



To: All Employees

RE: Flex Spending Program 2012

If you are interested in participating in the pre-tax Health Flex Spending program, the enrollment forms for the year 2012 need to be submitted to the payroll department by **November 19, 2011.**

Remember, with the passage of the new Health Care Reform bills, effective January 1, 2011, drugs and medicines that are available over-the-counter (OTC) will be considered ineligible unless accompanied by a prescription from a physician.

REMINDER to those of you who are currently enrolled in the **2011** plan...if you want to continue participation in 2012, you must fill out a new application form. Don't forget to submit all of your receipts for the 2011 plan year to avoid forfeiture.

If you have any questions or need the application form, please contact Trudy at 303-286-0724 or Emma at 303-286-0734.



Health/Dependent Care Flexible Spending Accounts-FSA Enrollment Form

Employer Use Only	
Re-enrollment	__ New __ Change __
Effective Date	_____
1st Deduction Date	_____
Payroll Mode	W B S M Q
Division Code	_____

I. Personal Information (Please print clearly and provide complete and accurate information.)

Your Employer _____

SSN _____ - _____ - _____ Your Name _____
(Last) (First) (MI)

Address _____ City _____ State _____ Zip _____ - _____

Check if this address is new within last year. Date of Birth ____/____/____ Hire Date ____/____/____

II. Election Information (Please check the appropriate box to indicate if you wish to enroll, or do not wish to enroll, and sign below.)

- Yes, I wish to participate in the flexible spending account plan and authorize payroll reduction from my salary on a pre-tax basis in the amount(s) indicated below, and continuing until this election is amended or terminated or until the Plan Year ends. Employer-sponsored benefit coverage contributions are automatically reduced from my compensation on a pre-tax basis.
- I have been offered the opportunity to enroll in the flexible spending account plan and do not wish to enroll at this time. However, my employer-sponsored benefit coverage contributions are automatically reduced from my compensation on a pre-tax basis.

BENEFIT CHOICES	PER PAY PERIOD AMOUNT	NUMBER OF PAY PERIODS	PLAN YEAR AMOUNT
Health Care Reimbursement Account	\$ _____ . _____	X _____	= \$ _____ . _____
Dependent Day Care Reimbursement Account (If married, this amount is <u>less</u> than my spouse's earned income)	\$ _____ . _____	X _____	= \$ _____ . _____

- I understand that:
- This election can only be changed or revoked during the Plan Year if I have a change in status as defined in the Plan or if I am no longer eligible to participate. The new election must be consistent with my change in status, must be applied for within 30 days of the change, and is subject to final approval by my employer.
 - This election will be automatically changed or cancelled, if necessary, to comply with provisions of the Internal Revenue Code or if required employer-sponsored benefit contributions increase or decrease.
 - The maximum exclusion under a Dependent Care Reimbursement Account for married individuals filing a joint return is \$5,000 per calendar year. Married individuals filing separately will get a lower exclusion (\$2,500 per calendar year). IRS Form 2441 must be filed with my personal income tax return.
 - Any amounts remaining in my reimbursement accounts at the end of the Plan Year will be forfeited.
 - Salary contributed into one reimbursement account cannot be transferred and used for expenses in any other account.
 - A new Enrollment Form must be completed each Plan Year. If I do not complete and return an Enrollment Form during Open Enrollment, I forfeit the opportunity to participate in the Benefit Choices outlined above.
 - Social Security and Medicare taxes are not being withheld on the amount of my salary reduction under this election.
 - The amount of salary reductions may not be claimed on my or my spouse's income tax returns.
 - If my employment terminates, only medical expenses incurred through my period of coverage as defined in the Plan can be considered for reimbursement.
 - I understand all claims submitted for reimbursement are subject to substantiation requirements and I am required to, and agree to, provide documentation as requested.
 - If using the Flex Convenience® Card, I agree to use the card for eligible expenses only and retain all itemized receipts/statements. I agree to read and adhere to the cardholder statement I receive with the card and I understand the card is subject to inactivation if I do not comply with the provisions or upon termination of employment.
 - Any expenses I pay for with the Flex Convenience® Card or for which I claim reimbursement will not have been nor will I seek to have reimbursed elsewhere.

III. Pre-Authorization for Direct Deposit (If you are already enrolled in direct deposit or do not wish to, ignore this section.)

I authorize PayFlex Systems USA, Inc. to initiate a credit and/or debit entry to my account for my PayFlex reimbursements. This agreement is to remain in full effect until written notification is supplied by me to PayFlex terminating this agreement.
A "VOIDED" CHECK MUST ACCOMPANY DIRECT DEPOSIT APPLICATION

Employee Signature _____ Date _____

Annual Notice for 2012
Important Notice regarding
Medical/Dental/Vision Employee Contributions
and Flex Spending Account

TO: Navajo Employees

FROM: Human Resources

It is Navajo's policy to enroll all employees under our 125 Cafeteria Plan, which means your employee contributions for your Medical/Dental/Vision coverage and flex spending account, if you elect it, is taken out of your paycheck on a **pre-tax** basis. This is a great benefit to you to have the portion you pay not taxed. Having your employee contribution pre-tax could save you up to 25% of your deduction depending on your tax status. **However, you must realize that if your insurance contributions are deducted pre-tax, you may not drop your insurances during the calendar year, pursuant to IRS rules.**

If this is agreeable to you, you need not respond. However, if you do **NOT** want your contributions taken out pre-tax, you must sign the below waiver and return it to the Navajo payroll department no later than December 15, 2011. If you have any questions, please feel free to call the Human Resource Department at 303-286-0677.

- I do **NOT** wish to have my employee contribution for medical, dental, and/or vision coverage taken out of my check on a pre-tax basis.

Employee Signature

Date



Important Notice from Navajo Express, Inc. About Your Prescription Drug Coverage and Medicare

Please read this notice, Inc. and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

If neither you nor any of your covered dependents are eligible for or have Medicare, this notice does not apply to you or the dependents, as the case may be. However, you should still keep a copy of this notice in the event you or a dependent should qualify for coverage under Medicare in the future. Please note, however, that later notices might supersede this notice.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Navajo Express, Inc. has determined that the prescription drug coverage offered by the United Health Care ("Plan") is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is considered "creditable" prescription drug coverage. This is important for the reasons described below.

Because your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to enroll in a Medicare drug plan, as long as you later enroll within specific time periods.

Enrolling in Medicare – General Rules

As some background, you can join a Medicare drug plan when you first become eligible for Medicare. If you qualify for Medicare due to age, you may enroll in a Medicare drug plan during a seven-month initial enrollment period. That period begins three months prior to your 65th birthday, includes the month you turn 65, and continues for the ensuing three months. If you qualify for Medicare due to disability or end-stage renal disease, your initial Medicare Part D enrollment period depends on the date your disability or treatment began. For more information you should contact Medicare at the telephone number or web address listed below.

Late Enrollment and the Late Enrollment Penalty

If you decide to *wait* to enroll in a Medicare drug plan you may enroll later, during Medicare Part D's annual enrollment period, which runs each year from October 15th through December 7th. But as a general rule, if you delay your enrollment in Medicare Part D, after first becoming eligible to enroll, you may have to pay a higher premium (a penalty).

If after your initial Medicare Part D enrollment period you go **63 continuous days or longer without "creditable" prescription drug coverage** (that is, prescription drug coverage that's at least as good as Medicare's prescription drug coverage), your monthly Part D premium may go up by at least 1% of the premium you would have paid had you enrolled timely, for every month that you did not have creditable coverage.

For example, if after your Medicare Part D initial enrollment period you go nineteen months without coverage, your premium may be at least 19% higher than the premium you otherwise would have paid. You may have to pay this higher premium for as long as you have Medicare prescription drug coverage. *However, there are some important exceptions to the late enrollment penalty.*

Special Enrollment Period Exceptions to the Late Enrollment Penalty

There are "special enrollment periods" that allow you to add Medicare Part D coverage months or even years after you first became eligible to do so, without a penalty. For example, if after your Medicare Part D initial enrollment period you lose or decide to leave employer-sponsored or union-sponsored health coverage that includes "creditable" prescription drug coverage, you will be eligible to join a Medicare drug plan at that time.

In addition, if you otherwise lose other creditable prescription drug coverage (such as under an individual policy) through no fault of your own, you will be able to join a Medicare drug plan, again without penalty. These special enrollment periods end two months after the month in which your other coverage ends.

Compare Coverage

You should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. See the Plan's summary plan description for a summary of the Plan's prescription drug coverage. If you don't have a copy, you can get one by contacting us at the telephone number or address listed below.

Coordinating Other Coverage with Medicare Part D

Generally speaking, if you decide to join a Medicare drug plan while covered under the Navajo Express, Inc. Plan due to your employment (or someone else's employment, such as a spouse or parent), your coverage under the Navajo Express, Inc. Plan will not be affected. For most persons covered under the Plan, the Plan will pay prescription drug benefits first, and Medicare will determine its payments second. For more information about this issue of what program pays first and what program pays second, see the Plan's summary plan description or contact Medicare at the telephone number or web address listed below.

If you do decide to join a Medicare drug plan and drop your Navajo Express, Inc. prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back. To regain coverage you would have to re-enroll in the Plan, pursuant to the Plan's eligibility and enrollment rules. You should review the Plan's summary plan description to determine if and when you are allowed to add coverage.

For more information about this notice or your current prescription drug coverage...

Contact the person listed below for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Navajo Express, Inc. changes. You also may request a copy.

For more information about your options under Medicare prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and whether or not you are required to pay a higher premium (a penalty).

Date:	October 1, 2011
Name of Entity/Sender:	Navajo Express, Inc.
Contact--Position/Office:	Brenda Schaak, Controller
Address:	1400 W. 64 th Ave., Denver, CO 80221
Phone Number:	303-287-3800

Nothing in this notice gives you or your dependents a right to coverage under the Plan. Your (or your dependents') right to coverage under the Plan is determined solely under the terms of the Plan.