

To All Employees:

We are pleased to announce the introduction of a new employee benefit plan for all employees. It is called a Section 125 Premium Only Plan.

This exciting new Section 125 Premium Only Plan allows you to select additional employee benefits which can be paid for with money that would normally be used to pay taxes.

Current tax laws allow you to pay for certain expenses with untaxed dollars. Those expenses include premiums for group medical insurance, group life insurance, supplemental medical insurance, cancer insurance, and accident insurance.

With our new Section 125 Premium Only Plan, the money that would normally be used to pay taxes on these items would go toward providing you and your family with new benefits which will improve your financial security.

There will be group meetings and/or individual sessions to explain the Plan and the new employee benefits. We will let you know when your meeting is scheduled.

In these times of higher taxes, rising insurance costs, and a changing economic climate, we are pleased to offer you a chance to add valuable new benefits to your insurance program and at the same time, possibly increase your take home pay.

Sincerely,

Company President