

Benefits Handbook Date September 1, 2012

Health Savings Account

Marsh & McLennan Companies



Health Savings Account

The Health Savings Account (HSA) is a tax-advantaged trust available to employees who elect the Marsh & McLennan Companies Consumer Directed Health Plan (the CDHP). For information on the CDHP, see the Consumer Directed Health Plan section.

The Health Savings Account allows you to put aside money before taxes are withheld so that you can pay for current and future qualified medical expenses, including long-term care, COBRA, and Medicare premiums. Your account can also pay for non-qualified medical expenses, although reimbursement for such expenses are subject to federal, state, and local taxes, as applicable, and in most cases a penalty tax.

SPD and Plan Document

This section provides a summary of the Health Savings Account (HSA) (the "Account") as of January 1, 2012.

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.

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.

Contents

The Account at a Glance	1
Participating in the Account	3
Enrollment	4
Contributions	4
Contribution Limits.....	7
Investment Options	9
When Contributions Start	10
When Contributions End	11
Taxes.....	12
Retirees	13
Administrative Fees for Retirees	13
How the Account Works	13
Withdrawals.....	15
Qualified Medical Expenses	20
Nonqualified Medical Expenses	22
Account Information	23
Glossary	24

The Account at a Glance

Plan Feature	Highlights
How the Account Works	<ul style="list-style-type: none"> ▪ The Health Savings Account (HSA) is a tax-advantaged trust available to employees who elect the Marsh & McLennan Companies Consumer Directed Health Plan. ▪ You contribute to your account through payroll deductions on a before-tax basis. ▪ You can make a tax-free withdrawal up to the balance available in your account to cover qualified medical expenses. ▪ Your account can also pay for non-qualified medical expenses, although reimbursement for such expenses are subject to federal, state, and local taxes, as applicable, and in most cases a penalty tax.
Eligibility	<ul style="list-style-type: none"> ▪ You are eligible if you are an employee classified on payroll as a U.S. regular employee of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies (other than Marsh & McLennan Agency LLC and any of its subsidiaries (MMA)). ▪ You are eligible if you are an employee classified on payroll as a U.S. regular employee of Marsh & McLennan Agency – Corporate (MMA-Corporate), Houston, Woodard, Eason, Gentle, Tomforde, and Anderson, Inc. d/b/a Insurance Alliance (Insurance Alliance), Marsh & McLennan Agency LLC – Northeast (MMA-Northeast) or Marsh & McLennan Agency LLC – Alaska (MMA-Alaska). ▪ See “Participating in the Account” on page 3 for details.
Enrollment	<ul style="list-style-type: none"> ▪ Once you decide how much to contribute to the Health Savings Account, you enroll by signing in to PeopleLink. ▪ You are eligible to establish a Health Savings Account anytime during the PLAN YEAR if you are enrolled in the Marsh & McLennan Companies Consumer Directed Health Plan, or during ANNUAL ENROLLMENT.
Contributions	<ul style="list-style-type: none"> ▪ For 2012, you can contribute up to: <ul style="list-style-type: none"> – \$3,100 per year if you have individual coverage, or – \$6,250 per year if you have family coverage. ▪ If you are age 55 or above, you may make additional contributions as described in the catch-up contribution question.
Withdrawals	<ul style="list-style-type: none"> ▪ In general, you may withdraw from your Health Savings Account for qualified medical expenses on a tax-free basis for yourself as the employee covered by a high deductible health plan, your spouse (even if he or she is not covered by a high deductible health plan), and your qualifying family members (even if not covered by a high deductible health plan). ▪ Withdrawals for services and items other than qualified medical expenses are subject to federal, state, and local taxes, as applicable, and an additional 20% penalty unless the withdrawal occurs after you reach age 65, are disabled or die. ▪ See “How the Account Works” on page 13 for details.

Plan Feature	Highlights
Unused Balance at Year-End	<ul style="list-style-type: none">Any unused balance in your account at year-end is carried forward to the next calendar year, even if you do not participate in the Marsh & McLennan Companies Consumer Directed Health Plan next year.
Contact Information	<p>For more information, contact: Aetna (Claims Administrator) P.O. Box 981109 El Paso, TX 79998-1109 Phone: +1 866 210 7858 Website: www.aetna.com/docfind/custom/mmc Marsh & McLennan Companies does not administer this plan. The Health Savings Account Administrator's decisions are final and binding.</p>

Participating in the Account

You are eligible to participate in the Health Savings Account if you meet the eligibility requirements described in the *Participating in Spending Accounts* section.

If you are an eligible employee contributing to a health spending account, you can use that account to cover eligible health care expenses for family members who meet the eligibility requirements that are described in the *Participating in Spending Accounts* section.

In order to establish and contribute to the Health Savings Account, you must also:

- be enrolled in the Marsh & McLennan Companies Consumer Directed Health Plan,
- not be covered by other health insurance (this rule does not apply to specific injury insurance and accident, disability, dental care, vision care, or long-term care),
- not be deemed eligible for Medicare, and
- not be claimed as a dependent on someone else's tax return.

Therefore you cannot elect the Health Savings Account if you or a family member participates in a traditional Health Care Flexible Spending Account, you are enrolled in Medicare, or have other non-high deductible health plan coverage (such as through your spouse's employer plan). You may, however, be eligible to participate in Marsh & McLennan Companies' Limited Purpose Health Care Flexible Spending Account, which is designed specifically for employees who participate in the Marsh & McLennan Companies Consumer Directed Health Plan and Health Savings Account. The Marsh & McLennan Companies Limited Purpose Health Care Flexible Spending Account reimburses only eligible dental, vision and preventive care expenses, as well as qualified medical expenses incurred after you meet your Marsh & McLennan Companies Consumer Directed Health Plan deductible.

Important Note: It's up to you to make sure that you meet the tax requirements to establish and contribute to the Health Savings Account. Neither Marsh & McLennan Companies nor Aetna has the information or the responsibility to monitor your status.

You should consult with a tax professional for information about your personal tax situation.

Do I have to be enrolled in the Company medical plan to establish and contribute to the Health Savings Account?

Yes, you must be a participant in the Marsh & McLennan Companies Consumer Directed Health Plan to be eligible to establish and contribute to the Health Savings Account.

You are not eligible to establish a Health Savings Account if you or a family member elects a traditional Health Care Flexible Spending Account in the same calendar year, or if you are deemed to be eligible for Medicare or have other non-high deductible health

plan coverage (such as through your spouse's employer plan). You may, however, be eligible to participate in Marsh & McLennan Companies' Limited Purpose Health Care Flexible Spending Account, which is designed specifically for employees who participate in the Marsh & McLennan Companies Consumer Directed Health Plan and Health Savings Account. The Marsh & McLennan Companies Limited Purpose Health Care Flexible Spending Account reimburses only eligible dental, vision and preventive care expenses, as well as qualified medical expenses incurred after you meet your Marsh & McLennan Companies Consumer Directed Health Plan deductible.

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,
- anytime during the PLAN YEAR if you are enrolled in the Marsh & McLennan Companies Consumer Directed Health Plan,
- during ANNUAL ENROLLMENT, or
- within 30 calendar 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 Health Savings 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.

Under the tax rules for 2012, you can contribute:

- Up to the fixed dollar amount prescribed by federal law and indexed for inflation each January 1. For 2012, the flat dollar amount is \$3,100 for individual coverage and \$6,250 for family coverage.

Therefore, your maximum annual Health Savings Account contribution for 2012 will be:

- \$3,100 per year if you have individual coverage, or
- \$6,250 per year if you have family coverage.

If you are age 55 or above, the additional amounts for both individual and family coverage is \$1,000.

If you establish a Health Savings Account after January 1 or change your coverage level under the Marsh & McLennan Companies Consumer Directed Health Plan because of a qualified family status change during the year, your maximum contribution will be prorated based on the number of full months remaining in the calendar year and your level of coverage under the Marsh & McLennan Companies Consumer Directed Health Plan.

If you discontinue your Marsh & McLennan Companies Consumer Directed Health Plan coverage during the year because of a qualified family status change, your before-tax contributions to the Health Savings Account will cease, but you may continue to withdraw from your unused account balance for qualified and non-qualified medical expenses.

Can I contribute to the Health Savings Account while I am being reimbursed by the prior year's traditional Health Care FSA for claims incurred during that Plan's grace period?

You cannot contribute to the Health Savings Account while you are participating in a traditional Health Care Flexible Spending Account, including any grace period under a traditional Health Care Flexible Spending Account—unless you have exhausted your Health Care Flexible Spending Account balance by the end of the prior plan year. If you have exhausted your Health Care Flexible Spending Account balance by the end of the prior year, you may contribute directly to Aetna by sending a personal check directly to Aetna. Contact Aetna for additional details. Keep in mind that you are responsible for keeping track of your contribution limits.

HSA and FSA Rules to Remember

Marsh & McLennan Companies' traditional Health Care Flexible Spending Account has an additional 2½ month grace period following the end of the plan year. The grace period allows you to incur claims between January 1 and March 15 of the following year and be reimbursed from any remaining Health Care Flexible Spending Account balances. However, IRS rules prohibit you from contributing to your Health Savings Account during the traditional Health Care Flexible Spending Account grace period unless you do not have a balance remaining in your traditional Health Care Flexible Spending Account by the end of the prior year.

Example: Let's say you contribute to the traditional Health Care Flexible Spending Account in 2012. You would have an additional 2½ month grace period (until March 15 of the following plan year) to incur eligible expenses under that spending account. If you are still participating in the traditional Health Care Flexible Spending Account during the grace period, your payroll contributions to the Health Savings Account will not begin until the first payroll check after April 1, 2013. If you do not have a balance remaining in your traditional Health Care Flexible Spending Account after December 31, 2012, you can contribute to the Health Savings Account during the grace period by sending a personal check directly to Aetna. Otherwise your Health Savings Account payroll contributions will begin with the first payroll check after April 1, 2013. You are responsible for keeping track of your contribution limits.

Do I have to contribute a minimum amount?

No, there is no minimum contribution amount.

How often can I make changes to my contribution amount?

You may make changes to your contribution amount any time during the year. All changes made during the year will be effective on the first of the month coincident with or following the date you change your contribution amount.

Does the Company contribute to my Health Savings Account?

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

Who can make contributions to my Health Savings Account?

Anyone. Contributions can be made by others (for example, members of your family) on your behalf, and you can take a tax deduction for those contributions.

Is there any time I can make contributions over the maximum to my Health Savings Account?

In the year you turn age 55 and each year thereafter, assuming you are eligible to contribute to the Health Savings Account, you may make additional “catch up” contributions to your Health Savings Account. The additional amounts for both individual and family coverage is \$1,000.

Note:

- Contributions can be collected through payroll deductions by enrolling online (www.mmcpeoplelink.com) or payments can be made by check and remitted directly to the Health Savings Account Administrator. Your contributions may be taken as a deduction on your tax return.
- Contributions can be made until April 15th of the following year and such contributions will count towards the prior year’s contribution amount. For example, you can make an additional contribution of \$1,000 by April 15, 2013, which will be added to your 2012 contribution amount.
- Your “catch up” contribution will be prorated based on the number of full months that you have coverage under the Marsh & McLennan Companies Consumer Directed Health Plan.

What happens to contributions in my Health Savings Account that I haven’t used at year-end?

Any unused balance in your account at the end of the calendar year will be carried forward to the next calendar year, even if you do not participate in the Marsh & McLennan Companies Consumer Directed Health Plan next year.

Contribution Limits

Who is responsible for keeping track of my contribution limits?

You are responsible. Keep in mind that if your spouse covers (or starts covering) you during the year under a medical plan that is not a HIGH DEDUCTIBLE HEALTH PLAN, then you may not contribute for the period beginning when your spousal coverage started.

What happens if I contribute more than the legally allowed maximum?

You must withdraw contributions to your Health Savings Account that are in excess of the IRS contribution limits. Otherwise, the amount over the legally-allowed maximum will be subject to an excise tax. A pro-rata portion of earnings must be withdrawn also. You must pay income tax on the withdrawn amount, but not the 20% penalty tax. You should consult with a tax professional for information about your personal tax situation.

Mistakes

If you contribute more than the law allows to the Health Savings Account or another Health Savings Account, then it is your responsibility to notify Aetna or the other trustee of the excess contribution and to request the withdrawal of the excess contribution and any net income attributable to the excess. You should consult with a tax professional for information on your personal tax situation.

Contribution Limits If More Than One Health Savings Account

What is my contribution limit if I have more than one Health Savings Account?

Your total contribution limit does not change because all Health Savings Account contributions are aggregated.

How do I coordinate my contribution limit among my Health Savings Accounts?

You can coordinate your contribution limit among your Health Savings Accounts any way you would like. It's your responsibility to make sure that your total contributions don't exceed the total limit on Health Savings Account contributions.

Contribution Limits for Married Couples

My spouse also contributes to a Health Savings Account; is there a limit to how much I can contribute to my Health Savings Account?

How much you can contribute depends on what type of health care coverage you and your spouse have.

What is my maximum contribution if my spouse and I each have family high deductible health plan coverage?

Your maximum contribution is equal to the maximum annual Health Savings Account contribution for family coverage

Health Savings Account contributions (other than catch-up contributions) are divided equally between you and your spouse unless you and your spouse agree on a different division. Thus, you and your spouse can divide the annual Health Savings Account contribution in any way you want, including allocating nothing to one of you.

What is my maximum contribution if my spouse and I each have individual high deductible health plan coverage?

Your maximum contribution is equal to the maximum annual Health Savings Account contribution for individual coverage.

What is my maximum contribution if I have family high deductible health plan coverage and my spouse has individual, non-high deductible health plan coverage?

If you participate in the Marsh & McLennan Companies Consumer Directed Health Plan, you can contribute up to the maximum annual Health Savings Account contribution for family coverage under the Marsh & McLennan Companies Consumer Directed Health Plan. Your spouse may not contribute to a Health Savings Account.

My spouse and I both work for the Company and have family coverage under the Marsh & McLennan Companies Consumer Directed Health Plan; how much can I contribute to the Health Savings Account?

Your combined contributions cannot exceed the maximum annual Health Savings Account contribution for family coverage.

Health Savings Account contributions for family coverage (other than catch-up contributions) are divided equally between you and your spouse unless you and your spouse agree on a different division. Thus, you and your spouse can divide the annual Health Savings Account contributions in any way you want, including allocating nothing to one of you.

You cannot receive tax-free withdrawals for the same claim from both your and your spouse's accounts.

Investment Options

Are investment options available?

Yes, investment options are available to those with account balances equal to or in excess of \$2,000.

How do I learn more about available investment options?

To learn about available investment options, go to www.aetna.com/docfind/custom/mmc.

When Contributions Start

When will my Health Savings Account before-tax contributions start?

Your before-tax Health Savings Account contributions will start on:

- the first of the month coincident with or following your eligibility date as long as you are actively employed. Your contributions will be prorated based on the number of full months remaining in the calendar year and your level of coverage under the Marsh & McLennan Companies Consumer Directed Health Plan, or
- January 1 if you enroll during ANNUAL ENROLLMENT (delayed until the first pay check after April 1 if you participated in a traditional Health Care Flexible Spending Account in the prior year).

Contributions do not continue automatically from PLAN YEAR to plan year; you have to enroll during the annual enrollment period to contribute to your Health Savings Account each year.

For expenses incurred before your account is established withdrawals cannot be made on a tax-free basis.

When are contributions deposited in my account?

Your contributions will be deducted from each paycheck (beginning on the first of the month) you receive and deposited into your account.

You may make after-tax contributions directly to the Health Savings Account Administrator if:

- your contributions have been prorated because you established a Health Savings Account during the year and you were otherwise eligible to make Health Savings Account contributions in the months prior to establishing your Health Savings Account, or
- you are eligible for catch-up contributions.

What happens to my Health Savings Account if I am on a leave of absence?

You may continue to make withdrawals from your Health Savings Account while on a leave of absence. When you return from your leave of absence, your contributions will be adjusted automatically so that you reach your annual contribution amount.

If you take an authorized unpaid leave of absence that is covered under the Family and Medical Leave Act, you may elect to continue your before-tax contributions to your account by prepaying them for the period of the leave through the current plan year (otherwise, your contributions will be adjusted automatically when you return from leave so that you reach your annual contribution amount.) To prepay before-tax contributions, you must authorize a lump-sum payroll deduction prior to the start of the leave.

When Contributions End

When do contributions to my Health Savings Account end?

Your before-tax contributions end on the first of the following to occur:

- the date you no longer meet the eligibility requirements
- the date you terminate employment
- the date of your death
- the date the Plan is terminated.

You can make contributions to your Health Savings Account on an after-tax basis directly to the Health Savings Account Administrator as long as you meet the tax requirements to contribute to a Health Savings Account.

Upon termination, do I have to pay a fee to participate in this plan?

A monthly administrative charge of \$3.75 is assessed to terminated employees to cover the cost of administering the Plan.

How do I pay the monthly administrative fee?

The \$3.75 monthly administrative fee is automatically deducted from your Health Savings Account.

What happens when I become covered by Medicare?

If you become covered by Medicare Part A, you are no longer eligible to contribute to the Health Savings Account.

Do I forfeit any money in my Health Savings Account when I terminate my employment with the Company?

Amounts contributed to your Health Savings Account belong to you. Health Savings Account balances are non-forfeitable and are always fully vested.

If I terminate my employment with the Company can I continue making contributions to the Health Savings Account if I am on COBRA?

As long as you elect COBRA coverage for your Marsh & McLennan Companies Consumer Directed Health Plan or have other HIGH DEDUCTIBLE HEALTH PLAN coverage and meet the other tax requirements to contribute to the Health Savings Account, you can make contributions to your Health Savings Account on an after-tax basis directly to the Health Savings Account Administrator.

Transferring Accounts

Can I transfer my account to another Health Savings Account administrator?

You can transfer your Health Savings Account to another Health Savings Account Administrator in one of two ways:

- Take a distribution by check and transfer your account within 60 days after the date you received the distribution. You are permitted one distribution during a one-year period.
- Transfer your account from trustee-to-trustee. There is no limit on the number of times you can request a trustee-to-trustee transfer.

Note, though, that contributions deducted from your paycheck are remitted to the Health Savings Account Administrator chosen by the Company to administer Health Savings Account accounts. Your contributions will not be remitted to another Health Savings Account administrator if you choose to transfer your account.

Can my account be transferred upon my divorce or separation?

Yes.

In the event of my death, what will happen to my Health Savings Account?

In the event of your death, your designated beneficiary will receive your account. The tax treatment depends on who you've designated as your beneficiary. For example, if you designate your spouse as your beneficiary, your spouse becomes the owner of the Health Savings Account and the transfer is not subject to taxation. If your designated beneficiary is anyone else, your account ceases to be a Health Savings Account and your beneficiary will receive the fair market value of the Health Savings Account assets as of the date of death as taxable income. Unless your beneficiary is your estate, the taxable amount is reduced by any payments from your Health Savings Account made for your qualified medical expenses, if made within one year after death. You should consider talking to a professional tax advisor before you designate a beneficiary.

You can obtain an Aetna HSA Beneficiary Designation Form by going online to PeopleLink (www.mmcpoplelink.com). Select the **Health** tab and under **Spending Accounts**, click **Health Savings Account**. Then go to **Forms and Documents** in the right navigation bar and select **Beneficiary Forms**.

Taxes

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

Does the additional 20% tax apply to my Health Savings Account withdrawals for nonqualified medical expenses if I am disabled?

No. The 20% additional tax generally applies if a withdrawal is not used for qualified medical expenses does not apply when you are disabled. However, the amount of the withdrawal will be included in your taxable income and subject to federal, state and local taxes as applicable.

Does the additional 20% tax apply to my Health Savings Account withdrawals for nonqualified medical expenses if I am age 65 or over?

No. The 20% additional tax generally applies if a withdrawal is not used for qualified medical expenses does not apply when you are at least age 65. However, the amount of the withdrawal will be included in your taxable income and subject to federal, state and local taxes as applicable.

Can I deduct my before-tax contributions to my Health Savings Account on my tax return?

No, only after-tax contributions to the Health Savings Account may be deducted on your income tax return. You did not pay tax on the before-tax payroll contributions so you can not take a deduction for them.

Can I claim my expenses paid by the Health Savings Account as a deduction on my tax return?

No. If you receive tax-free withdrawals from the Health Savings Account, you cannot claim those expenses as a deduction on your federal income tax return.

Retirees

Administrative Fees for Retirees

As a retiree, do I have to pay a fee to participate in this plan?

A monthly administrative charge of \$3.75 is assessed to retirees to cover the cost of administering the Plan.

How do I pay the monthly administrative fee?

The \$3.75 monthly administrative fee is automatically deducted from your Health Savings Account.

How the Account Works

You contribute to your account through payroll deductions on a before-tax basis. You can make a tax-free withdrawal up to the balance available in your account to cover qualified medical expenses.

You may also use your account to pay for non-qualified medical expenses, although withdrawals for such expenses are subject to federal, state, and local taxes, as applicable, and in most cases a penalty tax.

Any unused balance in your account at year-end is carried forward to the next calendar year, even if you do not participate in the Marsh & McLennan Companies Consumer Directed Health Plan next year.

Important Information about Health Savings Accounts

Health Savings Accounts (HSAs) were created by the Medicare bill signed by President Bush on December 8, 2003 and are designed to help individuals save for qualified medical and retiree health expenses on a tax-free basis.

You must meet certain tax requirements to establish and contribute to the Health Savings Account. Below is a general summary of some Health Savings Account features.

- Anyone who is covered by a high deductible health plan (as defined in Internal Revenue Code Section 223) may establish a Health Savings Account.
- Amounts contributed to the Health Savings Account belong to you and are completely portable. Although you cannot roll the Health Savings Account funds over into an IRA, you can roll the Health Savings Account funds into another Health Savings Account.
- Every year the money not spent would stay in the Health Savings Account and earn interest tax-free, just like an IRA.
- Unused amounts in the Health Savings Account remain available for later years (unlike amounts in Flexible Spending Accounts that are forfeited if not used by the end of the year).
- Funds can be withdrawn from the Health Savings Account for either qualified medical or other expenses. If the amount withdrawn is used for qualified medical expenses, then the withdrawal is tax free. If the amount withdrawn is used for expenses other than qualified medical expenses, the amount withdrawn will be taxed and, for individuals who are not disabled or over age 65, subject to a 20% tax penalty.
- To encourage saving for health expenses after retirement, Health Savings Account owners between age 55 and 65 are allowed to make additional catch-up contributions to their Health Savings Accounts.

- Although Marsh & McLennan Companies is providing you with a vehicle to establish a Health Savings Account, responsibility for meeting all the tax rules is yours. For example, to avoid taxation and possible penalties, it's up to you to make sure that any withdrawal you take from the Health Savings Account is for a qualified medical expense. Neither Marsh & McLennan Companies nor Aetna will monitor your distribution requests for tax compliance—it's up to you to do this and keep necessary tax records.
- Additionally, just like an IRA, it's your responsibility to confirm your eligibility to contribute to a Health Savings Account under the tax rules. For example, if you have other medical coverage (i.e., through your spouse's employer) that is not HIGH DEDUCTIBLE HEALTH PLAN coverage, then you should not establish and contribute to the Health Savings Account made available through Marsh & McLennan Companies. Also, if you have another Health Savings Account, you will have to make sure that your total contributions do not exceed the IRS limits.
- Before making any decision, you should carefully consider whether or not you want to establish a Health Savings Account (assuming you are eligible to do so) and, if so, whether you want to use the Health Savings Account product that Marsh & McLennan Companies is making available or another trustee's Health Savings Account (which might have different features, for example, other investment options).

Note that this Summary Plan Description describes the Health Savings Account that Marsh & McLennan Companies makes available through Aetna, and not the rules that govern Health Savings Accounts generally or Health Savings Accounts available from other trustees. Moreover, it's important that you consult with a financial or tax professional for information about your personal tax situation.

An additional note on tax advice. The tax laws are complicated and often change. None of the information in this Handbook, including this Summary Plan Description, is intended to provide personal tax advice to any employee, terminated participant, beneficiary or alternate payee.

Withdrawals

In general, you may withdraw from your Health Savings Account for qualified medical expenses on a tax-free basis for yourself as the employee covered by a high deductible health plan, your spouse (even if he or she is not covered by a high deductible health plan), and your qualifying family members (even if not covered by a high deductible health plan).

Withdrawals for services and items other than qualified medical expenses are subject to federal, state, and local taxes, as applicable, and an additional 20% penalty unless the withdrawal occurs after you reach age 65, are disabled or die.

For guidelines on qualified medical expenses under Internal Revenue Code Section 213, see IRS PUBLICATION 502. However, some items listed in this publication are not reimbursable under the Health Savings Account (e.g. premiums, except for certain premiums at age 65 or older). For Health Savings Account specific requirements under

IRC Section 223, see IRS Publication 969. IRS publications are available at www.irs.gov or by calling the IRS at +1 800 829 3676. You may also check with the Health Savings Account Administrator if you have questions about reimbursable expenses.

Who are my qualifying family members?

According to the IRS, a qualifying family member includes any person who qualifies for tax-free health plan benefits, including any of the following individuals:

- Your opposite-sex spouse
- A person for whom you can claim an exemption on your federal taxes
- A person who meets all of the following criteria:
 - Is your child (by birth or adoption), stepchild or foster child; your sibling or, step-sibling; or the descendant of your child, stepchild, foster child or sibling
 - Lives with you for more than half the year
 - Doesn't provide more than half his or her own support for the year
 - Is a dependent child under the age of 26 (this provision applies even if he/she is married, has access to coverage through his or her employer, attends school full-time or doesn't live with you, and is not your tax dependent)
 - Is either a US citizen, national, or resident; a resident of Canada or Mexico; or a child being adopted by a US citizen or national who shares that individual's home as a member of the household
- Another person (e.g., relative, domestic partner, same-sex spouse) who meets all of the following criteria:
 - Receives more than half of his or her support from you during the calendar year
 - Can't be claimed as anyone's "qualifying child" dependent
 - Is your relative or, if the person is not your relative, he or she must live with you for the entire calendar year as a member of your household (except for temporary reasons such as vacation, military service or education) and the relationship cannot be in violation of local law
 - Is either a US citizen, national, or resident; a resident of Canada or Mexico; or a child being adopted by a US citizen or national who shares that individual's home as a member of the household

You can be reimbursed for eligible expenses for you, your spouse or your qualifying family members.

Unless your approved domestic partner or his or her children qualify for tax-free health plan benefits (as described above), the federal government does not permit you to use

health care flexible spending accounts for eligible expenses incurred by your approved domestic partner or his or her children.

Can I use my HSA contributions for a non-tax qualified dependent under the new health plan eligibility rules?

No. Under the new rules, health plans must cover adult dependents until they reach age 26, but the tax law did not change. If you have a dependent adult who is not a dependent for tax purposes, you will pay a 20% penalty *plus* taxes if you use the before-tax dollars from your HSA to pay health expenses for your older covered dependent.

Contact Aetna (the Health Savings Account Administrator) or a tax advisor if you have questions about tax dependents and the rules that apply to older dependents.

Do I need to file a claim for qualified Health Savings Account expenses?

No. You pay for qualified expenses using your Aetna Health Savings Account Visa Debit Card or Aetna Health Savings Account check.

Although you do not file a claim when using the Aetna Health Savings Account Visa Debit Card or Aetna Health Savings Account check, be sure to keep records (for example, receipts) so that you can prove to the IRS that the withdrawals are for qualified medical expenses that were not otherwise reimbursed.

How do I pay for qualified expenses?

You pay for qualified expenses using your Aetna Health Savings Account Visa Debit Card or Aetna Health Savings Account checks.

The Aetna Health Savings Account Visa Debit Card is accepted at point-of-sale locations that offer access to NYCE® Pulse® and Interlink® networks and wherever Visa® debit cards are accepted.

You must elect to receive Aetna Health Savings Account checks (checking fees may apply) if you would like to pay for qualified expenses via Aetna Health Savings Account checks.

How do I pay for my qualified medical expenses if I forgot my Aetna Health Savings Account Visa Debit Card?

If you forgot your Aetna Health Savings Account Visa Debit Card, pay for your qualified medical expenses as you normally would (using a credit card, or a personal check or cash). Then reimburse yourself for the out of pocket qualified medical expense by withdrawing cash with your Aetna Health Savings Account Visa Debit Card at a select ATM (ATMs that display Chase, Bank One, NYCE, VISA, Cirrus, INTERLINK or Pulse logos may be used). This transaction is considered a withdrawal from your Health Savings Account.

Note: If using any ATMs other than Chase or Bank One, you will incur an ATM withdrawal fee. In addition, most ATM operators will also assess a “service fee” (typically between \$0.50 and \$2.00) for use of their ATM machine.

Be sure to keep records (for example, receipts) so that you can prove to the IRS that the withdrawals are for qualified medical expenses that were not otherwise reimbursed.

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

You can make a purchase or a withdrawal up to the amount you have in your account. If your expenses exceed your account balance, your Aetna Health Savings Account Debit Card purchase will be denied and applicable fees will be assessed. You may make another purchase or withdrawal when there is enough in your account to pay it.

How do I pay for doctor’s visits?

Once your medical claim has been processed through the insurance company, the doctor’s office will send you a bill requesting payment for the difference between the billed charges and the amount covered by the medical plan. Write your Aetna Health Savings Account Visa Debit Card number on the doctor’s bill and submit for payment or use an Aetna Health Savings Account check.

Can I withdraw funds before I pay my provider?

Yes, you may request a withdrawal via your Aetna Health Savings Account Visa Debit Card or your Aetna Health Savings Account check for qualified medical expenses that are incurred 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 actually billed or pay for the service.

Be sure to keep records (for example, receipts) so that you can prove to the IRS that the withdrawals are for qualified medical expenses that were not otherwise reimbursed.

Aetna Health Savings Account Visa Debit Card

How do I use the Aetna Health Savings Account Visa Debit Card to make a purchase?

At the point of purchase:

- Present your card for payment or swipe your card through the point-of-sale (POS) machine.
- Choose credit (if you choose credit, your purchase amount will be subtracted from your Health Savings Account balance and you will be asked to sign a purchase receipt) or debit (if you choose debit, you will be asked to enter your four-digit Personal Identification Number, and your purchase amount will be subtracted from your Health Savings Account balance).

Account maintenance or transaction fees may apply.

Can I use the Aetna Health Savings Account Visa Debit Card to make purchases over the telephone or Internet?

Yes, you can use your Aetna Health Savings Account Visa Debit Card to make purchases over the telephone or Internet by providing your card number and expiration date.

Are there any banking fees associated with the Aetna Health Savings Account Visa Debit Card and how are they paid?

Yes, there are banking fees associated with the Aetna Health Savings Account Visa Debit Card. The applicable fees are deducted automatically from your Health Savings Account. See the “Aetna HealthFund® Health Savings Account Fees” at www.aetna.com/docfind/custom/mmc for a schedule of applicable fees.

How do I request Aetna Health Savings Account checks?

You may elect Aetna Health Savings Account checks (checking fees may apply) by completing the Additional Health Savings Account Options Election Form.

Is there a daily withdrawal limit?

As long as you have the amount available in your account, the daily amount you can withdraw through purchase (payment to provider for qualified medical service) using your Aetna Health Savings Account Visa Debit Card or Aetna Health Savings Account check is \$5,000.

As long as you have the amount available in your account, the daily amount you can withdraw (to pay for out of pocket qualified medical expenses) from the ATM using your Aetna Health Savings Account Visa Debit Card or Aetna Health Savings Account check is \$3,000.

Note: If using any ATMs other than Chase or Bank One, you will incur an ATM withdrawal fee. In addition, most ATM operators will also assess a “service fee” (typically between \$.50 and \$2.00) for use of their ATM machine. Other Aetna Health Savings Account Debit Card or Aetna Health Savings Account check fees may apply.

Withdrawals for services and items other than qualified medical expenses are subject to federal, state, and local taxes, as applicable, and an additional 20% penalty unless the withdrawal occurs after you reach age 65, are disabled or die.

Are there Aetna Health Savings Account Visa Debit Card daily withdrawal limits?

Yes, the Aetna Health Savings Account Visa Debit Card has a daily limit of \$3,000 for ATM withdrawals. ATMs may restrict the amount you can withdraw in a single transaction and you may use the ATM more than once before you reach your Health Savings Account daily limit.

Note: If using any ATMs other than Chase or Bank One, you will incur an ATM withdrawal fee. In addition, most ATM operators will also assess a “service fee” (typically between \$.50 and \$2.00) for use of their ATM machine.

Be sure to keep records (for example, receipts) so that you can prove to the IRS that the withdrawals are for qualified medical expenses that were not otherwise reimbursed.

Withdrawals for services and items other than qualified medical expenses are subject to federal, state, and local taxes, as applicable, and an additional 20% penalty unless the withdrawal occurs after you reach age 65, are disabled or die.

Can I make a tax-free withdrawal for expenses incurred before I established the Health Savings Account?

No. The Health Savings Account can't make tax-free withdrawals for expenses incurred before your account was established. Accounts are established on the first of the month coincident with or following your enrollment as long as you are actively employed

Can I make withdrawals from my Health Savings Account if I do not participate in the Marsh & McLennan Companies Consumer Directed Health Plan?

Yes. Amounts contributed to the Health Savings Account belong to you. Although you cannot contribute to the Health Savings Account unless you participate in the Marsh & McLennan Companies Consumer Directed Health Plan you make withdrawals at any time.

Can I use the Aetna Health Savings Account Visa Debit Card for my domestic partner's medical expenses?

Yes, however, purchases or withdrawals for a domestic partner or his or her children who are not your tax dependents are considered a non-qualified medical expense and subject to federal, state, and local taxes as applicable and in some cases a 20% penalty.

What happens to contributions in my Health Savings Account that I haven't used at year-end?

Any unused balance in your account at calendar year end will be carried forward to the next calendar year, even if you do not participate in the Marsh & McLennan Companies Consumer Directed Health Plan.

Qualified Medical Expenses

Who determines whether the withdrawal is for a qualified medical expense?

You do. You are required both to determine whether withdrawals are used for qualified medical purposes and to report on your annual tax return the amount withdrawn that is used for qualified medical expenses. Neither Marsh & McLennan Companies nor Aetna will monitor this. Be sure to keep records (for example, receipts) so that you can prove to

the IRS that the withdrawals are for qualified medical expenses that were not otherwise reimbursed.

What expenses qualify for withdrawals on a tax-free basis?

The following are examples of expenses that qualify for a tax-free withdrawal from your Health Savings Account in accordance with Internal Revenue Code Sections 213 and 223:

- medical services provided by medical practitioners and that are not reimbursed by another medical plan
- charges for medically necessary services not reimbursed by medical and dental plans, including but not limited to the following:
 - deductibles
 - out-of-pocket expenses
 - coinsurance
 - charges exceeding reasonable and customary amounts
 - charges exceeding plan limits
 - prescription drug charges exceeding the network negotiated price
 - other non-covered charges
 - all medically necessary prescription drugs and certain other prescription drugs permitted by the IRS (e.g., contraceptives and pre-natal vitamins)
 - eye exams, glasses (frames and lenses), contact lenses and solutions for contact lenses
 - dental implants
 - hearing exams, hearing aids
 - cost differences between semi-private and private hospital rooms
 - costs for special medical equipment installed in your home, or for home improvements for purposes of medical care, e.g., ramps, support bars, railings, etc.
 - fees for special schools on the recommendation of a physician, including schools for the mentally impaired, physically disabled or individuals with severe learning disabilities
 - transportation (amounts paid for travel primarily for, and essential to, medical care)

- personal use items if primarily used to prevent or alleviate a physical or mental defect or illness, e.g., wigs, Braille books, hearing aids
- nursing services in hospital, nursing home or your home
- smoking cessation programs
- weight loss programs (if you have a letter from your treating physician indicating medical necessity)
- alternative medicine
- Christian Science practitioners
- long-term care insurance premiums (Note: the tax-free reimbursement cannot exceed the annually adjusted “eligible long-term care premiums” in the Internal Revenue Code. This amount is based on age.)
- COBRA premiums
- Medicare premiums
- health premiums while you are receiving unemployment insurance
- retiree medical plan premiums other than for Medigap insurance.

For guidelines on qualified medical expenses under Internal Revenue Code Section 213, see IRS PUBLICATION 502. However, some items listed in this publication are not reimbursable under the Health Savings Account (e.g. premiums, except for certain premiums at age 65 or older). For Health Savings Account specific requirements under IRC Section 223, see **IRS Publication 969**. IRS publications are available at www.irs.gov or by calling the IRS at +1 800 829 3676. You may also check with the Health Savings Account Administrator if you have questions about reimbursable expenses.

As a Health Savings Account owner, you are responsible for verifying whether funds are appropriately used for qualified medical expenses and for maintaining appropriate records.

You should consult with a tax professional for information about your personal tax situation.

Nonqualified Medical Expenses

The following are examples of expenses that would not qualify for a tax-free withdrawal from your Health Savings Account:

- health plan premiums (contributions to the Company’s health plans are already made on a before-tax basis)

Exceptions: COBRA premiums, Medicare premiums, health premiums while you are receiving unemployment insurance, retiree medical plan premiums other than for

Medigap insurance and certain long term care insurance premium amounts are considered qualified expenses.

- costs you deduct as qualified medical expenses on your federal income tax return
- expenses not eligible to be deducted under federal tax law
- certain over-the-counter non-prescription medicines, such as allergy and cold medications, aspirin and antacids, if they are intended to alleviate or treat personal injuries or sickness
- expenses reimbursed by any other health plan
- health club membership dues
- cosmetic surgery: electrolysis, hair removal or transplants, liposuction, etc.
- vitamins and other dietary supplements, toiletries and cosmetics
- medications purchased merely to maintain you or your family's health
- prescription drugs that are not medically necessary and excluded by the IRS (such as Rogaine)
- cosmetic dental work (including bleaching, bonding and veneers)
- undocumented travel to or from your physician's office or other medical facility
- weight loss programs (unless you have a letter from your treating physician indicating medical necessity)

Account Information

How can I find out how much money is in my account?

To find out how much money is in your account, log in to the Health Savings Account Administrator's web site. If you are not currently registered, go to the Health Savings Account Administrator's web site and follow the instructions for registration. Once you are registered, you will be able to log in and access the "products and programs" section where you will find Health Savings Account information.

A statement showing your account activity, such as contributions, withdrawals and interest accrued, will be issued by the Health Savings Account Administrator twice each year.

What information can I find on my account statement?

You will find the following:

- the dates on which the withdrawals were made
- your balance as of the statement date

- your withdrawals
- your total contributions
- your total interest.

Do I earn interest on the money in my account?

Yes, funds contributed to the Health Savings Account are invested in your account and earn tax-free interest. The interest is posted monthly. The interest rate is subject to change every six months (January 1 and July 1). You will be notified by the Health Savings Account Administrator of any interest rate changes prior to the change going into effect.

Are investment options available?

Yes, investment options are available to those with account balances equal to or in excess of \$2,000.

How do I learn more about available investment options?

To learn about available investment options, go to www.aetna.com/docfind/custom/mmc.

Can I establish a Health Savings Account with a trustee different from the trustee the Company has chosen?

You may establish a Health Savings Account with any trustee you choose. However, the Company will only deduct and remit before-tax contributions for the Health Savings Account it makes available through Aetna.

Can I roll over a Health Savings Account I already own into the Health Savings Account?

Yes. Contact Aetna for instructions.

Can my spouse establish a Health Savings Account?

Yes. Contact Aetna for enrollment instructions.

Glossary

ACTIVELY AT WORK

You are “actively at work” if you are fulfilling your job responsibilities at a Company-approved location on the day coverage is supposed to begin (e.g., you are not out ill or on a leave of absence).

ANNUAL ENROLLMENT

The period of time each year designated by the Company when you may generally enroll in plans and make changes to your benefit elections, if allowed by the plan.

APPROVED SPOUSE AND DOMESTIC PARTNER

Adding a spouse or same gender or opposite gender domestic partner to certain benefits coverage is permitted upon employment or during the Annual Enrollment period for coverage effective the following January 1st if you satisfy the plans' criteria, or immediately upon satisfying the plans' criteria if you previously did not qualify. To obtain spousal or domestic partner coverage, you will need to complete an Affidavit of Eligible Family Membership via PeopleLink (www.mmcpoplelink.com), declaring that:

Spouse / Domestic Partner

- You have already received a marriage license from a U.S. state or local authority, or registered your domestic partnership with a U.S. state or local authority.

Spouse Only

- Although not registered with a U.S. state or local authority, your relationship constitutes a marriage under U.S. state or local law (e.g. common law marriage or a marriage outside the U.S. that is honored under U.S. state or local law).

Domestic Partner Only

- Although not registered with a U.S. state or local authority, your relationship constitutes an eligible domestic partnership. To establish that your relationship constitutes an eligible domestic partnership you and your domestic partner must:
 - be at least 18 years old
 - not be legally married, under federal law, to each other or anyone else or part of another domestic partnership during the previous 12 months
 - currently be in an exclusive, committed relationship with each other that has existed for at least 12 months and is intended to be permanent
 - currently reside together, and have resided together for at least the previous 12 months, and intend to do so permanently
 - have agreed to share responsibility for each other's common welfare and basic financial obligations
 - not be related by blood to a degree of closeness that would prohibit marriage under applicable state law.

Marsh & McLennan Companies reserves the right to require documentary proof of your domestic partnership at any time, for the purpose of determining benefits eligibility. If requested, you must provide documents verifying either the registration of your domestic partnership with a state or local authority or your cohabitation and/or mutual commitment.

Once your Affidavit of Eligible Family Membership is completed and processed, you may cover the dependent child(ren) of your spouse or domestic partner.

Complete your affidavit, via PeopleLink (www.mmcpoplelink.com). Select the **Health** tab and under **Spending Accounts**, click **Health Savings Account**. Then go to **Take Action** in the right navigation bar and select **Enroll, view, change benefits**.

BASE SALARY

Your salary excluding overtime, bonuses, commissions or other extra compensation.

BEFORE-TAX (PRE-TAX) CONTRIBUTIONS

Contributions taken from your paycheck generally before Social Security (FICA and Medicare) and federal unemployment insurance (FUTA) taxes and other applicable federal, state, and other income taxes are withheld.

CLAIMS ADMINISTRATOR/HSA ADMINISTRATOR

Vendor that administers the Plan and processes claims; the vendor's decisions are final and binding.

CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)

A Federal law that lets you and your eligible family members covered by a group health plan extend group health coverage temporarily, at their own expense, at group rates plus an administrative fee, in certain circumstances when their coverage would otherwise end due to a "qualifying event", as defined under COBRA.

A "qualifying event" under COBRA includes loss of coverage as a result of your leaving the Company (other than for gross misconduct); a reduction in hours, your death, divorce or legal separation; your eligibility for Medicare, or a dependent child's loss of dependent status; or, if you are a retiree, loss of coverage due to the Company filing for bankruptcy.

ELIGIBLE MMA EMPLOYEES

As used throughout this document, "MMA Employees" are defined as employees classified on payroll as U.S. regular employees of MMA-Corporate, Insurance Alliance, MMA-Northeast or MMA-Alaska.

ELIGIBLE MARSH & MCLENNAN COMPANIES EMPLOYEES (OTHER THAN MMA)

As used throughout this document, "Marsh & McLennan Companies Employees (other than MMA)" are defined as employees classified on payroll as U.S. regular employees of Marsh & McLennan Companies or any subsidiary or affiliate of Marsh & McLennan Companies (other than MMA and any of its subsidiaries).

HIGH DEDUCTIBLE HEALTH PLAN

A high deductible health plan is a health plan that satisfies certain tax law requirements including having a statutory minimum deductible and a statutory maximum out-of-pocket expense limit.

IRS PUBLICATION 502

Go to www.irs.gov and enter "502" in the "Search" box for more information about IRC Section 213 qualified medical expenses. Note that certain items listed in Publication 502 may not qualify for Health Care Flexible Spending Account reimbursement, such as premiums for dental or vision insurance.

PLAN YEAR

The plan year is January 1.

QUALIFIED FAMILY STATUS CHANGE (STATUS CHANGE, QUALIFIED CHANGE IN FAMILY STATUS)

An event that changes your benefit eligibility. For example, getting married and having a child or your spouse or dependent lose other coverage. You can make certain changes to your before-tax benefit elections that are due to and consistent with the change in family status.

QUALIFIED MEDICAL CHILD SUPPORT ORDER (QMCSO)

A court order, judgment or decree that (1) provides for child support relating to health benefits under a plan with respect to the child of a group health plan participant or requires health benefit coverage of such child in such plan and is ordered under state domestic relations law or (2) is made pursuant to a state medical child support law enacted under Section 1908 of the Social Security Act. A QMCSO is usually issued requiring you to cover your child under your health care plan when a parent receiving post-divorce custody of the child is not an employee.

QUALIFYING EVENT

A “qualifying event” under COBRA includes loss of coverage as a result of your leaving the Company (other than for gross misconduct); a reduction in hours, your death, divorce or legal separation; your eligibility for Medicare, or a dependent child’s loss of dependent status; or, if you are a retiree, loss of coverage due to the Company filing for bankruptcy.

QUALIFYING FAMILY MEMBER(S)

According to the IRS, a qualifying family member includes any person who is your spouse, child, or other person whom you may claim as a dependent on your tax return.

You can make withdrawals for qualified medical expenses for you, your spouse or your eligible family members.

Unless your approved domestic partner or his or her children qualify as your dependents as described in IRS Publication 501, the federal government does not permit you to use HSAs for expenses incurred by your approved domestic partner or his or her children on a tax-free basis.

SOCIAL SECURITY

The Social Security tax is made up of two taxes—one that funds a covered worker’s retirement, disability, and survivor’s benefits, and another that funds Medicare benefits. The combined tax rate is currently 7.65%. Of this amount, 6.2% is allocated to Social Security benefits and 1.45% is allocated to Medicare. For 2003, the maximum amount of earnings subject to Social Security tax is \$87,000. Earnings in excess of that amount are exempt from the 6.2% Social Security tax; however, the 1.45% tax that is allocated for Medicare applies to all earnings, without limitation.

SOCIAL SECURITY BENEFIT

The retirement benefit you receive from the government when you retire, based on your age, the number of years you contributed to Social Security and your Social Security contributions during those years. In order to qualify for Social Security coverage, you must have 40 quarters of Social Security contributions

WAITING PERIOD/ELIMINATION PERIOD

The amount of time you must wait before being able to participate in a plan.