

Your Benefit Keys
1997 Enrollment Guide

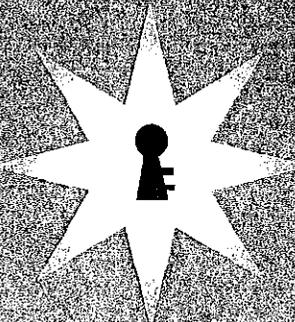




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Introduction: Your Benefit Keys for '97

Welcome to Your Benefit Keys YOUR BENEFITS ENROLLMENT GUIDE FOR 1997. DURING THE ENROLLMENT PROCESS, YOU WILL MAKE SELECTIONS FOR THE COMING YEAR FOR MEDICAL, DENTAL, VISION, SUPPLEMENTAL TERM LIFE INSURANCE AND OPTIONAL ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) COVERAGE AS WELL AS TAX-FREE REIMBURSEMENT ACCOUNTS. ★

EACH FALL, YOU HAVE THE OPPORTUNITY TO REVIEW YOUR SELECTIONS AND MAKE ADJUSTMENTS IN YOUR COVERAGE TO MEET YOUR NEEDS FOR THE FOLLOWING YEAR. *You decide what's best for you and your family* BASED ON PERSONAL CIRCUMSTANCES AND NEEDS. ★ YOUR ENROLLMENT GUIDE IS YOUR KEY TO UNLOCKING INFORMATION ABOUT YOUR BENEFITS AND CHANGES TO THE PLANS FOR 1997. IT'S FILLED WITH CHARTS TO MAKE IT EASY FOR YOU TO DETERMINE THE BENEFIT PROGRAM THAT'S RIGHT FOR YOU. SIMPLY BY TURNING THE PAGES, YOU'LL DISCOVER THAT *Your Benefit Key* HOLD THE ANSWERS TO YOUR BENEFIT QUESTIONS.



Your Enrollment Guide

This enrollment guide summarizes the key benefits available to you in each category:

- * Medical coverage.
- * Vision coverage (if you elect the company group medical plan).
- * Dental coverage (now offered as a separate option from your medical coverage, unless you elect an HMO).
- * Basic employee term life insurance.
- * Supplemental term life insurance.
- * Basic accidental death and dismemberment (AD&D) benefits.
- * Optional accidental death and dismemberment (AD&D) benefits.
- * Reimbursement accounts.

You'll want to carefully consider all your options and their costs before you make any final decisions. You pay for some of your benefit coverages through payroll deductions. In addition to the benefits listed above, eligible employees also receive company-paid short-term and long-term disability benefits. You do not have to make an election for this coverage (see your summary plan description booklet for details).

Please note that if you do not complete and submit your enrollment form by the deadline, you will automatically be enrolled for the following:

- * Your current (1996) medical, vision, life and AD&D and disability choices.
- * The new Delta Dental coverage if you are currently enrolled in the company medical plan.
- * No dental coverage if you are not currently enrolled in the company medical plan.
- * No tax-free reimbursement accounts (whether or not you are currently enrolled).

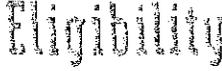


Finally, pay particular attention to the rules and restrictions governing subsequent enrollments. Generally, if you do not enroll in benefits for 1997 and wish to enroll in a subsequent year, you may need to provide evidence of good health or your benefits may be limited based on strict pre-existing condition limitations. This also applies if you did not elect coverage for 1996 and you wish to enroll in 1997. Refer to the sections in this enrollment guide that discuss changing your coverage before you complete your enrollment form.



What's Changing in '97?

1. Beginning in 1997, you may make separate elections for medical and dental coverage. That means you can choose dental coverage whether or not you elect medical, and you can make different elections for your family coverage. However, this does not apply if you elect an HMO, which automatically includes HMO dental coverage. Refer to page 7 for details.
2. Dental benefits have been improved for 1997, and claims will be administered by Delta Dental instead of Alliance Blue Cross Blue Shield. See page 12.
3. For 1997, there will be a new procedure for obtaining benefits under the vision plan. Refer to page 15 for details.
4. You will submit all 1997 claims under the health care and day care reimbursement accounts to a new administrator. See page 27.



If you are a full-time salaried employee, you are eligible for coverage. Permanent part-time employees working a regular schedule of 20 or more hours per week are also eligible for benefits, except disability and the pension plan. Temporary employees are not eligible.

DEPENDENT ELIGIBILITY

You can also obtain coverage for your eligible dependents under the medical, dental, vision and optional AD&D plans. Members of your family who are eligible for coverage include:

- * Your spouse.
- * Your children under age 19.
- * For medical and vision coverage (but not dental coverage), your children ages 19 to 23 if they are full-time students at an accredited school, college or university and depend on you for support (for optional AD&D, students under age 25 are eligible).
- * For medical, vision, and optional AD&D coverage (but not dental coverage), your disabled child regardless of age, provided he or she is incapable of self-support due to a mental or physical disability before the limiting age.

Your married children are not eligible for coverage under the plans. No one may be covered under the plans as both an employee and as a dependent, or as a dependent of more than one employee.

Changes to your coverage may be delayed if you or a dependent is disabled on January 1.

Your Medical, Dental and Vision Keys

During annual enrollment, you choose the medical, dental and vision coverage you need for your family. You may choose from the following:

- * No coverage.
- * Dental only.
- * Medical coverage only (including annual vision examination coverage).
- * Medical and dental coverage (including annual vision exam).
- * Medical and optional vision care coverage (including annual vision exam).
- * Medical, dental and optional vision care coverage (including annual vision exam).



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COVERAGE CATEGORIES

For each benefit you can select coverage for:

- * Yourself only.
- * Yourself plus one dependent.
- * Yourself plus two or more dependents.

There are two important rules to be aware of when deciding whom to cover:

- * To select optional vision coverage, you must also elect medical coverage for the same family members. You cannot select medical coverage for yourself only and vision coverage for your family, or vice versa. For example, if you choose medical coverage for yourself plus one dependent, you may choose optional vision coverage for yourself plus one dependent (the same dependent) or decline optional vision coverage entirely.
- * You make separate choices for medical and dental, meaning you can take single medical and family dental and vice versa. However, to cover a dependent for medical or dental, you must also elect that coverage for yourself.

The cost for coverage varies for each level, and the price for each level is printed on your enrollment form and in the following charts. The medical and vision chart below and the dental chart on the next page show the 1997 monthly contributions for each coverage level for full-time and part-time employees and the company. If you are an employee in the St. Louis office, two health maintenance organization (HMO) plans are available, which will combine your medical and dental coverage into a single plan. You will receive information about the cost of coverage for these plans during the enrollment period.

Before-Tax Monthly Contributions For Medical Coverage

	YOURSELF ONLY	YOURSELF PLUS ONE DEPENDENT	YOURSELF PLUS TWO OR MORE DEPENDENTS
FULL-TIME EMPLOYEES			
Employee Cost	\$22.34	\$44.62	\$66.98
Company Cost	\$126.62	\$252.94	\$379.63
Total	\$148.96	\$297.56	\$446.61
PART-TIME EMPLOYEES			
Employee Cost	\$44.68	\$89.26	\$133.98
Company Cost	\$104.28	\$208.30	\$312.63
Total	\$148.96	\$297.56	\$446.61

*Before-Tax Monthly Contributions For Optional Vision Care Coverage**

	YOURSELF ONLY	YOURSELF PLUS ONE DEPENDENT	YOURSELF PLUS TWO OR MORE DEPENDENTS
Employee Cost**	\$5.90	\$8.58	\$15.40

* You must elect company group medical coverage to obtain vision coverage.

** The company does not contribute toward the cost of optional vision care coverage.

Before-Tax Monthly Contributions For Dental Coverage

	YOURSELF ONLY	YOURSELF PLUS ONE DEPENDENT	YOURSELF PLUS TWO OR MORE DEPENDENTS
FULL-TIME EMPLOYEES			
Employee Cost	\$2.18	\$4.34	\$6.52
Company Cost	\$12.33	\$24.68	\$37.01
Total	\$14.51	\$29.02	\$43.53
PART-TIME EMPLOYEES			
Employee Cost	\$4.34	\$8.70	\$13.06
Company Cost	\$10.17	\$20.32	\$30.47
Total	\$14.51	\$29.02	\$43.53



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If you elect coverage, your contributions will automatically be deducted in equal installments from each paycheck on a before-tax basis. This means you will not have to pay any federal or state taxes on the amount of your salary used to pay your medical, dental or optional vision plan contributions.

You will share in any cost increases or decreases in subsequent years. Also, you will share in the cost of medical coverage when you retire.

1997 Medical Benefits Summary



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	NETWORK	NON-NETWORK*
DEDUCTIBLES YOU PAY		
Annual deductible (individual/family)	\$250/\$500	\$400/\$800
Hospital copayment (per admission)	\$50 **	\$150
Emergency room copayment (if not a true emergency)	\$50	\$50
BENEFITS THE PLAN PAYS AFTER ANNUAL DEDUCTIBLE AND HOSPITAL COPAYMENT		
Inpatient hospital	100%	80%
BENEFITS THE PLAN PAYS AFTER ANNUAL DEDUCTIBLE		
Special outpatient benefits (for same-day surgery, accidents if treated within five days, emergency medical care if admitted to the hospital within 24 hours, or pre-admission testing)	100%	80%
Surgery	100%	80%
Most other medical expenses	80%	60%
ANNUAL OUT-OF-POCKET MAXIMUMS YOU PAY (includes deductible, hospital copayment, coinsurance)		
Annual out-of-pocket maximum (individual/family)	\$1,500/\$3,000	\$2,000/\$4,000
PRESCRIPTION DRUG BENEFITS		
Prescription drugs (plan pays) (no deductible or out-of-pocket maximum)	90% generic; 85% brand-name***	80%*** generic or brand-name

* If emergency services meet the requirements of "urgent or emergency care" as defined by the plan, then the covered charges are treated as if they were from a network provider, whether you go to a network or non-network provider.

** If you or a covered dependent lives outside the network area, benefits will be paid at network rates except the \$150 hospital copayment. Your eligibility records must be adjusted, however, or all claims will be processed as non-network. Contact your local benefits department for information and forms.

*** If you select a brand-name drug when a generic is available and approved by your physician, you will pay the difference in cost in addition to a percentage of the covered charge.

Participating Alliance Blue Cross Blue Shield physicians and hospitals have agreed to accept prenegotiated rates; coverage for other providers is limited to usual and customary expenses. Limitations apply to benefits for mental health services and certain other types of care. Refer to your summary plan description booklet for details.

CHANGING YOUR MEDICAL COVERAGE

The choices you make during the annual enrollment period are effective January 1 and are binding throughout the calendar year. Except in certain cases, you will not be able to enroll, cancel or change your options or your dependent coverage choices until the next annual enrollment period.

The following rules apply to changing your coverage:

During Subsequent Annual Enrollments

- * If you decline coverage now for you and/or your dependents, you may enroll during the next annual enrollment period (for 1998) but you will have no benefits for pre-existing conditions during the first 12 months of your coverage. A pre-existing condition is any condition for which you or a covered dependent received treatment or took prescribed medication during the six months prior to being covered by the plan.
- * You may change to or from an HMO (if available) during any annual enrollment period. If you do, the pre-existing conditions limitation will not apply.

Special Situations (Changes in Family Status)

- * If you need to add a dependent to or drop one from your coverage as a result of a marriage, birth, adoption, divorce, death, loss of other coverage or because a dependent is no longer eligible, you may add or drop that dependent as long as you complete a new enrollment form within 31 days of the event.
- * If you decide not to enroll in the plan because you and/or your dependents have coverage under your spouse's plan, and then you lose that coverage as the result of a death, divorce or change in your spouse's employment, you may enroll in the plan at that time. To do so, you must complete an enrollment form within 31 days of the date the other coverage ends.

Please note that if you change your coverage due to a qualifying change in family status or if you are enrolling when you are first eligible, benefits for pre-existing conditions will be limited. The maximum benefit for pre-existing conditions is \$1,000 during the first 12 months of coverage for eligible dependents (except for adopted children) or, for your coverage, until you have completed six months of active work. In these cases, a pre-existing condition is any condition for which you or a covered dependent received treatment or took prescribed medication during the three months prior to being covered by the plan.



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KEY DENTAL PLAN CHANGES

Here are the key changes that are taking place to the dental plan effective January 1, 1997:

- * Benefits for basic dental care will increase from 50% to 80%. Major care and orthodontia benefits will increase from 50% to 60%.
- * The plan will be administered by Delta Dental, which has unique participating agreements with the majority of dentists across the country. You will receive a new ID card for the dental plan.
- * You will elect dental coverage separately from medical coverage (unless you are enrolled in an HMO).



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Dental Benefits Summary

	PREVENTIVE	BASIC	MAJOR	ORTHODONTIA
Deductible	\$0	\$50 (lifetime)	\$50 (per calendar year)	\$100 (lifetime)
Amount the plan pays	100%*	80%*	60%*	60%*
Maximum benefits	\$750 (per calendar year)			\$1,000 (lifetime)

* Coverage limited to allowable fees charged by the majority of Delta Dental participating dentists.

DELTA DENTAL PARTICIPATING DENTISTS

Your dental benefits are administered by Delta Dental, a nationally recognized provider of dental care programs. Delta Dental has unique "participating agreements" with the majority of dentists in areas where our employees live. These agreements mean that the participating dentist's fee has been accepted in advance by Delta Dental. All you have to do is present your membership card. Participating dentists will then file your claim for you and Delta will pay them directly. You will have to pay only your deductible and your coinsurance percentage for covered services.

A list of participating dentists is available for your review in the Human Resources Department.

NON-PARTICIPATING DENTISTS

If you go to a non-participating dentist, you will still receive benefits, but payment will be based on the fee that the majority of participating dentists would charge for the same service. This is called the "allowable charge." For services from a non-participating dentist, you will pay the difference between the dentist's fee and the allowable charge, in addition to your deductible and a percentage of the allowable charge, as shown on the *Dental Benefits Summary* chart on page 12.

Also, you are responsible for paying the non-participating dentist and filing your own claim. The address for dental claim filing will be shown on your new Delta Dental ID card. Benefits will be paid directly to you, and may not be assigned to the dentist.

To find out how your dentist can join the network call 1-800-392-1167.

Claims for services received before January 1, 1997 must be submitted to Alliance Blue Cross Blue Shield by March 31, 1997.

Example

	DELTA DENTAL PARTICIPATING DENTIST	NON-PARTICIPATING DENTIST
Charge for fillings (basic care)	\$60	\$65
Allowable charge*	\$60	\$55
Plan pays (80% assuming deductible is satisfied)	\$48	\$44
Employee pays (20% plus amount over allowable charge)	\$12	\$21

* Participating Delta Dentists' fees have been accepted in advance. For non-participating dentists, the allowable charge may be lower.

CHANGING YOUR DENTAL COVERAGE

The choices you make during the annual enrollment period are effective January 1 and are binding throughout the calendar year. Except in certain cases, you will not be able to enroll, cancel or change your options or your dependent coverage choices until the next annual enrollment period.

The following rules apply to changing your coverage:

During Subsequent Annual Enrollments

- * If you decline coverage now for you and/or your dependents, you may enroll during the next annual enrollment period (for 1998) but your coverage will be limited to preventive care benefits only during the first 12 months of your coverage.

Special Situations (Changes in Family Status)

- * If you need to add a dependent to or drop one from your coverage as a result of a marriage, birth, adoption, divorce, death, loss of other coverage or because a dependent is no longer eligible, you may add or drop that dependent as long as you complete a new enrollment form within 31 days of the event.
- * If you decide not to enroll in the plan because you and/or your dependents have coverage under your spouse's plan, and then you lose that coverage as the result of a death, divorce or change in your spouse's employment, you may enroll in the plan at that time. To do so, you must complete an enrollment form within 31 days of the date the other coverage ends.

In these situations, there will be no special restrictions on your dental coverage. However, the plan will not cover treatment already in progress on the date your coverage begins.



YOUR VISION CARE OPTIONS

Another valuable benefit for you and your family is vision care. The vision plan is offered through Vision Service Plan (VSP), the nation's oldest and largest provider of vision care services.

Two choices for vision care benefits are available to you:

- * If you elect the company group medical coverage, benefits *for eye examinations only* are automatically provided through VSP for you and each eligible dependent you elect to cover. You pay only a \$10 copayment for each examination (available once every 12 months) from VSP providers. You do not have to make a separate election to receive this benefit.
- * If you elect the company group medical **and** optional vision coverage, your vision care coverage includes services such as eyeglass lenses and frames or contact lenses once every 24 months. If you receive your vision care through participating VSP providers, you pay only a \$15 copayment for eyeglass lenses and frames. If you select optional vision coverage, you must also select medical coverage for the same family members.



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Your vision care election will be binding for 1997. If you choose to drop coverage during this or any future annual enrollment period, you will have to wait two years before you will be allowed to re-enroll in vision care.

When glasses or contacts are prescribed by VSP providers, VSP guarantees the quality of the materials, including fittings and adjustments, to ensure the highest level of care and comfort for you and your family.

Network Care

Effective immediately, VSP has a new method for delivering benefits. Now you can receive quick and direct access to vision care without completing a request card or calling for a benefit form. All you have to do is call a VSP participating doctor for an appointment and identify yourself as a VSP member. You aren't required to complete any up-front paperwork or obtain a benefit form.

If you need assistance in locating a VSP participating doctor, you may call VSP at 1-800-VSP-7195 (877-7195) or talk with your benefits representative.

When you call, the VSP participating doctor will also need to know the covered member's identification number (usually the Social Security number), and the organization that provides your benefits (Peabody). You'll need to have this information on hand.

If you obtain services from a VSP network provider, VSP will pay the provider directly. You pay only a \$10 copayment for each examination or a \$15 copayment for eyeglass lenses and frames (once in any 24-month period). You are responsible for the cost of any additional services such as tints, coated lenses, progressive lenses, etc., or the cost of a frame over the VSP allowance. The majority of frames available are covered. If you purchase elective contact lenses, you pay the amount of the cost in excess of the VSP allowance shown in the summary chart, plus the eye examination copayment.

Non-Network Care

You may obtain vision services from any licensed vision provider, although using non-network providers will affect the claims procedure and the amount of benefits you receive. When you receive your vision care from a non-network provider, you pay the provider's charge at the time of service, and you must file a claim with VSP within six months of the date services were provided. VSP will then reimburse you for the charges (minus the copayments), up to the non-network maximum amount. For example, if you receive an eye examination from a non-network provider who charges \$50, you pay the \$10 copayment plus \$5 (the amount of the remaining charge in excess of the maximum reimbursement of \$35).

When making a claim, the following information should be submitted directly to VSP:

1. Itemized receipts
2. Member's name and address.
3. Member's Social Security number.
4. Member's employer or group name.
5. Patient's name, relationship to member and date of birth.

All of the above information should be submitted to:

Vision Service Plan
P.O. Box 997100
Sacramento, CA 95899-7100



Vision Care Benefits Summary

SERVICE	NETWORK BENEFIT (VSP Providers)	NON-NETWORK BENEFIT (maximum reimbursement)
Eye examination	100%*	\$35*
Eyeglass lenses		
Single-vision	100%**	\$25**
Bifocal	100%**	\$40**
Trifocal	100%**	\$55**
Lenticular	100%**	\$80**
Frames	100%**	\$35**
Contact lenses (instead of eyeglasses)		
Necessary	100%	\$210
Elective	\$105	\$105



Note: Contact lenses are elective when your vision could be corrected with glasses, but you choose contact lenses instead. Necessary contact lenses are those that are the only option for correcting your vision.

* You pay a \$10 copayment.

** You pay a \$15 copayment. The allowances shown for lenses are for a pair of lenses. If only one lens is needed, the allowance will be half the amount for a pair. Benefits for frames are limited to the maximum VSP allowance.

Low-Vision Treatment and Supplies

The plan will also pay benefits for covered services for persons with severe visual problems that can not be corrected with regular lenses. Refer to your VSP brochure for more information about this benefit.

Changing Your Vision Care Coverage

Your election is binding for 1997. You may add or drop dependents from your coverage during the year if you have a change in family status that justifies a change, provided the same change is made to your medical coverage. In addition, you may change your election during the next annual enrollment period. However, if you elect coverage for 1997 and drop this coverage during any annual enrollment period, you will have to wait two years before you can re-enroll in vision coverage.

HOW TO MAKE THE RIGHT CHOICE

Review the medical, dental and vision care options and their monthly costs. Decide whether you want coverage for yourself, yourself plus one dependent or yourself plus two or more dependents.

Consider the expenses you and your family expect and your family's needs in other benefit areas. Then choose the option that's right for you!



Your Employee Term Life Insurance Keys

To help provide your loved ones with financial protection in the event of your death, you have the opportunity to choose from a variety of term life insurance levels.

A "Basic" Employee Term Life Insurance benefit equal to one times your annual basic salary is provided by the company at no cost to you. In addition to this coverage, you can choose "Supplemental" Employee Term Life Insurance Coverage equal to one, two, three or four times your annual basic salary.

Because there is much in common between these two types of term life insurance coverage, these are discussed together in this section.



HOW YOUR BASIC AND SUPPLEMENTAL COVERAGE WORKS

All eligible employees receive a basic term life insurance benefit equal to one times annual basic salary, up to \$1,750,000. The IRS requires that the value of your basic employee term life insurance coverage in excess of \$50,000 be considered taxable income to you.

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In addition to your basic term life insurance benefit, you have the option to purchase supplemental term life insurance coverage.

For purposes of both the basic employee term life insurance plan and the supplemental term life insurance plan, the coverage amount will be based on your current annual basic salary rounded to the next \$100. The coverage amount(s) will automatically be adjusted for salary fluctuations.

If you die, the amount of your term life insurance coverage will be paid to the beneficiary you designate on your enrollment form.

Note: When you retire, your term life insurance amount is reduced to 25% of your annual pay in effect immediately before your retirement. At age 70, this amount is further reduced to a maximum of \$10,000.

YOUR SUPPLEMENTAL TERM LIFE INSURANCE

As you can see from the following chart, supplemental term life insurance options are multiples of your annual basic salary rounded to the next \$100. For example, if your annual basic salary is \$20,000 and you choose option 2 (two times annual basic salary), your supplemental term life insurance benefit is \$40,000, and your basic term life insurance benefit is \$20,000 (for a total coverage amount of \$60,000).



Supplemental Term Life Insurance Coverage Amounts

<i>Option 1</i>	One times annual basic salary
<i>Option 2</i>	Two times annual basic salary
<i>Option 3</i>	Three times annual basic salary
<i>Option 4</i>	Four times annual basic salary

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In no event, however, can your supplemental term life insurance amount exceed \$1 million.

Changing Your Coverage

You may increase your supplemental life coverage by one level (or change from no coverage to option 1) during the annual enrollment period, subject to evidence of good health requirements described in the next section. You can decrease your coverage as many levels as you choose. The choices you make during this enrollment period are effective January 1. However, if you choose to increase your coverage, that coverage may be delayed if you are not actively at work, or if your coverage choice requires evidence of good health.

The only other time you may change your supplemental term life insurance coverage is if you have a change in family status that justifies a change. You must submit the proper change forms within 31 days of the event. At that time, you can decrease your coverage to any level or increase your supplemental term life insurance coverage one level, subject to the rules for evidence of good health.

Evidence of Good Health Requirements

Because employees have a wide variety of coverage choices under the supplemental term life insurance plan, the insurance company restricts the amount of coverage you can choose without having to provide evidence of good health.

Supplemental term life insurance greater than two times your annual basic salary requires evidence of good health if the coverage amount is more than \$250,000. In other words, if your annual basic salary is more than \$125,000, you will be required to provide evidence of good health in order to select a coverage level higher than two times your annual basic salary. If your annual basic salary is less than \$125,000, you will be required to provide evidence of good health only if your coverage amount exceeds \$250,000. Coverage in excess of these limits will not be effective until you complete a health questionnaire and the insurance company approves your application. Your current (1996) coverage amount may already exceed these limits because you previously provided evidence of good health. If so, you will not have to requalify unless you are applying for an increase in your coverage amount. These limits apply only to the supplemental term life insurance plan.



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Smoker versus Non-Smoker Rates

Supplemental term life insurance rates vary by whether or not you smoke. Any time you have gone at least 12 consecutive months without smoking, you are eligible for the lower "Non-Smoker" rates. If you smoke now and elect the "Smoker" rates but later stop smoking, you can change to the "Non-Smoker" rates after you have been smoke-free for 12 months.

How to Make the Right Choice

The rates for supplemental term life insurance are printed on your enrollment form. Your cost will depend on your age (as of January 1), your coverage amount and whether or not you are a smoker. For more information about your life coverage options, including information about coverage for retired and disabled employees, refer to your summary plan description booklet.

Consider your term life insurance needs and your family's needs in other benefit areas. Then choose the option that's right for you!

Your Basic Accidental Death & Dismemberment Keys

The company provides all eligible employees with basic accidental death and dismemberment (AD&D) insurance benefits equal to three times your annual basic salary. This coverage pays a benefit to your beneficiary in the event of your death or to you if you sustain certain types of injuries as the result of an accident.

The company will continue to provide a business travel accident insurance benefit equal to five times your annual basic salary (\$500,000 maximum).

Both basic and optional AD&D coverage terminate at retirement.



Your Optional Accidental Death & Dismemberment Keys

You also may purchase optional accidental death and dismemberment (AD&D) coverage as a supplement to your basic AD&D coverage. This optional AD&D coverage pays a benefit to your beneficiary in the event of your death or to you if you sustain certain types of injuries as the result of an accident. The benefits paid by this optional coverage are in addition to benefits paid by your basic employee term life insurance and your basic AD&D coverage. Optional AD&D coverage must be purchased with after-tax dollars.



OPTIONAL AD&D COVERAGE AMOUNT

You may choose any amount of coverage from \$10,000 to \$500,000, in multiples of \$10,000. However, you may not choose more than \$250,000 if that amount is more than 10 times your annual basic salary. The plan pays all or a portion of your benefit amount if you die or sustain certain types of injuries within 365 days of a covered accident. Covered losses include accidental death or paralysis, loss of hands, feet, speech, hearing or sight. There also are several plan features that provide additional benefits to help you and your family recover from the financial losses these injuries may cause. Refer to your summary plan description booklet for details.

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FAMILY COVERAGE OPTION

You also may choose optional AD&D coverage for your spouse and eligible dependent children. Benefit amounts will depend on the coverage level you choose for yourself and which family members you choose to cover. If you choose to cover your spouse and dependent children, your dependents' coverage amount will equal a percentage of your own amount, as follows:

IF AT THE TIME OF AN ACCIDENT YOUR FAMILY INCLUDES THESE DEPENDENTS:	DEPENDENT'S COVERAGE EQUALS THIS PERCENTAGE OF YOUR COVERAGE:
Spouse and dependent children	55% spouse, 10% each child*
Spouse, no children	60% spouse
Dependent children, no spouse	20% each child*

* The maximum benefit for each child is \$30,000.

COVERAGE AMOUNT AFTER AGE 70

Your optional AD&D coverage amount will be reduced when you or your spouse reach certain ages as explained in your summary plan description booklet. Your premiums will be based on the original coverage amount, before the reduction.



CHANGING YOUR COVERAGE

Generally, the annual enrollment period is the only time you can enroll in or increase optional AD&D coverage. However, you also can begin or increase your coverage, or choose to cover your spouse and dependent children, within 31 days of either of the following events:

- * Your marriage.
- * The birth or adoption of your first child.

In either case, your new coverage will become effective the first of the month following the date you complete and return your enrollment form, provided you do so within 31 days of the event.

If you are not actively at work due to illness or injury on the date your coverage would otherwise begin, your coverage will not be effective until you return to work.

Your Reimbursement Accounts Keys

You have two reimbursement accounts that allow you to pay for many common expenses using untaxed money deducted from your paycheck: the health care reimbursement account and the day care reimbursement account. Enrollment in these accounts is voluntary—you may decide to use one, both or neither. They are separate accounts, although they have many similar features. The IRS requires that you spend this money by the end of the year or lose it. With a little planning, you still can save an amount equal to your tax bracket for many eligible expenses.

HEALTH CARE REIMBURSEMENT ACCOUNT

As you review your health care coverage costs, keep in mind that the tax-free health care reimbursement account can help you reduce your annual health care expenses. Your monthly health plan contributions automatically will be paid with tax-free payroll deductions. However, you can also save taxes on your deductibles and other out-of-pocket expenses by using the health care reimbursement account. Check your summary plan description booklet for more details on which expenses are covered.

Through the health care reimbursement account, you may set aside any amount from \$120 to \$2,400 a year. This money is conveniently deducted from your pay—before it is taxed—in equal installments for each pay period throughout the year and placed in your health care reimbursement account.

DAY CARE REIMBURSEMENT ACCOUNT

You can use the day care reimbursement account to pay the cost of day care for young children or a dependent adult. You decide how much you want to deposit in your account, up to a maximum of \$5,000 per year (if you are married and file separate tax returns, the maximum deposit is \$2,500). The minimum annual deposit is \$120. Check your summary plan description booklet for more details on which expenses are covered. Be sure to compare the tax advantages of the day care reimbursement account and the Federal Child Care Tax Credit. You will need to decide which one provides more tax savings for you. In general, if your combined annual income is more than \$24,000, you will pay less in income and Social Security taxes by using the day care reimbursement account.



Special Rules

While the reimbursement accounts provide a good way for you to reduce your taxes, you should be aware of several rules:

- * You will lose any money that you put into your accounts and do not use by the end of the year. This is an IRS rule. Therefore, you should put aside money only for those expenses that you feel certain you will have in 1997. (Reminder notices are sent to participants each fall showing outstanding balances.)
- * If your family status changes because of a birth, death, marriage, divorce or a spouse losing his or her job, you can enroll, cancel or change your monthly day care deposit subject to the plan rules explained in your summary plan description booklet. Otherwise, according to IRS rules, you can change it only during the annual enrollment period. For the health care reimbursement account, the monthly deposit may be changed only in the event of a dependent's death.
- * Reimbursement under the day care reimbursement account cannot exceed the amount you currently have deposited. Health care reimbursement account claims will be paid as long as they do not exceed the amount of your annual election.
- * The deadline for submitting reimbursement expenses incurred during the current calendar year is March 31 of the following year.
- * You cannot transfer amounts between your accounts, nor can you use funds from one account to pay expenses eligible under the other account or vice versa.
- * Expenses you incur before you become a participant, or after your participation ends, are not eligible.
- * Your salary-related benefits, including your short- and long-term disability, basic and supplemental term life insurance and basic and optional AD&D, are not affected by the reimbursement accounts. These benefits are based on your total, unreduced pay.
- * You cannot fund your monthly health plan or vision plan contributions through a reimbursement account.

Use the worksheets provided with your enrollment materials to help you determine how much to set aside in your reimbursement accounts.

NEW CLAIMS PROCEDURE

You will submit claims for 1997 expenses to W F Corroon, the new reimbursement accounts administrator. You will receive new claim forms and instructions.

Claims for 1996 expenses should be submitted to your benefits representative by March 31, 1997.



Enrollment Basics

Now that you've reviewed all your benefits, you're ready to choose the options that are best for you and your family.

WHAT YOU NEED TO DO NOW

If you want to change your coverage choices for 1997, it's important that you complete an enrollment form during the enrollment period. Your completed enrollment form must be returned to your Human Resources Department no later than November 27, 1996, or if you are a new employee, within 31 days of your eligibility date.

The following table summarizes the steps you need to take depending on your own situation.

YOUR SITUATION	WHAT YOU NEED TO DO
You want to cancel dental coverage for 1997.	Complete an enrollment form. Remember that if you cancel dental coverage, your benefits will be limited if you decide to re-enroll at the next enrollment period. If your enrollment form is not received by November 27, 1996, your current dental coverage will continue in 1997 and the contribution rates shown on the form will apply.
You want to cancel optional vision coverage, or enroll for optional vision coverage for the first time.	Complete an enrollment form. Remember if you cancel your vision coverage, you will have to wait two years to re-enroll.
You want to change your supplemental life insurance or optional AD&D coverage level.	Complete an enrollment form. You may be required to furnish evidence of good health to increase your life insurance to certain levels above your current amount.
You want to add or drop a dependent from your coverage, cancel medical coverage or enroll for medical or dental coverage for the first time.	Complete an enrollment form. Medical benefits may be limited for pre-existing conditions.
You want to participate in the reimbursement accounts for 1997.	Complete an enrollment form indicating the amount you want to deposit for 1997.
You want to keep medical, dental, vision and all other coverage the same for 1997, and you do not want to participate in the reimbursement accounts.	Do nothing. Your current medical, dental, vision, supplemental life insurance, and optional AD&D will continue for 1997 at the rates shown on your enrollment form. (You will not be enrolled for the reimbursement accounts.)

YOUR CHOICES ARE BINDING FOR 1997

The choices you make during the enrollment period are binding for 1997. You will not have another opportunity to enroll, cancel or change your options or your dependent coverage choices until the next annual enrollment in the fall of 1997, with changes effective January 1, 1998, unless you have a change in family status.



This enrollment guide provides highlights of your benefit plans. This is not a complete detailed description. See your summary plan description booklets for more details about the program.

The benefit plans are operated according to the terms of legal documents including insurance contracts and plan documents. If there is a difference between this enrollment guide or the summary plan description booklet and the actual plan documents, the plan documents will govern. This enrollment guide is not a substitute for the official plan documents nor is it an employment contract.

The company reserves the right to amend or terminate the program in whole or in part at any time.

This summary of material modifications is part of your summary plan description and should be kept with your other booklets.