

County of San Joaquin, California

Post Employment Health Reimbursement Plan

Participant Plan Highlights

This is a brief overview of important features of your Plan. More detailed information can be found in your Summary Plan Description or is available by contacting your benefits administrator.

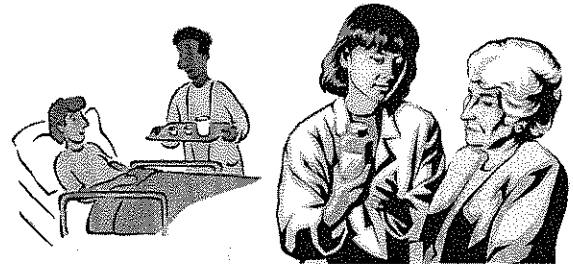
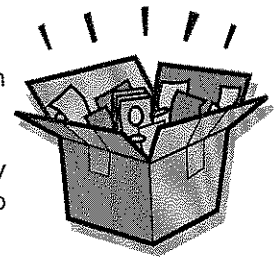
Joining the Plan - You will be eligible to have contributions made on your behalf if you meet the eligibility provisions under the Plan.

Your Contributions to the Plan - You cannot contribute to the Plan.

County Contributions to the Plan - The County will make contributions to the Plan in accordance with the Adoption Agreement.

Types of Benefits Available - Under the Plan, once you terminate employment, for any reason, you will have the option of choosing to receive a distribution from the Plan (tax free) to pay for any of the following expenses that you may have:

- Medical Insurance Premiums
- COBRA Premiums
- Medicare Premiums
- Medicare Supplemental Insurance Premiums
- Long Term Care Insurance Premiums
- Dental Insurance Premiums
- Vision Care Insurance Premiums
- Out-of-pocket expenses to the extent eligible under Code Section 213(d)



Reimbursements - You will still be responsible for the payment of your own bills, we will simply *reimburse you* for your expenses. You must make a claim within 365 days from the date you incur the expense.

Statement of Account—Reporting - You will receive quarterly statements directly from the Hartford, sent directly to your address on file, until such time as you no longer have an account balance in the Plan.

Payments - Payments will be mailed to you at the address we have on file. You will have the opportunity to choose to have a direct ACH deposit at the time of the transfer to your individual account. Reimbursements will be made on the 25th day of each month, providing you have submitted a claim by the 20th of the month.

Forfeiture - Your account balance will not be subject to forfeiture unless you die without a spouse and/or dependent. At such time, the forfeited amount (if any) shall be distributed to the other participants of the Plan on a per capita basis.

Beneficiary - Any amounts remaining in your account at the time of your death will be paid to your spouse or dependent upon his/her proper claim for reimbursement of eligible expenses. Your spouse or dependent(s) will have the same amount of time to spend down the account balance as you would have if you were still alive.

Points of Contact - If you have any questions, you may contact our administrator, EBSC at 940 Industrial Drive South, Suite 111, Sauk Rapids, MN 56379; Phone: 1-800-682-3826; Fax: 1-800-889-3057; or email at Claims@EBSC-online.org.

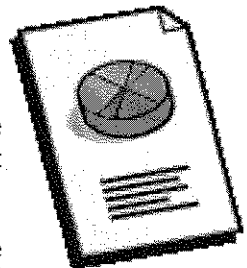


EXHIBIT A
Eligible Health Care Expenses

Attention: This list of Eligible Expenses is applicable to and for use with only the County of San Joaquin, California Retiree Medical Expense and Insurance Premium Reimbursement Plan.

Medical and dental expenses that qualify as expenses for medical care under IRS rules generally qualify as eligible expenses for reimbursement under a Health Reimbursement Arrangement. Those may take the form of co-pays, deductibles, and medical expenses not covered by other insurance. Often expenses that qualify for deductions under IRS rules are eligible expenses, but in some instances expenses that are deductible will not be reimbursable and expenses that are not deductible will be reimbursable.

Some specific examples are identified below. The following is not an exhaustive list and there may be other expenses that are eligible if they satisfy the IRS rules.

Dental & Orthodontic Care

Allowable expenses:

- Dental Treatment
- Artificial teeth/Dentures
- Braces, orthodontic devices

Expenses specifically disallowed by the IRS or courts:

- Teeth whitening
- Toothbrushes and toothpaste, even if special type is recommended by dentist

Therapy Treatments

Allowable expenses:

- X-ray treatments
- Treatment for alcoholism or drug dependency
- Legal sterilization
- Acupuncture
- Vaccinations
- Physical therapy (as a medical treatment)
- Fee to use swimming pool for exercises prescribed by physician to alleviate specific medical condition such as rheumatoid arthritis
- Speech therapy
- Smoking cessation programs and prescribed drugs to alleviate nicotine withdrawal

Expenses specifically disallowed by the IRS or courts:

- Physical treatments unrelated to a specific health problem (e.g., massage for general well being)
- Any illegal treatment
- Cosmetic Surgery
- Treatment for baldness (unless it is for a specific medical condition and not for cosmetic purposes)

Fees/Services

Allowable expenses:

- Physician's fees and hospital services
- Nursing services for care of a specific medical ailment
- Cost of a nurse's room and board if paid by the taxpayer where nurse's services qualify
- The Social Security tax paid with respect to wages of a nurse where nurse's services qualify
- Services of chiropractors
- Christian Science practitioner fees
- Diagnostic tests

Expenses specifically disallowed by the IRS or courts:

- Payments to domestic help, companion, babysitter, chauffeur, etc. who primarily render services of a non-medical nature
- Nursemaids or practical nurses who render general care for healthy infants
- Fees for exercise, athletic, or health club membership when there is no specific health reason for needing membership
- Marriage counseling provided by clergyman

Hearing Expenses

Allowable expenses:

- Hearing aids and hearing aid battery
- Special telephone equipment

Medicine and Drugs

Allowable expenses:

- Medicine and drugs that require a prescription
- Insulin
- Over the counter medicine and drugs when used to alleviate or treat personal injuries or sickness

Expenses specifically disallowed by the IRS or courts:

- Medicine and drugs for personal, general health, or cosmetic purposes
- Dietary supplements if for general health

(including Antacids, antihistamines, aspirin/pain relievers, bandages, cold medicines, acne medicine, etc.)

Medical Equipment

Allowable expenses:

- Blood Sugar test kits
- Wheelchair or autoette (cost of operating/maintaining)
- Crutches (purchased or rented)
- Special mattress & plywood boards prescribed to alleviate arthritis
- Oxygen equipment and oxygen used to relieve breathing problems that result from a medical condition
- Artificial limbs
- Support hose (if medically necessary)
- Wigs (where necessary to mental health of individual who loses hair because of disease)
- Excess cost of orthopedic shoes over cost of ordinary shoes

Expenses specifically disallowed by the IRS or courts:

- Wigs, when not medically necessary for mental health
- Vacuum cleaner purchased by an individual with dust allergy
- Mechanical exercise device not specifically prescribed by physician

Physicals

Allowable expenses:

- Physicals and other well visits
- Immunizations

Expenses specifically disallowed by the IRS or courts:

- Physicals for employment purposes

Vision Care

Allowable expenses:

- Optometrist's or ophthalmologist's fees
- Eyeglasses and prescription sunglasses
- Insurance for replacement or lost or damaged contact lenses
- Contact lens and contact lens solutions
- Laser eye surgery

Assistance for the Handicapped

Allowable expenses:

- Cost of guide for a blind person
- Cost of note-taker for a deaf child in school
- Cost of Braille books and magazines in excess of cost of regular editions
- Seeing eye dog (cost of buying, training and maintaining)
- Household visual alert system for deaf person
- Excess costs of specifically equipping automobile for handicapped person over cost of ordinary automobile; device for lifting handicapped person into automobile
- Special devices, such as tape recorder and typewriter, for a blind person

Psychiatric Care

Allowable expenses:

- Services of psychotherapists, psychiatrists and psychologists

Expenses specifically disallowed by the IRS or courts:

- Psychoanalysis undertaken to satisfy curriculum requirements of a student

Miscellaneous Charges

Allowable expenses:

- X-rays
- Expenses of services connected with donating an organ
- Medically prescribed diet
- The cost of a medically prescribed weight loss program
- Breast reconstructive surgery following mastectomy as part of treatment for cancer
- Contraceptives
- Fertility Treatments
- Medical records charges

Expenses specifically disallowed by the IRS or courts:

- Expenses of divorce when doctor or psychiatrist recommends divorce
- Cost of toiletries, cosmetics, and sundry items (e.g., soap, toothbrushes)
- Cost of special foods taken as a substitute for regular diet, when the special diet is not medically necessary or taxpayer cannot show cost in excess of cost of a normal diet
- Maternity clothes
- Diaper service
- Distilled water purchased to avoid drinking fluoridated County water supply
- Installation of power steering in automobile
- Pajamas purchased to wear in hospital
- Mobile telephone used for personal calls as well as calls to physician
- Union dues for sick benefits for members
- Contributions to state disability funds
- Auto insurance providing medical coverage for all persons injured in or by the taxpayer's automobile, where amounts allocable to taxpayer and dependent is not stated separately
- Long-term care services
- Funeral expenses

Insurance

Allowable expenses:

- Health insurance premiums (including individual and non-employer sponsored coverage and including continuation premiums)
- Long term care insurance premiums

Expenses specifically disallowed by the IRS or courts:

- Premiums paid on a pre-tax basis through an employer's flex plan