



Summary of Benefit Changes for 2006

The following summary outlines changes effective January 1, 2006, and is a companion piece to the online *Alexander & Baldwin Benefits Handbook*. This notice supercedes any previous communications. The online benefits handbook will be updated to reflect these changes. If you have any questions about this notice, you may contact your local Human Resources representative.

Health Care Benefits	
HMSA Health Plan Hawaii Plus	<ul style="list-style-type: none"> The copayment for physician services is \$12. Physician services include office visits, home visits, standard immunizations, Away from Home Care (urgent care) visits, allergy testing, physical and occupational therapy, outpatient mental health and substance abuse physician visits, outpatient hospital visits and services, and outpatient surgery. The copayment for outpatient x-ray and other radiology is 10% of eligible charges. The copayments for in vitro fertilization are 20% of eligible charges. The copayment for air and ground ambulance is 20% of eligible charges. The copayments for medical equipment, appliances, and supplies are 50% of eligible charges. No copayments are required for genetic testing performed during an office visit.
Kaiser HMO (Hawaii)	There is no longer a two-month calendar year limit for physical, occupational, and speech therapy. (Please note that only short-term therapy is covered if it is necessary to sufficiently restore neurological and/or musculoskeletal function that was lost or impaired due to an illness or injury.)
CIGNA PPO Open Access Plus Plan (PPO OA+ Plan)	<p>CIGNA is replacing its current PPO provider network with the Open Access Plus (OA+) network so that plan participants can benefit from better negotiated discounts when using participating providers. This network will be used for both the CIGNA PPO OA+ Plan and the new Low Option PPO Plan.</p> <p>A&B/Matson now offers an additional preferred provider option (PPO), referred to as the Low Option PPO Plan (OA+ Plan). Plan details are included in the <i>2006 Medical Plan Comparison Charts</i> and the <i>What's New for 2006</i> bulletin, available at www.flexab.com.</p>
Long-Term Disability Plan	
Benefit Maximum	<p>For disabilities starting on January 1, 2006 or after, the maximum amount that can be paid under the plan is as follows:</p> <ul style="list-style-type: none"> Option 1: 50% of your monthly base salary, up to a maximum of \$8,000 (up from \$5,000) Option 2: 60% of your monthly base salary, up to a maximum of \$9,000 (up from \$6,000) Option 3: 70% of your monthly base salary, up to a maximum of \$10,000 (up from \$7,000) <p>Please note that if you become disabled from a pre-existing condition during calendar year 2006, the plan's pre-existing condition exclusion will apply to any increased benefit amounts for that disability. See your A&B Benefits Handbook at www.flexab.com for details about pre-existing conditions.</p>
Transportation Benefit Plan	
Parking Maximum	<ul style="list-style-type: none"> The parking expense reimbursement maximum is increased to \$205 per month. (The IRS announced the increased parking maximum after A&B's 2006 Open Enrollment.) The Transportation Benefit Plan's 30-day claim-filing requirement is eliminated. You may submit your claims for 2006 anytime throughout the year, but no later than March 31, 2007.
Election Change	<ul style="list-style-type: none"> You may change your election three times a year; the change will take effect on the next April 1, July 1, or October 1. To make an election change, you must send or email your request at least 30 days prior to the effective date to: A&B, Properties, and Agribusiness—Paulette M. Haisen at phaisen@abinc.com, or Matson—Lilly C. Lew at llew@matson.com.



Summary of Benefit Changes for 2006 (Continued)

Dependent Eligibility	
Medical, Dental, Vision, Dependent Life, and AD&D	<p>Qualified domestic partners and their children are available for certain benefits under <i>FlexSolutions</i>. To qualify your domestic partner for <i>FlexSolutions</i>, you must sign an Affidavit of Domestic Partnership affirming the following:</p> <ul style="list-style-type: none">▪ You and your domestic partner are both of the same sex; if you live in California, your domestic partner may be of the opposite sex provided one of you is over age 62.▪ You and your domestic partner are age 18 or older and capable of consenting to the domestic partnership.▪ You and your domestic partner are each other's sole domestic partner and intend to remain so indefinitely.▪ Neither of you are married to another person, or in a domestic partnership with someone else that has not been terminated, dissolved, or nullified.▪ You and your domestic partner are not related by blood to a degree of closeness which would prohibit legal marriage in the state in which you reside.▪ You and your domestic partner have resided together in the same residence for at least six months and have been in a relationship for at least 12 months.▪ You and your domestic partner are jointly responsible for each other's basic living expenses incurred during the domestic partnership.▪ You are both registered in your state as domestic partners (or equivalent) if the state has a registry and you provide proof of your domestic partner status.▪ You will notify A&B within 30 days if there is a change in the domestic partnership arrangement attested to in the affidavit. <p>Due to IRS restrictions, the value of the contribution A&B makes toward the cost of your domestic partner coverages will be considered taxable income to you. Also, any contribution you make toward the cost of your domestic partner coverage must be paid for on an after-tax basis. However, these rules will not apply if your domestic partner qualifies as a tax dependent under Section 152 of the Internal Revenue Code and you complete a Domestic Partner Tax Dependency Certificate Form.</p>
Retirement and Investment Programs	
The Individual Deferred Compensation (IDC) Plan	<p>Tax-Deferred Contributions: the most you may contribute on a tax-deferred basis during 2006 is 50% of your base salary, up to a maximum of \$15,000.</p> <p>Catch-Up Contributions: if you are age 50 or older and are contributing at the maximum—50% of your base salary or \$15,000—you may make a separate "catch-up" election of \$5,000 for 2006.</p>

This notice highlights significant changes to A&B's online benefits handbook for the above plans. Additional provisions may also apply in accordance with the terms of each benefit plan.

This bulletin is an employee publication of Alexander & Baldwin, Inc., produced by the A&B Benefits Department. A&B reserves the right to amend or terminate all or any part of its benefits programs at any time. In case of any conflict between the information in this newsletter and the official plan documents, the official plan documents will prevail.