

Participant Reference Guide

Welcome to TASC and to the benefits of a Health Savings Account.

We hope you will find the TASC HSA to be an efficient and valuable service. This Guide will walk you through the steps that you need to complete your enrollment into your HSA account, the funds transfer process, change of election rules and procedures, show you how to track your account, and explain how to handle the end of the Plan Year. Please retain this Guide for future reference.

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Welcome

Welcome to TASC's Health Savings Account (HSA)! HSAs are an excellent way to help fund medical expenses. By establishing an HSA, you can deposit funds into your account tax-free via salary contributions to pay for qualified medical expenses. The funds are held in a custodial account until which time a qualified medical expense has been incurred, at which point funds can be withdrawn from the account. Unused balances at the end of the Plan Year are retained in the account and may be carried over to the subsequent Plan Years. In addition, funds in the accounts belong to you and are portable.

Health Savings Accounts Defined

Eligibility

For an individual to be eligible for an HSA, the following requirements must be met.

- You may open an HSA on the first day of the month if you are covered under a high deductible health plan (HDHP).
- You have no other health coverage except for “permitted coverage” (such as accidental, dental or vision coverage).
- You are not enrolled in Medicare.
- You cannot be claimed as a dependent on someone else’s tax return (spouse is excluded).

It is your responsibility to ensure you are enrolled in a high deductible health plan and eligible to participate in the HSA.

A high deductible health plan has an annual deductible for individuals and families.

Please visit our website to view the limits:
<https://www.tasconline.com/hsa-annual-limits>

High Deductible Health Plan

A high deductible health plan has an annual deductible. In addition to the minimum deductible, there is a maximum limit on the amount of out-of-pocket expenses under the health insurance plan. The out-of-pocket expenses include deductibles, co-payments and co-insurance. Premiums are not included. All of the HSA Limits are subject to annual cost of living adjustments. Find annual limits online at www.tasconline.com/hsa-annual-limits.

Contributions and Their Tax Deductibility

Contributions to an HSA are tax deductible up to certain limits. Generally, the maximum annual contribution is the contribution limit based on HDHP coverage. Find annual limits online at www.tasconline.com/hsa-annual-limits.

Your maximum annual contribution is determined by adding together your monthly contribution limits for the year. Your monthly contribution limit is determined on the first day of each month that you are an eligible individual. A monthly

contribution limit is 1/12 of the annual contribution limit based on your health plan coverage (self-only or family) for each month.

If you make an annual contribution in the month of December which totals the entire annual contribution amount, you must remain in the HSA through December 31 of the following year. If you do not continue the HSA, you are subject to taxes and a 20 percent penalty.

Contributions to an HSA may be made by you, your employer or anyone who chooses to contribute on your behalf. All contributions to your HSA are counted towards your annual contribution maximum. If you have two HSAs, the contributions are combined in determining your annual contribution.

Contributions to an HSA may be made until April 15 for the prior calendar year. If you have contribution activity, Health-Care Bank will send you Form 5498-SA in May reporting prior year contributions. Each HSA owner must also report their contributions on Form 8889 when filing the Federal tax return.

The contributions for an HSA through a Section 125 plan are not subject to Federal and State (some states may vary) income tax and FICA. These contributions are made via payroll deduction. Contributions are taken from your payroll on a pre-tax basis and transferred via HSA services to your HSA.

Your maximum annual contribution is determined by adding together your monthly contribution limits for the year. Your monthly contribution limit is determined on the first day of each month that you are an eligible individual.

This is done on your authorization.

Special Rule for Married Individuals: Married individuals with family coverage must divide their annual HSA contribution limit equally between each other, unless they agree upon a different division.

For example, if either spouse has HDHP family coverage, both spouses are treated as having family coverage and their combined maximum contribution limit is the statutory HSA contribution limit for family coverage. When both individuals have self-only coverage the amount is not divided and each individual can contribute the statutory HSA contribution limit

Married individuals with family coverage must divide their annual HSA contribution limit equally between each other, unless they agree upon a different division.

for self-only coverage. (View annual limits online at www.tasconline.com/hsa-annual-limits.)

The catch-up contribution is excluded from this rule and if each spouse is eligible for a catch-up contribution they can each contribute up to \$1,000. The catch-up contribution cannot be combined or divided and must be contributed to the account of the individual eligible for the catch-up contribution.

Your Account Set-up

Your HSA account must be held in a specific bank account with our financial institution partner, HealthCare Bank. Once we have completed processing your account set up, you will be free to contribute and transfer funds to and from your HSA to your personal account, and use your TASC HSA Card to pay for qualified medical expenses.

Participant Online Enrollment Process

Managing your TASC HSA is easy. We have created a website that is available to you 24/7/365. Plus we have Customer Care Representatives at the ready to assist you with any question you may have at 1-800-350-3778, 8:00 am - 5:00 pm, Monday through Friday. The first step and it is very important, is to enroll in your Plan. Until you complete your enrollment you will not be able to access any of your HSA funds.

The screenshot shows the TASC website's login page. It features a header with the TASC logo and a navigation bar. The main content area is divided into two sections: 'Login to your account' and 'New account'. The 'Login to your account' section includes fields for 'Username:' and 'Password:', a 'Login' button, and links for 'Can't login?' and 'New user?'. The 'New account' section includes a 'Code:' field with the value 'TAS-XX0000' and a 'Get Started' button. At the bottom, there is a 'Questions?' section with contact information for Customer Care and a copyright notice for LightHouse1, LLC.

You are able to enroll online during a specified period before the Plan Year start date as well as at any time during the Plan Year. Access the Enrollment site at: <https://tascparticipant.lh1ondemand.com/>. Enter the employer code provided by your employer. If you do not know your employer code, contact TASC at 1-800-350-3778 for assistance.

Online enrollment is a step-by-step process comprised of eight steps: Profile, Dependents (optional), Eligibility, Election, Payments, Beneficiaries, Terms and Conditions, Summary.

The screenshot shows the 'HSA Enrollment: Profile' page. It features a header with the TASC logo and a navigation bar. The main content area is divided into two sections: 'Demographic Information' and 'Contact Information'. The 'Demographic Information' section includes fields for 'First Name', 'Middle Initial', 'Last Name', 'Social Security Number', 'Birth Date', 'Gender', and 'Marital Status'. The 'Contact Information' section includes fields for 'Country', 'Address Line 1', 'Address Line 2', 'City', and 'State'. At the bottom, there is a 'Questions?' section with contact information for Customer Support and a copyright notice for LightHouse1, LLC.

1. Enter your personal information. Fields with a red asterisk (*) are required. Your social security number is required to set up your HSA account. Your email address allows you to receive notifications and other important information quickly. Click Next to continue.

The screenshot shows the 'HSA Enrollment: Dependents' page. It features a header with the TASC logo and a navigation bar. The main content area is divided into two sections: 'Add New Dependent' and 'Questions?'. The 'Add New Dependent' section includes fields for 'First Name', 'Middle Initial', 'Last Name', 'Social Security Number', 'Birth Date', and 'Gender'. At the bottom, there is a 'Questions?' section with contact information for Customer Support and a copyright notice for LightHouse1, LLC.

2. Enter Dependent information (if applicable) and click Add Dependent. The added dependent displays under the MyDependents list. Click Next to continue.
3. Review the HSA Qualifications and then check that you certify that you are eligible for a Health Savings Account. The Qualifying Health Plan Coverage options on this screen vary depending on your plan. Click Next to continue.

The screenshot shows the 'Eligibility' page. It features a header with the TASC logo and a navigation bar. The main content area is divided into two sections: 'Health Savings Account (HSA) Qualification' and 'Questions?'. The 'Health Savings Account (HSA) Qualification' section includes a list of requirements and a checkbox to certify that the user meets the qualifications to open a Health Savings Account. At the bottom, there is a 'Questions?' section with contact information for Customer Support and a copyright notice for LightHouse1, LLC.

- Determine your annual election amount. Enter your payroll deduction per pay period. It is up to you to make sure that your contributions to the HSA do not go beyond the maximum limits. It is also your responsibility to make sure that your withdrawals are for qualified medical expenses to meet tax deductibility requirements. These expenses are defined in Section 213(d) of the Internal Revenue Code. The enrollment software will not accept elections over the IRS limit. Click Next to continue.

- Select your preferred reimbursement method and elect to receive the TASC HSA Card. You may expect your TASC HSA Card within 2-3 weeks after your enrollment is processed. Funds will not be available on the Card until contributions have been received. Click Next to continue.

- If selecting Direct Deposit enter your bank account information. The bank information may pre-populate based on the routing number entered. If not, enter the contact information for your bank. Click Next to continue.

- Select beneficiaries from the Dependents box to pre-fill the information. Click Add Beneficiary. Add a contingent beneficiary by choosing them from the Dependents box or complete the fields, and click Add Beneficiary. Beneficiaries and Share Percentages display and you may update or remove as necessary.

Note: During Enrollment, you must name your spouse as a primary beneficiary if you are married.

You may change this later by submitting a notarized Beneficiary/Spousal Consent Form with your spouse's signature of consent. Click Next to continue.

- Check that you have read and agree with the Designated Representative Agreement, the HSA Custodial Agreement and Disclosure Statement and the Patriot Act Requirement. Click Next to continue.

- Verify your Enrollment Summary information carefully. Click Edit Information in any of the sections to make corrections. Click on Print for a copy or your Enrollment Verification. Click Next to continue your enrollment.

Full Name	SSN	Birth Date	Gender	Full Time Student	Relationship
Adam Anderson	123-23-1123	9/13/1965	Male	No	Spouse
Emma Anderson	111-23-0001	6/1/2010	Female	Yes	Dependent

- The final step is to complete the HSA Account Creation Authorization requesting that an HSA be opened in your name. Click Submit Enrollment. You are enrolled in the TASC HSA.

- Be sure to complete the entire process until you see the Confirmation page or your information will be lost. You have now successfully completed your HSA enrollment!

Once your enrollment is completed, you can update your enrollment at anytime during the open enrollment period from the home page, by clicking Update.

One unique aspect of an HSA is the ability for you to invest some of your savings to increase the value of your account and further save for retirement. You define the amount (above a minimum of \$2,000) to have automatically swept into the investment account.

To set up your investment options click on Investment Details at the bottom of the Home Page. From there you can click on Investment Elections on the left side of your screen. There is plenty of information regarding the investment options and performance to help you choose which investment you wish to place your funds.

You are encouraged to contact an investment expert who is licensed in that field for investment advice. Neither TASC or your employer will offer any investment advice. Choose the investments you wish to participate in by selecting a percentage next to each selection and click on Submit Election Change Request to finalize your investment selections.

You can also choose to have the money swept into a Deposit Account, which works much like a money-market account, where the money is safer and provides for a small interest rate increase.

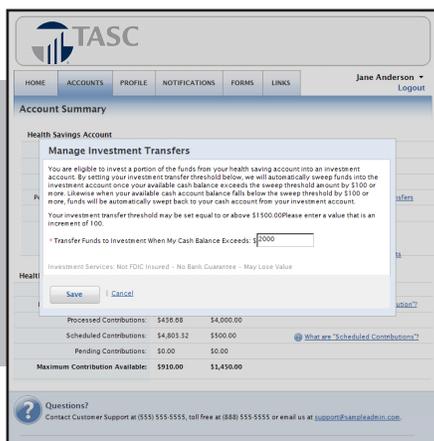
For advice on investments choices, you are advised to contact a licensed investment expert. TASC does not offer investment advice and neither will your employer.

Investment Options

Contribute Funds

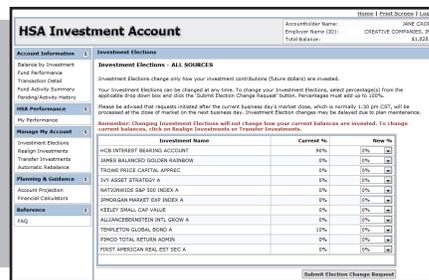
Your employer contributes your elected contribution amount on a per pay period basis, tax free. You may also make after-tax contributions to your HSA from your personal bank account online. You must set up an ACH for transfer of contributions and must have a valid email address entered with TASC. For easy and convenient disbursement of funds from your TASC HSA, you will receive a TASC HSA Debit Card.

Note: The Contribute to HSA link only displays when you have a bank account online. You may add or update bank account information. The Contribute HSA Funds page displays the IRS Maximum Contribution Detail to determine how much you can contribute.



To contribute funds:

1. Select Apply Contribution to Tax Year. You may make a contribution between January 1 and April 15 to the prior tax year.
2. Enter Contribution Amount.
3. Enter Notes. (Optional)
4. Select the checkbox, I have read, understand and agree to the information and terms above.
5. Click Add Contribution.
6. After you add a contribution, the HSA Cash Account Details page appears where a confirmation displays.



Withdraw Funds-Distributions

The money in your TASC HSA accumulates on a tax-deferred basis. Withdrawals for qualified medical expenses are not taxable. Withdrawals for reasons other than qualified medical expenses prior to age 65 are taxable and subject to a 20 percent penalty. Upon death, disability, age 65 or upon Medicare eligibility, funds can be withdrawn for non-medical reasons without penalty, but the distributions will be subject to income taxes. In January, HealthCare Bank will send a 1099-SA to any account holder with distribution activity for the prior Plan Year.

You can request distribution any time a qualified expense has been incurred. Distributions will be made at your direction. You must acknowledge that withdrawals that are not qualified medical expenses are taxable and will be subject to penalty taxes in certain circumstances. In the event of death, the account will be distributed to your beneficiary. When a qualified expense is incurred, you can request a distribution using one of the available options (TASC HSA Card or online distribution request) and then use said funds to pay for the expense. Funds remain available to you and cannot be forfeited. There are two simple distribution options.

Contributions and Distributions

Option 1: TASC HSA Card

As a feature of your TASC HSA you will be issued a TASC HSA Card to facilitate the payment of eligible HSA expenses. The TASC HSA Card looks like a typical debit card, but is used as a credit card for eligible medical expenses, based on the funds available in your benefits account. Rather than paying out-of-pocket and waiting to be reimbursed, the TASC HSA Card allows you to pay for eligible expenses when the service is provided (or when an eligible product is purchased). Card purchases are limited to the Plan types elected, and also to merchants with an inventory information approval system (IIAS) in place to identify HSA-eligible purchases.



When using your TASC HSA Card, the amount of the expense is automatically deducted from your Plan's balance and paid directly to the authorized provider at the point of purchase. It is your responsibility to make sure your withdrawals are for qualified medical expenses to meet tax deductibility requirements as defined under Section 213(d) of the Internal Revenue Code. Remember to save your receipts and retain with your individual tax return documentation.

Option 2: Online

To request a distribution, logon to the TASC HSA website and click on the Account tab and then scroll down to Request HSA Distribution. The Distribute HSA Funds page displays the account summary in the first section of the page. You may only request a distribution for the balance of your account; the system will display an edit if the request is greater than the available balance. If funds in the account are insufficient, only the balance in that particular account will be issued. The outstanding balance of the distribution request will not be reimbursed. An additional distribution request must be submitted once additional funds are in the account.

To request a distribution or withdrawal from an HSA account click on HSA Distribution and then:

- Payments are automatically set to go to yourself and are disbursed via direct deposit.
- Enter the amount you wish to distribute.
- Schedule whether this is a one-time distribution or select the recurring option and set the start and end dates.
- Enter your online transfer request. (Please note only online transfers are available.)
- Add additional notes (optional).
- Select the checkbox, I have read, understand and agree to the information and terms above, and click Submit. A confirmation page will appear.

Managing Investments

Our online site allows you complete control over your investments. You can view your balance by investment, fund performance, transaction details, fund activity summary, and pending/activity summary. You can manage your investment elections, realign and transfer your investments, and set your investments to automatically adjust the balance. Use the tools to calculate the potential growth of your investments.

To access the investment portal, click View Investment Details and answer the security question.



Account Balance Summary				
Actual Cash Balance:	\$2,000.00	Your actual cash balance reflects pending transactions in transit to/from your HSA account.		
Available Cash Balance:	\$1,085.52	Balance current as of 2/11/2011		

Pending Transactions				
Requested Date	Description	Method	Amount	Cash Balance
2/12/2011	Participant Contribution	Direct Deposit	\$100.00	(pending)
2/1/2011	Reauthorization	Debit Card	(\$14.48)	(pending)

Processed Transactions				
Processed Date	Description	Method	Amount	Cash Balance
1/28/2011	Transfer Cash to Investment	None	(\$218.34)	\$2,000.00
1/28/2011	Payroll Deduction	ETF	\$135.00	\$2,218.34
1/28/2011	Payroll Deduction	ADF	\$33.22	\$2,085.52

You can also access the health expense calculator and Web MD for advice and guidance about your healthcare.

Browser Requirements

Following is a list of the browser software, and the minimum versions required to ensure proper functionality within the HSA Participant website.

Browser Software	Minimum Version Required
Internet Explorer (IE)	IE 6.0
AOL (uses Internet Explorer)	IE 6.0
FireFox	1.2
Netscape Navigator	7.0
Opera	9.1
Safari	1.3.2

Investment Name	Balance	Elective Percent	Portfolio Percent	Units	Price	Cost	Cost %
ALLIANCE/BERNSTEIN INTL GROW	\$0.00	0%	0.0%	0.0000	\$0.17	\$0.00	0.00000000
FIRST AMERICAN REAL EST SEC	\$0.00	0%	0.0%	0.0000	\$18.44	\$0.00	0.00000000
HCB INTEREST BEARING ACCO	\$1,772.15	90%	90.0%	1,772.0000	\$1.00	\$1,772.00	100.00000000
HYV ASSET STRATEGY A	\$0.00	0%	0.0%	0.0000	\$21.15	\$0.00	0.00000000
JAMES BALANCED GOLDEN MAINE	\$0.00	0%	0.0%	0.0000	\$18.82	\$0.00	0.00000000
SPYDRAK MARKET EXP INDEX A	\$0.00	0%	0.0%	0.0000	\$9.27	\$0.00	0.00000000
KOZLEY SMALL CAP VALUE	\$0.00	0%	0.0%	0.0000	\$20.84	\$0.00	0.00000000
NATWOODS S&P 500 INDEX A	\$0.00	0%	0.0%	0.0000	\$9.35	\$0.00	0.00000000
FINCO TOTAL RETURN ASIAN	\$0.00	0%	0.0%	0.0000	\$11.93	\$0.00	0.00000000
TEMPLETON GLOBAL BOND A	\$06.63	10%	2.0%	4.3460	\$13.80	\$57.63	80.00000000

Change of Payroll Contribution Elections

You may change your payroll contribution elections during the Plan Year. Just notify your employer of the change that you wish to make to your election and they will adjust your HSA contribution amount.

Online Resources

There are many online tools to help you manage your Health Savings Account. Please take some time to look around the website and learn about these tools. For example, online you can review your notification history and access any of the forms associated with your Plan that you may need.

In addition, there is link tab on the site that provides access to the latest news about healthcare and consumer driven plans.

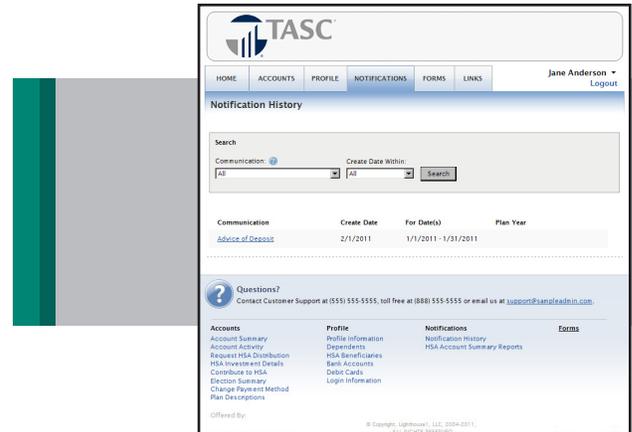
Plan Management & Renewal

Plan Year End

Near the end of the Plan Year you will have the opportunity to re-enroll in TASC HSA Plan. Your employer may change Plan parameters at this time as well. Any balances remaining in your HSA Plan will automatically carry forward to your new Plan Year.

HSA Coordination with a Flexible Spending Account

Only under certain circumstances may an employee establish and fund an HSA in addition to funding a limited purpose health flexible spending account. Both accounts may be funded as long as the benefits being reimbursed through the limited purpose health FSA are limited to benefits or costs not covered by the High Deductible Health Plan (HDHP) itself. For example, if the HDHP does not cover root canals or glasses, the Limited Purpose FSA may be established to reimburse for these expenses.



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