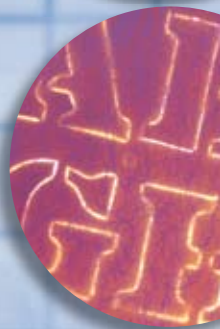
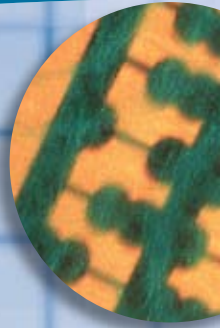


# 2012 FLEXSOLUTIONS ENROLLMENT GUIDE



ALEXANDER & BALDWIN, INC.



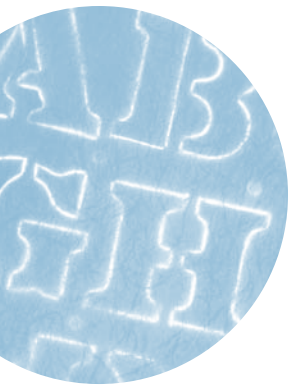
## WHAT'S INSIDE...

FlexSolutions Overview • Benefit Plan Descriptions • Enrollment Instructions

*Helping You Make Your Choices*

Along with this guide, please refer to the *Medical Plan Comparison Chart* and other materials to help you enroll and understand your benefits.

As you are making decisions about coverage or using your benefits during the year, your local Human Resources representative is here to help.



# WELCOME!

## OUR COMMITMENT TO YOU

Alexander & Baldwin, Inc. (“A&B”) is committed to providing an employee benefits program that is equitable, comprehensive, and in line with our industry. Because our employees are at different phases of their lives, A&B also offers more than one choice for many of our benefit plans.

We believe it is important to provide a flexible benefits program that you can tailor as your needs change over time. Each year during Open Enrollment, you have an opportunity to enroll, drop, or change your current year’s elections.

## LEARNING ABOUT YOUR BENEFITS

This guide provides a current overview of *FlexSolutions* (FS), the flexible benefits program for employees of A&B. We encourage you to refer to this guide and the *Medical Plan Comparison Chart*, as well as the *Benefits Handbook*, throughout the year, available online at [www.flexab.com](http://www.flexab.com).

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Note that this guide does not provide complete details on *FlexSolutions* or any of the specific benefit plans. For more information, refer to the *Alexander & Baldwin, Inc. Benefits Handbook*, available online at [www.flexab.com](http://www.flexab.com). If you do not have access to the Internet, you may request a copy of the handbook from your local Human Resources Representative.

# FLEXSOLUTIONS OVERVIEW

## WHO IS ELIGIBLE?

As a regular full-time salaried, non-bargaining U.S. employee—or an employee working in a U.S. territory or possession—you are eligible to enroll in FlexSolutions. You may also enroll your eligible dependents in the medical, dental, vision, accidental death and dismemberment (AD&D), and dependent life insurance plans. Your eligible dependents include your:

- ▶ Legally married spouse (unless you are legally separated or divorced) or qualified domestic partner,
- ▶ Qualified domestic partner, or
- ▶ Children:
  - For medical benefits, your children up to age 26, regardless of student or marital status, are eligible for coverage—as are children of any age who have total and permanent disabilities. They are also eligible for the prescription drug and vision benefits available through the medical plans.
  - For dental benefits, your eligible children must be unmarried and dependent upon you for support—as well as;
    - Under the age of 19;
    - Under age 25, and full-time students if they depend on you for support and are registered as full-time students working toward a degree at an accredited school, college, or university; or
    - Of any age with total and permanent disabilities and dependent mainly on you for care and support. Please note that Dependent Life Insurance coverage cannot be extended due to a disability; a dependent child's life insurance coverage ends when he or she reaches age 25, as applicable.

For newly enrolled dependents, you must provide proof of eligibility, such as a marriage certificate, birth certificate, guardianship or adoption documents. For stepchildren, both a birth certificate and marriage certificate between you and your spouse is required. Contact your Human Resources representative if you have any questions on required documentation.

### *Domestic Partner Requirements*

Domestic partners of enrolled employees are eligible for *FlexSolutions* benefits if:

- ▶ Your partnership is registered with the state of California or is a legal union of two persons of the same sex, other than marriage, that was validly formed in another jurisdiction, if the legal union is substantially equivalent to a domestic partnership registered with the California Secretary of State;
- ▶ Effective January 1, 2012, your civil union has been registered with the state of Hawaii and you are able to present your civil union license as proof of eligibility to enroll your civil partner;

**OR** all of the following apply:

- ▶ 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.

Qualified domestic partners and their children are eligible for coverage under the medical, dental, vision, AD&D, and dependent life insurance plans.

For more information about enrolling a domestic partner, you may request a copy of the "Benefits for Domestic Partners" summary from your local Human Resources office or visit [www.flexab.com](http://www.flexab.com).

- D Neither of you is married to another person, or in a domestic partnership with someone else that has not been terminated, dissolved, or nullified.
- D You and your domestic partner are not related by blood to a degree of closeness that would prohibit legal marriage in the state in which you reside.
- D 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.
- D You and your domestic partner are jointly responsible for each other's basic living expenses incurred during the domestic partnership.
- D You are both registered in your state or municipality as domestic partners (or equivalent) if the state or municipality has a registry and you provide proof of your registration for your civil union (Hawaii). If such a registry is not available, additional proof of domestic partnership will be required.
- D You will notify A&B within 31 days if there is a change in the domestic partnership arrangement attested to in the affidavit.

## YOUR ENROLLMENT OPTIONS

*FlexSolutions* allows you to choose the appropriate coverage category. You may elect medical and dental coverage for:

- D You only,
- D You and your child or children,
- D You and your spouse/domestic partner, or
- D You and your family (spouse/domestic partner plus child or children).

When you enroll in a medical plan, you and your covered dependents automatically receive vision coverage. You may make separate elections for medical/vision and dental coverage. For example, you may elect to cover just yourself and your children in your medical/vision plan, but enroll your entire family in dental coverage. You may also decline medical coverage if you have proof of other coverage. When making this decision, you should carefully consider who in your family needs coverage, along with the tax consequences for covering certain dependents – see the box below. On page 7, you'll find some *Things To Consider* regarding this important decision.

## YOUR FS CREDITS—WHAT A&B PAYS

To help you design your own benefits package, A&B provides you with a variety of benefit choices and *FS Credits*. *FS Credits* are “benefit dollars” that are provided to every eligible employee. You decide how you want to use your *FS Credits*. If you have any credits or benefit dollars left over after you make your benefit elections, the excess credits or benefit dollars will be applied to the Reimbursement Accounts or the Transportation Benefit Plan, if elected; any excess will be noted as flex income on your check stub.

Each benefit option has a price tag based on the plan’s cost. The amount, if any, you contribute toward the cost of your benefits is based on the following:

- ▶ The type of medical and dental plan you elect—a plan with more generous benefits is usually more expensive than one with less generous benefits;
- ▶ How many dependents you choose to cover—if you, your spouse/domestic partner, or your children have coverage elsewhere, you may wish to exclude them from your coverage to lower your out-of-pocket costs; and
- ▶ The amount of disability, life, and AD&D insurance you elect—the cost is based on your age and base salary.

If you completed your online Wellness Assessment before August 31, an extra \$250 will be added to your 2012 FlexSolutions enrollment worksheet. You can use these FlexDollars toward the cost of your 2012 benefits to lower your out-of-pocket costs for the year. If you have any FlexDollars left over after Open Enrollment, you’ll receive them in your take-home pay as taxable income.

### ***Covering Non-Tax Dependents***

Due to Internal Revenue Code (IRC) restrictions, the contribution A&B makes toward the cost of benefits for individuals who are not eligible for tax-free coverage—such as domestic partners, domestic partner children, if eligible under the Plan, and certain children over age 23 who are otherwise eligible for *FlexSolutions* benefits—generally will be treated as taxable income to you. Also, any contribution you make toward the cost of such coverage must be paid for on an after-tax basis. However, these rules will not apply if your domestic partner, partner’s child or your child qualifies for tax-free coverage under the IRC and you certify their tax status by submitting a completed *A&B Domestic Partner Tax Dependency Certificate Form*.

If you can claim a federal tax exemption for your domestic partner or your child, he or she is eligible for tax-free coverage.

However, your partner may be eligible for tax-free coverage in certain other situations. For more information about eligibility for tax-free coverage, refer to IRS Publications 17 and 501, available at [www.irs.gov](http://www.irs.gov), or consult your tax advisor.

Note that the value of the benefits for domestic partners who meet certain state definitions is excluded from applicable state and/or local income and payroll taxes. If that is the case, any imputed income amounts will not be included in the employee’s income for such state and/or local tax purposes. For more information, contact your local Human Resources representative.

## YOUR FLEXSOLUTIONS CHOICES

Your options under *FlexSolutions* include:

MEDICAL COVERAGE	You have a choice of medical plan options for you and your family. Medical coverage automatically includes vision coverage.
DENTAL COVERAGE	You have a choice of plans depending on where you live; this coverage is available for you and your family.
LONG-TERM DISABILITY (LTD) INSURANCE	Three levels of coverage are available for you.
EMPLOYEE LIFE INSURANCE	Seven levels of coverage are available for you.
ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE	Seven levels of coverage are available for you; coverage is provided automatically for your family if you elect this coverage.
BUSINESS TRAVEL ACCIDENT (BTA) INSURANCE	Provided automatically for all employees at no cost to you.
DEPENDENT LIFE INSURANCE	You may choose from two levels of coverage for your spouse/domestic partner and one level of coverage for your children.
HEALTH CARE AND DEPENDENT CARE REIMBURSEMENT ACCOUNTS	Tax-advantaged ways to pay for common types of health care and dependent day care expenses.
TRANSPORTATION BENEFIT PLAN	Tax-advantaged ways to pay for your parking and commuting expenses.

### *FS Credits: Breaking it Down*

A&B provides enough *FS Credits* (benefit dollars) to pay approximately:

- ▶ 75%-95% of health care coverage for you (medical and dental at the 65% Option 2 benefit level), based on your annual base salary and the plan you choose. You would pay more if you choose to cover your dependents
- ▶ 100% of LTD insurance for the 60% benefit level
- ▶ 100% of life insurance for the 2x base salary benefit level
- ▶ 100% of AD&D insurance for the 1x base salary benefit level
- ▶ 100% of BTA insurance

# A CLOSER LOOK AT YOUR OPTIONS

## YOUR HEALTH CARE OPTIONS

### *Medical*

Through *FlexSolutions*, you have a choice of medical plan options. Each plan provides essential medical coverage and gives you the opportunity to balance the level of benefit you can receive and the payroll deduction, if any, you pay for these benefits.

The medical plan options provide coverage based on your use of the participating network of doctors and hospitals. HMO and EPO plans generally require that all non-emergency care be received through network or participating providers. While online directories are available at each medical carrier's website, you should always check with your doctor for the most current information, since directories are updated two to three times a year.

Each A&B medical plan has powerful online tools for you to access information on health topics, treatment options, and tips for maintaining a healthy lifestyle. They also provide members the opportunity to set up a secure personal account with direct online access to information about benefits, coverage, claims, and more. Depending on your plan, you may also be able to make doctor appointments online; refill prescriptions; search for a new doctor by specialty, location, or other criteria; request a duplicate ID card or updates to medical records; check on a claim's status; or download standard forms.

### *Notice Regarding "Grandfathered Plan" Status*

On March 23, 2010, President Obama signed into law the Patient Protection and Affordable Care Act (PPACA), making health reform certain and expanding coverage to all Americans over the next several years.

A&B believes that the following health plans meet the criteria of the federal Affordable Care Act to be considered "grandfathered" plans:

- ▶ CIGNA Low Option Open Access Plus Plan
- ▶ CIGNA High Option Open Access Plus Plan
- ▶ CIGNA Network HMO Plan
- ▶ SelectCare (Guam)
- ▶ Kaiser Permanente HMO Plan
- ▶ Kaiser Permanente HMO Plan (Hawaii)
- ▶ HMSA Preferred Provider Plan (PPO Plan)
- ▶ HMSA Health Plan Hawaii Plus (HMO Plan)

As permitted by the PPACA, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that the health plan may not include certain consumer protections of the PPACA that apply to other plans (for example, the requirement to provide preventive health coverage without any cost sharing). However, grandfathered health plans must comply with certain other consumer protections in the PPACA (such as the elimination of lifetime limits on benefits).

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan, and what might cause a plan to change from grandfathered health plan status, can be directed to A&B's Plan Administrator by calling 808-525-6611. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 866-444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform). This website has a table summarizing which protections do and do not apply to grandfathered health plans.

Details about each of the medical plan options can be found in the *Medical Plan Comparison Chart* that is posted online at [www.flexab.com](http://www.flexab.com).



VSP offers special discounts through VSP doctors for laser eye surgery and rebates for annual supplies of certain brands of contact lenses. You also receive a 20% savings on frames that exceed the plan allowance and extra pairs of glasses, including sunglasses. For more information, visit [www.vsp.com](http://www.vsp.com) to view your benefits or call VSP toll-free at 800-877-7195, Monday through Friday, 5:00 a.m. to 7:00 p.m. PST to speak with Member Services.

You should also review other coverage options through your spouse's/ domestic partner's medical plan. There is usually little financial advantage to covering yourself and/or your dependents under two plans since in most cases you would be paying employee contributions for both plans every month.

### Dental

FlexSolutions also offers you a choice of dental plans. All three options pay 100% of eligible diagnostic and preventive care expenses, such as routine exams and cleanings. There are no plan deductibles to meet under any of the dental plan options. For other eligible dental expenses, see the chart below.

Each option provides up to a maximum benefit of \$2,000 per year. All eligible expenses are subject to reasonable and customary (R&C) rules. R&C charges are the fees for a service or supply that fall within the health plan provider's definition of eligible charges.

YOUR DENTAL OPTIONS		
Preventive care expenses are paid at 100%, then each option pays the following benefits for other eligible dental services:		
Option 1 pays 50%	Option 2 pays 65%	Option 3 pays 80%

### Vision

If you elect medical coverage, you and your covered dependents automatically receive vision benefits through VSP. If you, however, enroll in the Kaiser HMO, you will receive vision benefits through your medical plan.

The plan pays greater benefits when you use VSP doctors. If you use non-VSP providers, also known as "Open Access Providers," you pay for the service up front, and then file a claim for reimbursement with VSP. Please note that Costco will be considered an "Open Access Provider," effective January 1, 2012.

Benefit	Availability*	Your Copayment	THROUGH EITHER A...	
			VSP Doctor	Non-VSP Doctor
Exam	12 months	\$10	Plan pays 100%	Plan pays up to \$50
Lenses	12 months	\$25 (applies to spectacle lenses and frames, combined)	Plan pays 100%	Plan pays up to: – \$50 for single – \$75 for bifocals – \$100 for trifocals
Frames	24 months	N/A	Plan pays up to \$130	Plan pays up to \$70
Contact Lenses (in lieu of glasses)	12 months	None	Plan pays up to \$130	Plan pays up to \$105

The plan allowance for contact lenses applies to the cost of your contact lens exam (this exam is in addition to your routine eye exam) and/or your contact lenses. When you see a VSP doctor, your out-of-pocket cost for the contact lens exam will not exceed \$60, and the exam will be discounted 15%.

Additional Prescription Eyeglasses and Non-prescription Sunglasses: You'll receive 30% off unlimited additional pairs of prescription glasses and non-prescription sunglasses if you purchase them on the same day as your eye exam from the same VSP doctor.

\*Frequency is measured from the last date of service, even if the last time you obtained services you were enrolled with VSP through another employer.

## THINGS TO CONSIDER

*Weighing your health care options*

All of the *FlexSolutions* medical and dental options provide comprehensive coverage—and all have different price tags. You can expect to pay higher employee contributions for a plan that pays higher benefits. For details on the medical plans, see the *Medical Plan Comparison Chart* and your *Alexander & Baldwin, Inc. Benefits Handbook*, both posted online at [www.flexab.com](http://www.flexab.com).

On the mainland, the CIGNA Open Access Plus High Option Plan is the most expensive plan while the CIGNA Open Access Plus Low Option Plan, which has an annual deductible, is the least expensive. The savings in employee contributions of the Low Option Plan in most cases will cover the annual deductible. In addition, you can make your out-of-pocket costs go even further by paying with tax-free money through the Health Care Reimbursement Account (see page 10 for details).

In Hawaii, the plan with the highest cost is the HMSA PPO plan, and the lowest cost option is the HMSA HPH (HMO) plan. As you evaluate your medical plan options, you may want to consider the HPH plan and the availability of its participating doctors.

You should also review other coverage options through your spouse's/ domestic partner's medical plan. There is usually little financial advantage to covering yourself and/or your dependents under two plans since in most cases you would be paying employee contributions for both plans every month.

## YOUR DISABILITY AND LIFE INSURANCE OPTIONS

Disability and life insurance are designed to provide a level of financial protection in the event of a disabling illness, injury, or death. *FlexSolutions* offers several plans and coverage levels that can help you put together an appropriate level of protection.

### *Long-Term Disability Insurance*

If you are unable to work due to an illness (including pregnancy) or injury that has lasted more than 26 weeks, you may be eligible to receive LTD benefits. Your LTD benefit is based on which option you elect through *FlexSolutions*.

If You Elect...	Your LTD Benefit Amount Will Equal...	Up To A Maximum Of...
Option 1	50% of your monthly base salary	\$8,000 per month
Option 2	60% of your monthly base salary	\$9,000 per month
Option 3	70% of your monthly base salary	\$10,000 per month

These benefits will be offset by any other disability benefits and work earnings you are eligible to receive. For benefit purposes, your monthly base salary equals your monthly rate of base earnings as defined by the plan. For details and definitions of these terms, refer to the *Alexander & Baldwin, Inc. Benefits Handbook* at [www.flexab.com](http://www.flexab.com).

Your payroll deductions for LTD coverage are automatically taken on a pre-tax basis. This means that if you become disabled and receive LTD benefits, those benefits are considered taxable upon payout to you. You may choose to have the costs for your LTD coverage deducted from your pay after taxes, which means the LTD benefits you receive based on your employer-paid costs will not be taxed. However, as always, the employer-paid portion of your LTD benefits continues to be taxable to you upon receipt. Please contact your Human Resources Representative to arrange after-tax deductions.

Making arrangements for your family's security is an important part of planning for your total life needs.

You and your spouse/ domestic partner should review and determine the adequate amount of coverage.

### Employee Life Insurance

Employee Life Insurance pays a benefit to your beneficiary(ies) if you die while covered under the plan. This coverage also includes a terminal illness benefit, which pays a portion of your coverage amount to you if you become terminally ill.

Through *FlexSolutions*, you may choose any one of the following seven levels of coverage\*:

- ▶ \$50,000
- ▶ 50% of your annual base salary
- ▶ 1 x your annual base salary
- ▶ 2 x your annual base salary
- ▶ 3 x your annual base salary
- ▶ 4 x your annual base salary
- ▶ 5 x your annual base salary

\*Up to a maximum benefit of \$1,000,000

### Coverage May Not Be Automatic

As a new hire, you may elect up to \$600,000 of life insurance without providing evidence of insurability (proof of good health).

Thereafter, you may increase your coverage by one level (for example, from one to two times your annual base salary) without showing evidence of insurability at each Open Enrollment or as a result of a qualifying "change in status," as defined on page 15 under "If Your Needs Change After Enrollment."

However, you must provide evidence of insurability if you:

- ▶ Elect a coverage amount in excess of \$600,000, even if you reached this amount by increasing your coverage one level; or
- ▶ Choose to increase your coverage amount by more than one level, even if your new election is less than \$600,000.

### Accidental Death and Dismemberment (AD&D) Insurance

AD&D Insurance provides you with an extra measure of protection. Under this plan, you and/or your beneficiary(ies) receive a benefit in the event you or a family member dies or suffers a covered loss as a result of an accident.

If you want AD&D coverage, you may choose from seven coverage levels. When you elect AD&D coverage for yourself, your eligible family members will automatically receive coverage.

If You Elect AD&D Coverage For Yourself Equal To...*	THE AD&D COVERAGE AMOUNT FOR YOUR...	
	Spouse/Domestic Partner Will Be...	Child(ren) Will Be...**
\$50,000	\$5,000	\$2,500
50% of your annual base salary	\$5,000	\$2,500
1 x your annual base salary	\$10,000	\$5,000
2 x your annual base salary	\$20,000	\$6,000
3 x your annual base salary	\$30,000	\$7,000
4 x your annual base salary	\$40,000	\$8,000
5 x your annual base salary	\$50,000	\$10,000

\*AD&D coverage is limited to \$500,000.

\*\*Benefit amount shown is per each covered child.

### *Business Travel Accident Insurance*

A&B provides you with Business Travel Accident (BTA) Insurance when you travel on business for the Company—at no cost to you. Your BTA coverage is equal to three times your annual base salary, up to a maximum of \$500,000.

### *Dependent Life Insurance*

Dependent Life Insurance pays a benefit to you in the event a covered dependent dies. You may elect this coverage for your dependents as follows:

THE FOLLOWING LIFE INSURANCE COVERAGE AMOUNTS ARE AVAILABLE FOR YOUR...		
Spouse/Domestic Partner	Child(ren)	Family
\$10,000	\$5,000*	\$10,000/\$5,000
\$20,000	\$5,000*	\$20,000/\$5,000

\*The child(ren) benefit amount shown is per each covered child; the cost, however, is the same regardless of the number of children covered. The coverage amount for children under the age of three will be reduced. Infants under the age of 30 days are not covered.

## THINGS TO CONSIDER



### *How much life and disability insurance do you need?*

When reviewing your coverage under the Employee Life, Dependent Life, AD&D, and LTD insurance plans, you should think about your financial responsibilities. These plans provide important protection in the event you die or suffer a serious injury or illness—but it's up to you to determine how much coverage is appropriate. Similarly, you should consider how much money you would need to cover the expenses associated with the death of a dependent.

### *Is your beneficiary information current?*

When you enroll for benefits, be sure to choose a beneficiary for your life and AD&D insurance. If you choose coverage for your family, you will be the beneficiary.

At other times throughout the year, including Open Enrollment, review your designated life insurance beneficiaries who are listed on page 2 of your Enrollment Worksheet. The Life Insurance Beneficiary Designation form is posted at [www.flexab.com](http://www.flexab.com). To designate or change beneficiaries, please complete the form, sign it, and return it to your local Human Resources ("HR") Representative. You may contact your local HR Representative for assistance.



You pay for Dependent Life Insurance on an after-tax basis.

### Access to Your Accounts

You have 24-hour access to your account balances at [www.mypayflex.com](http://www.mypayflex.com). For your first visit to the website following enrollment, enter your Social Security number as the member ID and your home zip code as the password (you will be asked to change your password for security purposes).

You may also call PayFlex, A&B's claim administrator, at 800-284-4885.

### MasterCard® Debit Card

When you enroll, you will receive a MasterCard® debit card from PayFlex. If your provider accepts payment by MasterCard, you may use this card to pay for your eligible health care or dependent care expenses instead of filing a claim. The amount charged will be deducted from your Reimbursement Accounts. Keep in mind that you may only use the card to pay for expenses that you incur in that same calendar year (i.e., you cannot use it in 2012 to pay for expenses you incurred in 2011).

## THE REIMBURSEMENT ACCOUNTS

*FlexSolutions* offers two tax-free reimbursement accounts, which let you direct tax-free money to a special account to pay for common types of health care or dependent day care expenses. This money is deducted from your pay before taxes are calculated, which lowers your taxable income—and your taxes.

Please note that expenses for domestic partners and their children may not be eligible for reimbursement under the Reimbursement Accounts, unless they are tax dependents under IRS rules. As with other tax-related matters, you should consult a tax professional to learn what will work for your situation.

Here's how they work:

- 1. Estimate Your Expenses.** Estimate your expenses for the Plan Year (January 1 through December 31). The worksheets on page 12 can help you estimate your expenses.
- 2. Make Contributions.** Your before-tax payroll deductions are deposited into your Account(s) in equal amounts each payroll period. You may contribute up to \$5,000 into each Reimbursement Account.
- 3. File for Reimbursement.** When you incur eligible expenses, you pay for the expense first, including any applicable copays, deductibles, or coinsurance. Then, submit your claim for reimbursement, including your receipt or Explanation of Benefits (EOB) as proof of the expense. Details about reimbursement options, including check, direct deposit, and MasterCard® debit card, will be included in your enrollment packet.

You can be reimbursed for health care expenses at any time during the year, up to the full annual health care contribution you elected. Dependent day care expenses can be reimbursed up to the amount currently in your Dependent Care Reimbursement Account. If there is not enough money in your Account when a claim is submitted, you will receive a partial payment and be automatically reimbursed for the balance of the claim as you make additional contributions to your account.

*You have until March 31, 2013 to submit claims for expenses incurred in the 2012 calendar year. Claims submitted after the deadline will not be processed for reimbursement.*

	HEALTH CARE REIMBURSEMENT ACCOUNT	DEPENDENT CARE REIMBURSEMENT ACCOUNT
Your Before-tax Contributions per Year	Minimum: \$24 Maximum: \$5,000	Minimum: \$60 Maximum: \$5,000 if single or married and filing jointly (\$2,500 if married and filing separately)
Tax Note	You cannot deduct reimbursed expenses on your federal income tax return.	You cannot use reimbursed expenses for the Dependent Care Tax Credit on your federal income tax return.

### Health Care Reimbursement Account

You may enroll in the Health Care Reimbursement Account, even if you are not covered by a medical plan offered by the Company. Eligible expenses include deductibles, copayments, and coinsurance for a variety of expenses as noted below.

#### ELIGIBLE HEALTH CARE EXPENSES

- |   |  |   |
|---|--|---|
| <ul style="list-style-type: none"> <li>▶ Acupuncture</li> <li>▶ Alcoholism/drug addiction treatment</li> <li>▶ Band-aids and first aid supplies</li> <li>▶ Birth control pills/devices</li> <li>▶ Chiropractors' fees</li> <li>▶ Contact lenses, solutions and supplies</li> <li>▶ Hospital bills</li> <li>▶ Insulin and diabetes supplies</li> </ul> | <ul style="list-style-type: none"> <li>▶ Laboratory fees</li> <li>▶ Lasik eye surgery</li> <li>▶ Massage therapy when prescribed by a physician</li> <li>▶ Orthodontia</li> <li>▶ Orthopedic shoes</li> <li>▶ Physical examinations</li> <li>▶ Physical therapy</li> <li>▶ Physician-directed smoking cessation programs and medication</li> </ul> | <ul style="list-style-type: none"> <li>▶ Physician-prescribed weight loss programs to treat a specific disease such as high blood pressure (excluding food replacement)</li> <li>▶ Prescribed medicine</li> <li>▶ Prescription sunglasses</li> <li>▶ Psychiatric therapy and treatments</li> <li>▶ Speech therapy</li> <li>▶ Substance abuse treatment</li> </ul> |
|---|--|---|

### The Dependent Care Reimbursement Account

When you participate in the Dependent Care Reimbursement Account, your pre-tax contributions can pay for day care expenses incurred for "qualified persons" in order for you to work or look for work. If you are married, you may participate in the plan as long as your spouse works full-time, attends school full-time for at least five months out of the year, or is disabled and unable to care for your dependents.

"Qualified persons" may include your children, parents, spouse, or domestic partner. To qualify, as an eligible expense, the IRS says your dependent must live with you and be claimed as a dependent on your federal income tax return. Your dependent qualifies if he or she is either under age 13 or physically or mentally disabled, regardless of age, and unable to be self-reliant while you are working.

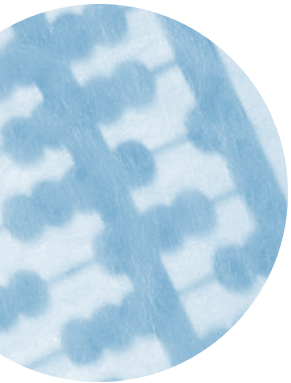
#### ELIGIBLE DEPENDENT CARE EXPENSES

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▶ Child or adult day care services provided in your home, including employment taxes paid on behalf of your employee</li> <li>▶ Child or adult day care services provided at someone else's home or from a licensed day care facility</li> </ul> | <ul style="list-style-type: none"> <li>▶ A portion of wages for a housekeeper whose duties include caring for a qualified dependent</li> <li>▶ Schooling costs for children not yet in the 1<sup>st</sup> grade if inseparable from the cost of care</li> <li>▶ Day camp</li> </ul> |
|---|---|

**Ineligible health care** expenses include premiums or contributions for benefits coverage, cosmetic surgery, dietary supplements or vitamins, over-the-counter or non-prescription medications, cosmetics and toiletries, and services not performed or supervised by a qualified health care professional. Also, expenses incurred for individuals who do not qualify for tax-free coverage under the Internal Revenue Code are not eligible.

**Ineligible dependent day care** expenses include food, clothing, education, payments to a dependent relative, or care during non-working hours.

**For a complete list** of eligible health care expenses, log on to [www.irs.gov](http://www.irs.gov) to retrieve IRS Publication 502 (Health Care) and IRS Publication 503 (Dependent Care).



**Important  
IRC Rules**

- ▶ Any money in your Accounts that is not used by the end of the Plan Year is forfeited. Be careful to contribute the right amount to match your needs.
- ▶ You cannot stop or change contributions during the year unless you have a qualifying change in status (see "If Your Needs Change After Enrollment" on page 15).
- ▶ Money may not be transferred between the two Accounts.
- ▶ Expenses for domestic partners and their children may not be eligible for reimbursement under the Reimbursement Accounts, unless they are qualified under the Internal Revenue Code.

*Estimating Your Expenses*

The worksheets below can help you estimate your likely health care and dependent care (child or elder care) expenses for the coming year.

THE HEALTH CARE REIMBURSEMENT ACCOUNT WORKSHEET		
List the amount you spent or anticipate spending for:	This year's actual expenses	Next year's projected expenses
1. Medical deductibles and copayments	\$	\$
2. Dental deductibles and copayments	\$	\$
3. Prescription drugs	\$	\$
4. Vision deductibles and copayments	\$	\$
5. Medical, dental, prescription drug, and vision care expenses that are not covered by insurance	\$	\$
6. Physical exams, well-baby care, and immunizations	\$	\$
7. Orthodontic services*	\$	\$
8. Chiropractic, acupuncture, shiatsu, etc.	\$	\$
9. Other out-of-pocket health care expenses	\$	\$
<b>Your Health Care Reimbursement Account contribution amount (maximum amount is \$5,000)</b>		<b>Annual = \$</b> <b>Per Paycheck = \$</b>
THE DEPENDENT CARE REIMBURSEMENT ACCOUNT WORKSHEET		
List the amount you spent or anticipate spending for:	This year's actual expenses	Next year's projected expenses
1. Babysitter (full-time so you can work)	\$	\$
2. Qualified day care center	\$	\$
3. Nursery school or preschool tuition	\$	\$
4. Summer day camp (other than for teaching a specific skill)	\$	\$
5. After-school or before-school care	\$	\$
6. Housekeeper expenses in connection with dependent care	\$	\$
7. Adult day care	\$	\$
<b>Your Dependent Care Reimbursement Account contribution amount (maximum amount is \$5,000)</b>		<b>Annual = \$</b> <b>Per Paycheck = \$</b>

\* The Health Care Reimbursement Account may only reimburse orthodontia expenses for actual services received during the first year of treatment. For example, assume your provider bills you \$1,500 up front for a two-year treatment plan in one lump sum and your expenses in the first year are \$500. The Health Care Reimbursement Account can only reimburse you \$500 in year one and nothing in year two.

## THE TRANSPORTATION BENEFIT PLAN

The Transportation Benefit Plan can help reduce your commuting costs by allowing you to use pre-tax dollars to pay for mass transit or parking expenses related to your regular commute to work.

### *How the Plan Works*

If you incur commute expenses on a regular basis, you may enroll in either the commuting and/or parking accounts. The amount you elect will be withheld from your pay before federal and state taxes, which means your commute and/or parking costs are tax-free.

PayFlex administers this program. Your claim to PayFlex should include your receipts or used tickets for reimbursement. Claim forms are available from your Human Resources department, or online through your Company's intranet or at [www.flexab.com](http://www.flexab.com). Alternatively, you may pay for your commuting expenses with a MasterCard® debit card from Payflex, if your commuting or parking provider accepts payment by MasterCard®. You have 180 days to file a claim for reimbursement for your commuting and parking expenses.

You may stop participating at any time; however, you may not re-enroll until the following year. Any unused balance remaining at the end of the Plan Year cannot be refunded to you and will be carried over into the new Plan Year. Please note that if you have any rollover of funds from one year to the next, you must enroll in the Transportation Benefit Plan for the next year in order to access those funds in your account.

You can access your account online at [www.mypayflex.com](http://www.mypayflex.com).

### *Eligible and Ineligible Expenses*

Each month, you can claim up to:

- ▶ \$230 for commuting expenses; and/or
- ▶ \$230 for parking costs.

Maximums are subject to change by the IRS each year. At the time this guide was written, 2012 IRS transportation plan limits were not available. Please contact your local Human Resources Representative for the current year maximums. Expenses must meet the eligibility requirements outlined in the chart below.

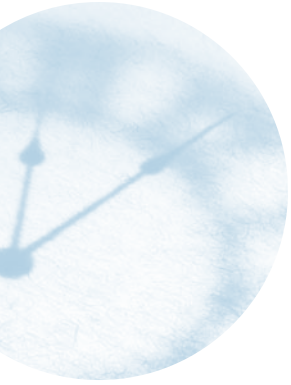
ELIGIBLE COMMUTING BENEFITS	ELIGIBLE PARKING BENEFITS
Tickets, passes, tokens, vouchers, or fares for buses, trains, subways, streetcars, ferries, commercial vanpools, or other forms of mass transit.	The cost of parking at or near your workplace, or at a park-and-ride lot at a transit station.
INELIGIBLE COMMUTING/PARKING BENEFITS	
Transportation in personal cars or vans, casual carpools, or taxis; tolls and traffic tickets; fuel, mileage, or other vehicle operating costs; expenses incurred for parking at your spouse's/domestic partner's place of work, unless it is near your office; parking at a shopping mall or other location where you stop on your drive to or from your work location; free parking that is provided at your work or any amounts you claim as a deduction on your federal income tax return. In addition, you may not participate in the Plan if you receive an auto expense allowance.	

### *MasterCard® Debit Card Tips*

1. Make sure you have enough funds in your account before using the card.
2. Keep all receipts in the event PayFlex requests proof of the expense.

### *Changing Your Election*

You may change your Transportation Benefit Plan 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 your local Human Resources Representative.



If you are enrolled in *FlexSolutions* and do not want to make any changes to your benefits, then you do not need to do anything during the annual Open Enrollment period. Except for the Reimbursement Accounts and the Transportation Benefit Plan, your 2011 elections will carry forward into 2012.

## IT'S TIME TO ENROLL

Now that you've reviewed your *FlexSolutions* choices, it's time to enroll.

### IF YOU ARE CURRENTLY ENROLLED IN FLEXSOLUTIONS

If you are not making any changes for 2012 and don't want to participate in the Reimbursement Accounts or the Transportation Benefit Plan, you do not need to do anything during the annual Open Enrollment period. Your 2011 benefit elections will automatically carry forward into calendar year 2012. However, you do need to enroll if you want to:

- ▶ Make changes to your benefit elections, or
- ▶ Enroll in or continue to participate in either the Reimbursement Accounts or the Transportation Benefit Plan.

### IF YOU ARE A NEW HIRE

To make your *FlexSolutions* benefit elections, log on to [www.flexab.com](http://www.flexab.com). You must complete your enrollment by the date requested, or you will receive the default package of benefits described below and your dependents will not receive any coverage.

A&B wants you to have at least a basic level of protection. If you are a new employee and do not complete your initial enrollment by the date requested, you will receive only the coverage below. Your dependents will not receive coverage, and you will forfeit any remaining FS Credits.

- ▶ **Medical and Dental** coverage for yourself only under plans specified by the Company, unless you provide proof that you are covered under another plan, such as your spouse's/domestic partner's medical or dental plan;
- ▶ **Long-Term Disability (LTD)** insurance equal to 50% of your monthly base salary up to a maximum benefit of \$8,000 per month; and
- ▶ **Employee Life Insurance** coverage equal to 50% of your annual base salary or \$50,000, whichever is less.

Please note that you cannot waive long-term disability insurance and life insurance; you must enroll for at least the above default coverage amounts.

## IF YOUR NEEDS CHANGE AFTER ENROLLMENT

The choices you make now regarding your *FlexSolutions* benefits will remain in effect for the entire Plan Year (January 1 through December 31, 2012). That's why it's important for you to carefully review your options before completing your enrollment.

The only time you can change a benefit election during a Plan Year is when you have a qualifying "change in status" under the Internal Revenue Code, as described below:

### *Changes in Status*

- ▶ **Legal marital status.** An event that changes your legal marital status, including marriage, divorce, death of a spouse, legal separation or annulment.
- ▶ **Domestic Partner status.** An event that changes the status of your domestic partnership, including establishment or termination of a domestic partnership or death of your domestic partner.
- ▶ **Number of dependents.** An event that changes your number of dependent children, including birth, death, adoption, and placement for adoption.
- ▶ **Employment status.** An event that changes your, your spouse's or your dependent child's employment status, resulting in a gain or loss of eligibility for coverage. Examples include:
  - Beginning or terminating employment
  - Starting or returning from an unpaid leave of absence
  - Changing from part-time to full-time employment or vice versa
  - A change in worksite
- ▶ **Residence.** A change in your, your spouse's or your dependent child's place of residence.
- ▶ **Dependent status.** An event that causes your dependent children to become eligible or ineligible for coverage because of age, student status or similar circumstances (as outlined on page 1).

If you have a change in status and want to make a change to your *FlexSolutions* elections, you must notify your local Human Resources Representative, generally within 31 days of the event, or you will have to wait until the next Open Enrollment period.

### *Consistency Rule*

Any mid-year change to your benefit elections must be "due to and consistent with" your change in status. To satisfy the "consistency rule," your change in status and corresponding change in election must have an effect on eligibility and must correspond with the change in status. For example, if your dependent loses eligibility for coverage under the terms of a medical program, you may cancel medical coverage only for that dependent. For the Dependent Care Reimbursement Account, your change in status must affect the amount of dependent care expenses eligible for reimbursement (for example, your child reaches age 13, and dependent care expenses are no longer eligible for reimbursement).

The options available to you as a result of your status change are based on IRC regulations and the Health Insurance Portability and Accountability Act (HIPAA) of 1996.

To learn more about what action you may take when you experience a qualifying status change, visit [www.flexab.com](http://www.flexab.com) and click on *Qualifying Status Changes*.

For more details about status changes and special medical enrollment rights that may apply, refer to the *Alexander & Baldwin, Inc. Benefits Handbook*, available online at [www.flexab.com](http://www.flexab.com).

### *Other Events Permitting Election Changes*

- ▶ **Coverage and Cost Changes.** In some instances, you can make mid-year changes due to events that significantly affect your cost or coverage (except for the Health Care FSA).
- ▶ **Special Enrollment Events.** If you and your eligible dependents gain eligibility for certain medical plan coverage, lose medical coverage, acquire newly eligible dependents during the year, or reach your lifetime maximum under a plan, you may enroll or disenroll in an A&B medical plan. See *"Notice of Special Enrollment Rights for Medical Coverage"*, below, for more information.
- ▶ **Medicare or Medicaid Entitlement.** You may change an election for medical coverage mid-year if you, your spouse or your dependent child becomes entitled to or lose coverage for Medicare or Medicaid.
- ▶ **Judgment, Decree, or Order.** You may change your election(s) health coverage mid-year and make a new election for your child, including a foster child, if required under a qualified medical child support order (QMCSO).

### *Notice of Special Enrollment Rights for Medical Coverage*

If you decline enrollment in an A&B medical plan for you or your dependents (including your spouse) because of other health insurance coverage, you or your dependents may be able to enroll in an A&B medical plan without waiting for the next open enrollment period if you:

- ▶ **Lose other coverage.** You must request enrollment within 31 days after the loss of other coverage.
- ▶ **Gain a new dependent as a result of marriage, birth, adoption, or placement for adoption.** You must request enrollment within 31 days after the marriage, birth, adoption, or placement for adoption.
- ▶ **Lose Medicaid or Children's Health Insurance Program (CHIP) coverage because you are no longer eligible.** You must request enrollment within 60 days after the loss of such coverage.
- ▶ **Become eligible for a state's premium assistance program under Medicaid or CHIP.** You must request enrollment within 60 days after becoming eligible for such a program.

In addition, you may enroll in an A&B medical plan if you become eligible for a state premium assistance program under Medicaid or CHIP. You must request enrollment within 60 days after you gain such coverage.

## IMPORTANT HEALTH CARE LEGISLATION

### *Newborns and Mothers' Health Protection Act of 1996*

Federal law protects the benefit rights of mothers and newborns related to any hospital stay in connection with childbirth. In general, group health plans and health insurance issuers may not:

- ▶ Restrict benefits for the length of hospital stay for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable).
- ▶ Require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay of up to 48 hours (or 96 hours).

For details on any state maternity laws that may apply to your medical plan, please refer to the benefits material for the medical plan in which you are enrolled.

### *Women's Health and Cancer Rights Act of 1998*

If you or one of your covered dependents have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided for the following services in a manner determined in consultation with the attending physician and the patient:

- ▶ All stages of reconstruction of the breast on which the mastectomy was performed
- ▶ Surgery and reconstruction of the other breast to produce a symmetrical appearance
- ▶ Prostheses
- ▶ Treatment of physical complications of all stages of the mastectomy, including lymphedemas

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits available under your medical plan. For information on WHCRA benefits or details about any state laws that may apply to your medical plan, please refer to the benefit plan material for the medical plan in which you are enrolled.

### *Health Care Coverage and Your Privacy*

Federal law has established standards to protect the privacy and security of participants' health plan information. As a result, A&B may not disclose your protected health information to another individual or entity without your authorization, except as needed to administer the A&B health plans and certain other circumstances.

If you need Human Resources to assist you with any claims related issues, you will need to complete a form that authorizes HR to discuss your or your dependents' health and claims information on your behalf with the health plan. Authorization forms and A&B's HIPAA privacy notice are available online at [www.flexab.com](http://www.flexab.com).

## ABOUT THIS GUIDE

This guide contains highlights of the benefit options available through FlexSolutions. For more information, refer to the Alexander & Baldwin, Inc. Benefits Handbook. In case of any conflict between the information provided here and in the official plan documents, the official plan documents govern.

By adopting and maintaining this benefits program, Alexander & Baldwin, Inc. has not entered into an employment contract with any employee. Employment with A&B is "at will" and may be ended "at will" by A&B or the employee, with or without cause. Alexander & Baldwin, Inc. intends to continue these benefit plans, but reserves the right, in its sole discretion, to terminate, suspend, withdraw, amend, or modify the plans, in whole or in part, at any time, including the right to introduce, or increase the amount of, employee contributions toward the cost of their coverage. Any such action is subject to applicable provisions of the plan documents. If a plan is terminated, it will not affect any claim made when the plan is in force.

The information in this guide applies only to Alexander & Baldwin, Inc. regular full-time salaried non-bargaining employees working in the U.S. or its territories or possessions. All references to Alexander & Baldwin, Inc. or "A&B" are intended to include all other participating companies unless specified otherwise.

## BENEFIT CONTACTS

PLAN	PHONE NUMBER	WEBSITE
<b>A&amp;B Human Resources Department:</b>		www.flexab.com
Paulette Haisen— Hawaii Health & Welfare Plans	808-525-6630	N/A
Jason Castro— Hawaii Retirement Plans	808-525-8468	N/A
Lilly Lew—Mainland Benefit Plans	510-628-4302	N/A
<b>A&amp;B Wellness Portal</b>	877-719-9004 (Technical Assistance)	www.behappystaywell.com (Contact your HR representative for access code)
<b>HMSA—PPO and HMO</b>	808-948-6111	www.hmsa.com
<b>CIGNA—PPO, HMO, EPO and 24-hour Health Information Line</b>	800-244-6224	www.cigna.com
<b>Kaiser—Hawaii</b>	808-432-5955 (Oahu) 800-966-5955 (Other than Oahu)	my.kaiserpermanente.org/hi/ab
<b>Kaiser—Mainland</b>	Log on to the website for the Member Services phone number in your area	www.kaiserpermanente.org
<b>VSP—Vision Plan</b>	800-877-7195 (Customer Service) 888-354-4434 (Laser Support)	www.vsp.com
<b>Hawaii Dental Service—Dental (Hawaii)</b>	808-521-1431 (Oahu) 800-232-2533 (Other than Oahu)	www.deltadentalhi.org
<b>MetLife—Dental (Mainland)</b>	800-942-0854	www.metlife.com
<b>Life Works—Resource and Referral Program</b>	800-635-0606	www.lifeworks.com User ID: alexander Password: Baldwin
<b>PayFlex—Flexible Spending Accounts</b>	800-284-4885	www.mypayflex.com
<b>PayFlex—Transportation Benefit Plan</b>	800-284-4885	www.mypayflex.com
<b>MetLife—Life and AD&amp;D Insurance</b>	Contact your Human Resources Department	N/A
<b>MetLife—Long Term Disability</b>	Contact your Human Resources Department	N/A
<b>Fidelity Management—IDC Plan and Profit Sharing Plan</b>	800-835-5098	www.401k.com
<b>A&amp;B Retirement Plan</b>	808-525-8468	N/A