examples of Ineligible Expenses

You can't be reimbursed for dependent care expenses:

- that you claim as a tax credit on your income tax return (generally you can claim either a tax credit or have expenses reimbursed under the Plan, but not both. Note, though, that if you have expenses for two or more qualifying dependents, you may be able to claim a tax credit for expenses over the \$5,000 PLAN YEAR limit)
- that do not qualify for an income tax credit on your tax return (if your expenses do not qualify for an income tax credit, they will not qualify as reimbursable expenses under the Plan)
- for services provided by your spouse or a person you claim as a dependent on your income tax return
- for services provided by your child who is under age 19
- that are not work-related
- for services that occurred in another Plan year

These are some examples of expenses that are not eligible for reimbursement:

- baby-sitting
- kindergarten and higher grades
- overnight camp
- boarding school
- expenses for a non-working spouse who is neither disabled nor a full-time student

The Dependent Care Flexible Spending Account cannot be used for health care expenses INCURRED by any of your family members or dependents, so be sure not to include health care expenses when you are calculating your Dependent Care Flexible Spending Account. If you enroll by mistake in the Dependent Care Flexible Spending Account, you can't transfer the balance to a Health Care Flexible Spending Account or cancel the account during the year.

About Your Account

How can I find out my unused account balance?

To find out the balance in your account, login to the Claims Administrator's website. If you are not currently registered, go to the Claims Administrator's website and follow the instructions for registration. Once you are registered, you will be able to login to the Claims Administrator's website and access your account information.

A statement showing your account activity will be issued twice per year in April and September and with each reimbursement check or direct deposit into your bank account.

What information can I find on my account statement?

You will find the following:

- any reimbursements pending contributions
- the dates on which the reimbursements were made
- your balance as of the statement date
- your reimbursements
- your total contributions

Do I earn interest on my account?

No, your account does not earn interest.

Glossary

INCURRED

Expenses are treated as having been incurred when the care or service is provided, not when you are billed or pay for it.

PLAN YEAR

The Plan year is January 1 through December 31.

GRACE PERIOD

The grace period is the additional 2½-month period following the end of the Plan year. If you have a balance remaining in your Dependent Care Flexible Spending Account after the end of the Plan year and you are still participating on December 31 of the Plan year, you may use that balance to be reimbursed for eligible expenses incurred during the grace period. For example, if you do not use the balance in your 2008 Plan year Dependent Care Flexible Spending Account between January 1 and December 31, 2008, you may use the remaining balance to be reimbursed for eligible expenses incurred between January 1, 2009 and March 15, 2009 (the grace period).

Expenses incurred during the grace period but after your employment ends are not reimbursable.

CLAIMS FILING DEADLINE

The claims filing deadline is May 31 following the end of the Plan year. For example, for the 2008 Plan year, your eligible expenses must be incurred no later than March 15, 2009 (the end of the grace period) and must be submitted to the Claims Administrator by May 31, 2009 (the claims filing deadline).