

ABC Company

This is an Explanation of Benefits (EOB)
This is neither a payment, nor a payment advice

Employee Benefit Contact: Sue Jones
Contact Phone Number: (312) 555-5555
Claim Number: 3
Notification Date: February 25, 2011

Ach-Zambrano, Carlos
25 N. Secrest
Chicago, IL 60603

ABC Company Cafeteria Plan
Medical Reimbursement
Plan Year: December 31, 2011
Claim ID: 3

Date Incurred	Amount	SSN	Code	Provider	Status	Payments Made	Deductible Applied	Payments Pending	Amount Approved	Amount Denied
02/01/2011	30.00		Physician		14	30.00	0.00	0.00	30.00	0.00
02/01/2011	50.00		Prescription		14	50.00	0.00	0.00	50.00	0.00
02/05/2011	35.00		Vision		14	35.00	0.00	0.00	35.00	0.00

Status Codes

14) Approved

You may appeal any adverse claim adjudications (if any) by filing a formal, written appeal within 180 days of the date of this notice unless the denial is for insufficient information, in which case you must supply the requested information within 45 days. You may also include written documentation, records, and other information relating to the claim that supports your appeal.

Failure to appeal within the specified time will be considered a failure to exhaust all administrative remedies under the Plan. Additional information about the appeals process is contained in your Summary Plan Description.

In the event that the language concerning the appeals process is different in the SPD than in this Notice, the language of the SPD and Plan Document will supersede the language of this Notice.

If you have any other questions, please do not hesitate to call us.

Plan Administrator

Company: ABC Company
111 Lincoln Street
Chicago, IL 60651

Employee: Carlos Ach-Zambrano
25 N. Secrest
Chicago, IL 60603

Date As Of: 02/24/2011

Plan Year: 01/01/2011 through 12/31/2011

This memo is to keep you informed of the status of your Flexible Spending Account(s). Following is a list of the current and projected account balances for the plan year end 12/31/2011:

Benefit	Annual Election	YTD Deposits	Claims Requested	Claims Approved	Claims Denied	Claims Paid	Account Balance	Amount Available
Dependent Care	3,000.00	500.00	200.00	200.00	0.00	200.00	300.00	300.00
Expenses for this account must be incurred by 12/31/2011, and claims received by the run-out date, 03/30/2012.								
Medical Reimbursement	2,400.00	400.00	115.00	115.00	0.00	115.00	285.00	2,285.00
Expenses for this account must be incurred by 03/15/2012, and claims received by the run-out date, 03/30/2012.								

Please keep in mind that any amounts remaining in your account(s) after the run-out date will be lost.

Note: The projected account balance assumes that pending claims and payments will be paid, and that contributions will continue at the current rate through the end of the plan year.

ILLUSTRATION OF PROPOSED BENEFITS**ABC Company Cafeteria Plan**

Plan Year: 01/01/2011 - 12/31/2011

As Of: 02/24/2011

Debit, Joan

<u>Purchasable Benefits</u>	<u>After Tax</u>	<u>Before Tax</u>
Dependent Care	4,800.00	4,800.00
High Deductible Health Plan	3,600.00	3,600.00
Medical Reimbursement	1,008.00	1,008.00
	<u>9,408.00</u>	<u>9,408.00</u>
	<u>Without Plan</u>	<u>With Plan</u>
Gross (before tax) Annual Income	50,000.00	50,000.00
Standard Deduction For Single Return	3,200.00	3,200.00
Benefits Purchased With Before-Tax Income	0.00	9,408.00
Taxable Income	<u>46,800.00</u>	<u>37,392.00</u>
<u>Estimated Withholding:</u>		
Federal Income Tax	7,795.00	5,443.00
Social Security (FICA)	3,580.20	2,860.49 *
State Income Tax	1,344.00	1,061.76
Total	<u>12,719.20</u>	<u>9,365.25</u>
Net (after tax) Pay	34,080.80	28,026.75
Benefits Purchased With After Tax Income	<u>9,408.00</u>	<u>0.00</u>
Total Spendable Income	<u>24,672.80</u>	<u>28,026.75</u>
Net INCREASE in spendable income		3,353.95

* NOTE: The reduced social security payment would result in an approximate reduction of social security benefits of \$0.52 per month.

All figures used on this proposal are approximate and are for discussion purposes only.