
("The Employer")

**HEALTH SAVINGS ACCOUNT (HSA COMPONENT)
ELECTION FORM AND COMPENSATION REDUCTION AGREEMENT**

EMPLOYEE NAME: _____
(Last) (First) (Middle)

ADDRESS: _____
(Street) (City) (State) (Zip)

SOCIAL SECURITY NUMBER: _____ EMPLOYEE NUMBER: _____

PLAN YEAR: _____ THROUGH: _____

I acknowledge that I have received and read the Summary Plan Description and understand the benefits available to me as well as the other rights and obligations which I have under the Plan.

(Check One)

ELECTION TO RECEIVE FULL COMPENSATION IN CASH: I elect to receive my full compensation in cash for the Plan Year, and NOT to make pre-tax contributions to a Health Savings Account that I designate as otherwise permitted under the Plan.

OR

BENEFIT ELECTION AND COMPENSATION REDUCTION AGREEMENT. I elect to make pre-tax HSA contributions for the Plan Year consistent with the Plan. I agree to reduce my compensation \$ _____ per pay period. The maximum annual HSA contribution amount allowed is based upon the applicable statutory maximum for my HDHP coverage type (single or family). (Note: \$3,100 for single and \$6,250 for family are the statutory maximum amounts for 2012-an additional \$1,000 per year may be contributed, if I am 55 or older.)

I certify that:

1. My participation in pre-tax HSA contributions will be limited to the statutory maximum amount for HSA contributions applicable to the Participating Employee's High Deductible Health Plan (HDHP) coverage option (i.e. single or family) for the calendar year in which the Contribution is made (\$3,100 for single and \$6,250 for family are the statutory maximum amounts for 2012). I may make an additional catch-up Contribution (\$1,000 for 2012 and subsequent years thereafter) if am age 55 or older.

In addition, the maximum annual Contribution will be:

(a) reduced by any matching (or other) Employer Contribution made on the Participating Employee's behalf, if any; and

(b) pro-rated for the number of months in which the Participating Employee is an HSA-Eligible Individual, except that a Participating Employee who becomes an HSA Eligible Individual mid-year and remains HSA eligible as of December 1st of that year may make HSA contributions for the entire calendar year if the Participating Employee remains eligible for HSA contributions for the entire calendar year after the year in which the Participating Employee begins HSA contributions. A Participating Employee who does not satisfy this continuous eligibility rule must pay income tax and a 10% penalty on any excess HSA contributions made.

2. I meet the requirements under Code § 223 to be eligible to contribute to an HSA. For more information about HSA eligibility requirements, see IRS Publication 969.

I agree that my Compensation will be reduced by the amount that I have elected above and will continue until this Agreement is amended or terminated. I also understand that:

- I am not eligible to make HSA contributions during any month in which I do not meet all of the HSA eligibility conditions under Code § 223.
- This reduction will be in addition to any reductions under other benefit programs maintained by the Company.
- The Plan Administrator will forward my HSA contributions to my HSA custodial account, account number: _____ at: _____
_____.
- I cannot participate in a General-Purpose Medical Reimbursement Plan.
- I cannot have health coverage other than coverage under a High Deductible Health Plan, or permitted non High Deductible Health Plan while I am making pre-tax HSA contributions through the Plan.
- My Social Security benefits may be reduced because the tax-free benefits under the Plan reduce the amount of contributions that are made to the Federal Social Security system.
- This election revokes any prior election I have made and may be increased, decreased or revoked at any time during the Plan Year, effective no later than the first day of the calendar month following the date that the change of election form is filed with the Plan Administrator.

Date: _____

Employee's signature

Accepted and agreed to by: _____
Administrator

Date: _____

By: _____