

Pete's  
 1111 Mockingbird Lane  
 Bedrock, IL 60666-1234  
 Products

Richard Avery  
 1430 Apple Dr.  
 Chicago, IL 60632

YOUR  
 STATEMENT  
 OF TOTAL  
 COMPENSATION

January 1, 2007

**Health Plan**  
 You have elected membership in the United HealthFirst Health Maintenance Organization (HMO). This plan provides members with the following benefits:

**Life and AD&D**  
 Pete's Products, Inc. provides group life and accidental death and dismemberment benefits in an amount equal to two times your annual salary, rounded up to the next higher \$1,000.00. The face value of your group life and AD&D policy is \$65,000.00.

**Long-term Disability**  
 Long-term disability benefits are provided to you should you become disabled as a result of an accidental injury or illness. Should you become disabled, these benefits will be paid to you beginning 90 days after the date of your disability. These benefits will be based on your pre-tax salary, rounded up to the next higher \$1,000.00, less state taxes and any monthly benefit amount you are receiving from Social Security, Workers' Compensation or other sponsored benefit programs.

**Section 125 Flex**  
 Your applicable health and dental expenses are paid on a pre-tax basis. The amount of savings to you of between \$1,000.00 and \$3,000.00 per year, depending on your individual tax situation.

**Holidays**  
 Pete's Products, Inc. recognizes 10 paid holidays each year: New Year's Eve, New Year's Day, Good Friday or Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day following Thanksgiving, Christmas Eve, and Christmas Day.

Here is an example of how Flexible Spending Accounts (FSAs) work for an employee earning \$1,000.00 per month:

Health Care FSA	\$100.00 per month
Dependent Care FSA	\$50.00 per month

**Life and AD&D**

**Health Plan**

**Life and AD&D**

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**Long-term Disability**

**Section 125 Flex**

Your applicable health and dental expenses are paid on a pre-tax basis. The amount of savings to you of between \$1,000.00 and \$3,000.00 per year, depending on your individual tax situation.

Here is an example of how Flexible Spending Accounts (FSAs) work for an employee earning \$1,000.00 per month:

Family health care expenses (dollars paid out of pocket for deductible, dental work, eye glasses, etc.)

Dependent care expense (dollars paid out of pocket for day care, summer day camp, etc.)

	TOTAL CONTRIBUTIONS TO FLEX ACCOUNT	
	WITHOUT FLEX ACCOUNT	WITH FLEX ACCOUNT
Gross Monthly Salary	\$1,000.00	\$1,000.00
Deduction To Health Care Account	\$0	(\$100.00)
Deduction To Dependent Care Account	\$1,000.00	(\$300.00)
Net Salary	(\$200.00)	\$600.00
	(\$77.00)	(\$120.00)
		(\$46.00)
		\$434.00
		\$0
		\$0
		\$434.00
		\$111.00
		\$1,332.00

YOUR PERSONAL  
 STATEMENT  
 OF TOTAL  
 COMPENSATION

Amount of eligible health care and dependent care expenses in the plan on the first day of the month. Contact the Human Resources Department for more information on the coverage of this valuable tax-free benefit.