

The Spending Accounts

The Spending Accounts can be a valuable benefit to you because they allow you to pay for eligible health care, child/elder care, and commutation and/or parking expenses through payroll deductions on a before-tax basis. This means that the money you set aside in the accounts to pay for these expenses comes out of your pay before federal (and most state and local) income, Social Security, and Medicare taxes are calculated. In addition, if your commuter/parking costs exceed the legal before-tax monthly limits under the Transportation Spending Accounts, those costs can also be deducted through payroll deductions on an after-tax basis.

The Spending Account options are:

- Health Care Spending Account — for your eligible out-of-pocket health care expenses;
- Child/Elder Care Spending Account — for eligible child or elder care expenses that let you (and your spouse, if you're married) work, or let your spouse attend school full-time; and
- Transportation Spending Accounts — for eligible commuting and parking expenses to and from work at JPMorgan Chase.

In certain cases, you need to plan your contributions carefully:

- With the Health Care Spending Account, you may risk losing the remaining account balance if you don't use it for eligible expenses incurred during the plan year (January 1 - December 31) or by the end of the grace period (March 15 of the following year).
- With the Child/Elder Care Spending Account, you may risk losing the remaining account balance if you don't use it for eligible expenses incurred during the plan year (January 1 - December 31).

You must submit eligible claims before the filing deadline — April 30 following the end of the plan year. In addition, by law, you can't use money from one account to cover expenses from the other.

This section will provide you with a better understanding of how the Spending Accounts work, including how and when expenses are paid.

Update: Your Guide to Benefits at JPMorgan Chase

This document modifies and changes any summary plan descriptions previously distributed to you. The U.S. Department of Labor requires JPMorgan Chase to routinely provide benefits plan summaries to plan participants. Please retain this information for your records.

This document does not include all of the details contained in the applicable insurance contracts, plan documents, and trust agreements. If there is a discrepancy between the official plan documents and this summary, the official plan documents will govern.

Be sure to read the "About This Guide" section and the "Plan Administration" section for more important details about the plan and this description, and for references to the official plan documents that contain the full specifics about the plan.

Questions?	To Access the Spending Accounts Web Centers:
<p>Health Care or Child/Elder Care Spending Account</p> <p>Contact the Benefits Call Center through accessHR:</p> <ul style="list-style-type: none"> • 1-877-JPMChase (1-877-576-2427) • Quick Path: Enter your Standard ID or Social Security number; press 1, enter your PIN; press 1. • TDD: 1-800-719-9980 <p>If calling from outside the United States:</p> <ul style="list-style-type: none"> • 1-212-552-5100 (GDP# 352-5100) <p>Service Representatives are available from 8 a.m. to 7 p.m., Eastern Time, Monday through Friday except certain U.S. holidays.</p>	<p>Health Care or Child/Elder Care Spending Account</p> <p><i>From Work:</i> Go to Company Home > My Rewards @ Work</p> <p><i>From Home:</i> Go to www.MyRewardsAtWork.com via the Internet</p>
<p>Transportation Spending Accounts</p> <p>Contact the Transportation Spending Accounts Call Center:</p> <ul style="list-style-type: none"> • 1-877-924-3967 • TDD: 1-866-361-8017 <p>Service Representatives are available from 8 a.m. to 8 p.m., Eastern Time, Monday through Friday except certain U.S. holidays.</p>	<p>Transportation Spending Accounts</p> <p><i>From Work:</i> Go to Company Home > My Rewards @ Work ></p> <p><i>From Home:</i> Go to www.MyRewardsAtWork.com via the Internet</p>

Table of Contents		Page
Important Terms		5
Some Quick Facts		8
Participating in the Spending Accounts		9
Eligibility		9
Cost of Participation		9
How to Enroll		10
What Happens to Your Spending Account Balance(s) at the End of the Year		10
The “Use It or Lose It” Rule		11
Your Other JPMorgan Chase Benefits		11
Spending Accounts Card		11
Spending Accounts Statement		12
Qualified Change in Status		12
How the Health Care Spending Account and Child/Elder Care Spending Account Can Save You Money		14
HIPAA Privacy Rights and Protected Health Information		15
The Health Care Spending Account		16
How to Enroll		17
If You Do Not Enroll		17
When Participation Begins		18
Changing Your Contributions		18
Eligible Expenses		18
Expenses Not Eligible		21
Reimbursement Amount		22
When Participation Ends		22
Federal Income Tax Deduction		22
The Child/Elder Care Spending Account		24
How to Enroll		25
If You Do Not Enroll		26
When Participation Begins		26
Changing Your Contributions		26
Eligible Expenses		27
Expenses Not Eligible		28
Your Provider’s Tax Information		29
Reimbursement Amount		29
When Participation Ends		29
Federal Income Tax Credit		29
The Transportation Spending Accounts		31
How to Enroll		32
When Participation Begins		32
Temporary Cash Flow Effects When You First Enroll		33
Changing Your Contributions		33
Unused Before-Tax Dollars from the Transportation Spending Accounts		33
Eligible Expenses		34
Expenses Not Eligible		34
When Participation Ends		35

The JPMorgan Chase Benefits Program is available to most full-time and part-time U.S. dollar-paid salaried employees who are regularly scheduled to work 20 hours or more a week and who are employed by JPMorgan Chase & Co. or one of its subsidiaries to the extent that such subsidiary has adopted the JPMorgan Chase Benefits Program. This information does not include all of the details contained in the applicable insurance contracts, plan documents, and trust agreements. If there is any discrepancy between this information and the governing documents, the governing documents will control. JPMorgan Chase & Co. expressly reserves the right to amend, modify, reduce, change, or terminate its benefits and plans at any time. The JPMorgan Chase Benefits Program does not create a contract or guarantee of employment between JPMorgan Chase and any individual. JPMorgan Chase or you may terminate the employment relationship without notice at any time.

Receiving Reimbursement from the Spending Accounts	36
Health Care and/or Child/Elder Care Spending Account.....	36
Transportation Spending Accounts.....	37
Receiving Your Reimbursement	38
Appealing Claims	38
Additional Plan Information	39
If Your Situation Changes	40
Right to Amend	43

Important Terms

As you read this summary of the JPMorgan Chase Spending Accounts, you'll come across some important terms related to the accounts. To help you better understand the accounts, many of those important terms are defined here.

Term	Applies to	Definition
After-Tax Contributions	<ul style="list-style-type: none"> Transportation Spending Accounts 	Contributions that are taken from your pay after federal, state, and local income taxes are withheld.
Before-Tax Contributions	<ul style="list-style-type: none"> Health Care Spending Account Child/Elder Care Spending Account Transportation Spending Accounts 	<p>Contributions that are taken from your pay before federal (and, in most cases, state and local) taxes are withheld. Before-tax dollars are also generally taken from your pay before Social Security taxes are withheld. This lowers your taxable income and your income tax liability. Your benefits under the 401(k) Savings Plan, Retirement Plan, Life and Accident Insurance Plans, Disability Leave Policy, and Long-Term Disability Plan will continue to be based on your full, unreduced benefits pay.</p> <p>Keep in mind that before-tax contributions do not count as earnings for Social Security purposes. Therefore, your future Social Security benefit could be slightly reduced if your total earnings for the year are less than the Social Security wage base (\$94,200 for 2006). However, this reduction is nominal and may be outweighed by the immediate tax savings resulting from using before-tax dollars to pay for your benefits.</p>
Claims Administrator	<ul style="list-style-type: none"> Health Care Spending Account Child/Elder Care Spending Account Transportation Spending Accounts 	<p>The company that provides certain claims administration services for the Spending Accounts.</p> <p>ADP is the claims administrator for the Health Care and Child/Elder Care Spending Accounts.</p> <p>WageWorks is the claims administrator for the Transportation Spending Accounts.</p> <p>JPMorgan Chase is not involved in deciding appeals for any benefit claim denied under the Spending Accounts. All fiduciary responsibility and decisions regarding a claim for a denied benefit under the plan rest solely with the claims administrator.</p>
Consolidated Omnibus Budget Reconciliation Act of 1985 as amended (COBRA)	<ul style="list-style-type: none"> Health Care Spending Account 	A federal law that allows you to continue Health Care Spending Account participation on an after-tax basis (under certain circumstances) when coverage would otherwise have ended. The "Plan Administration" section of this Guide provides details on COBRA coverage.

(continued on next page)

Term	Applies to	Definition
Eligible Tax Dependent(s)	<ul style="list-style-type: none"> • Health Care Spending Account • Child/Elder Care Spending Account 	Under the Health Care Spending Account and Child/Elder Care Spending Account, your eligible tax dependents can include your spouse, a qualified adult dependent (including a domestic partner who is your tax dependent, or an extended family member), and your dependent children, including the children of your domestic partner if they are your tax dependents.
Eligible Expenses	<ul style="list-style-type: none"> • Health Care Spending Account • Child/Elder Care Spending Account • Transportation Spending Accounts 	<p>Health Care Spending Account. Eligible expenses generally can include medical, dental, and prescription drug copayments, deductibles, and coinsurance; eyeglasses; frames; contact lenses; certain over-the-counter medications; and other health care expenses that aren't reimbursed by other plans. Insurance contributions are not considered eligible expenses.</p> <p>Child/Elder Care Spending Account. Eligible expenses can include day care for dependent children under age 13 and disabled dependent adults, enabling you and your spouse (if you're married) to work, or enabling your spouse to either look for work or attend school full time.</p> <p>Transportation Spending Accounts. Eligible expenses can include expenses that you incurred in your commute (such as mass transit costs and parking expenses) between your home and work at JPMorgan Chase that can be paid for under federal tax law with money you've contributed to the Transit Account and/or Parking Account. These expenses are subject to monthly maximums under federal law. Please Note: Any eligible expenses that exceed monthly before-tax maximums will be deducted on an after-tax basis.</p>
Grace Period	<ul style="list-style-type: none"> • Health Care Spending Account 	An extended deadline to incur eligible expenses under the Health Care Spending Account. If you are participating in the Health Care Spending Account on December 31, you are able to incur eligible expenses through March 15 of the following year and use balances from the previous year for reimbursement of eligible expenses.
Plan Year	<ul style="list-style-type: none"> • Health Care Spending Account • Child/Elder Care Spending Account 	<p>Health Care Spending Account. January 1 through December 31.</p> <p>Child/Elder Care Spending Account. January 1 through December 31.</p>
Publications 502, 503, and 15B	<ul style="list-style-type: none"> • Health Care Spending Account (IRS Publication 502) • Child/Elder Care Spending Account (IRS Publication 503) • Transportation Spending Accounts (IRS Publication 15B) 	Internal Revenue Service (IRS) publications that can be used as a guide to determine eligible and ineligible expenses under the Health Care Spending Account, Child/Elder Care Spending Account, and Transportation Spending Accounts. You can request a copy by calling the Internal Revenue Service (IRS) at 1-800-829-FORM (1-800-829-3676), or you can view these publications by logging on to www.irs.gov via the Internet.

(continued on next page)

Term	Applies to	Definition
Qualified Change in Status	<ul style="list-style-type: none"> • Health Care Spending Account • Child/Elder Care Spending Account 	<p>The JPMorgan Chase benefits you elect during each annual benefits enrollment period will generally stay in effect throughout the year, unless you elect otherwise due to a qualified change in status (such as marriage, divorce, or the birth or adoption of a child, etc.) or as a result of a work status change.</p> <p>Please Note: Any changes you make during the year must be consistent with your qualified change in status. Please see “Qualified Change in Status” on page 12 for more information.</p>
Reimbursement Amount	<ul style="list-style-type: none"> • Health Care Spending Account • Child/Elder Care Spending Account 	<p>Health Care Spending Account. The amount of your eligible expenses, up to your annual contribution amount (minus any previous reimbursements).</p> <p>Child/Elder Care Spending Account. The amount of your eligible expenses, up to the year-to-date amount already contributed (minus any previous reimbursements).</p>

Some Quick Facts

<p>Your Choices</p>	<p>Health Care Spending Account. You can contribute between \$240 and \$5,000 a year on a before-tax basis to pay for eligible, out-of-pocket health care expenses.</p> <p>Child/Elder Care Spending Account. You generally can contribute between \$240 and \$5,000 a year on a before-tax basis, subject to certain limits required under the Internal Revenue Code (IRC) with respect to before-tax contributions for highly compensated employees.</p> <p>Transportation Spending Accounts. The Transportation Spending Accounts include a Transit Account and a Parking Account. You can participate in either or both accounts, and you can contribute on a before-tax basis to either account. (If your commuter/parking costs exceed the legal before-tax monthly limits under the Transportation Spending Accounts, those additional costs will automatically be deducted through payroll deductions on an after-tax basis.)</p> <ul style="list-style-type: none"> • Transit Account. You can contribute up to \$105 a month on a before-tax basis for eligible mass transit passes (for example, commuter bus, train, subway, ferry passes, tickets, and vouchers) or vanpooling expenses. • Parking Account. You can contribute up to \$205 a month on a before-tax basis for eligible parking expenses if you drive directly to work or to a location from which you commute to work (for example, park and ride). <p>The maximum before-tax contribution amounts shown here are legal limits on the maximum eligible commuting expense that may be incurred on a monthly basis for the calendar year 2006. The limits may change periodically subject to Internal Revenue Service (IRS) regulations.</p>
<p>Special Rules</p>	<p>Health Care Spending Account. A change in Internal Revenue Service rules provides that any balance remaining in your Health Care Spending Account at the end of the plan year (January 1 - December 31) may be used to reimburse yourself for expenses incurred during the first two and a half months of the following year (until March 15). After the grace period (January 1 through March 15 of the following year), you will lose any remaining balance in your account. You have until April 30 to submit eligible claims for reimbursement.</p> <p>Child/Elder Care Spending Account. For the Child/Elder Care Spending Account, you must provide the taxpayer identification number or Social Security number of any day care provider that you may use for an eligible dependent.</p> <p>Transportation Spending Accounts. While the Transportation Spending Accounts are similar in many ways to the Health Care Spending Account and the Child/Elder Care Spending Account, these accounts are subject to different rules under the Internal Revenue Code (IRC). The Transportation Spending Accounts are more flexible than the other Spending Accounts in several ways, including:</p> <ul style="list-style-type: none"> • You can choose to make before-tax and after-tax payroll deductions to pay for your eligible monthly commuter pass/ticket, and/or parking expenses; and • You can enroll in the Transportation Spending Accounts, change, or cancel your contribution rate at any time during the year on a monthly basis. You must make these elections by the first of the month prior to the month you wish to participate or change your election.

Participating in the Spending Accounts

The general guidelines for participating in the JPMorgan Chase Spending Accounts are described below. ADP is the claims administrator for the Health Care and Child/Elder Care Spending Accounts. WageWorks is the claims administrator for the Transportation Spending Accounts.

Eligibility

Your participation in the JPMorgan Chase Spending Accounts is optional. In general, you are eligible to participate if you are:

- A U.S. dollar-paid employee who receives salary or earns draw, commissions, or production overrides (“salaried employee”);
- Regularly scheduled to work 20 or more hours per week; and
- Employed by JPMorgan Chase & Co. or one of its subsidiaries to the extent that such subsidiary has adopted the plan.

Please Note: An individual classified or employed in a work status other than as a common law salaried employee by his/her employer, such as an:

- Independent contractor/agent (or its employee);
- Hourly-paid employee;
- Intern; and/or
- Occasional/seasonal, leased, or temporary employee,

is not eligible to participate in the plan regardless of whether an administrative or judicial proceeding subsequently determines this individual to have instead been a common law salaried employee.

Cost of Participation

Your semimonthly cost of participation depends on the annual amount you elect to contribute to the Health Care Spending Account, Child/Elder Care Spending Account, and/or the monthly amount you elect to contribute to the Transportation Spending Accounts. Contributions to the Health Care Spending Account and the Child/Elder Care Spending Accounts are made on a before-tax basis. Contributions to the Transportation Spending Accounts can be made on a before-tax and after-tax basis.

Limits on Contributions for Highly Compensated Employees

Internal Revenue Service (IRS) rules impose limits on contributions to the Child/Elder Care Spending Account in certain situations that involve highly paid employees. These rules help ensure that the plan doesn't unfairly favor highly compensated employees. As a result, it may be necessary to significantly reduce contributions for some participants under these rules. You'll be notified if you're affected. (For 2006, the contribution limit is \$3,000.)

Please Note

A deduction for Health Care, Child/Elder Care, and/or Transportation Spending Accounts contributions cannot be taken and no contribution will be made in any semimonthly pay period in which your compensation after taxes, adjustments, and other plan contributions does not cover the full deduction amount you elected during the annual benefits enrollment period or as a result of a subsequent qualified change in status.

In addition, IRS rules state that you cannot contribute more than your salary or your spouse's monthly salary, whichever is lower. If your spouse is a full-time student or is incapable of self-care, his or her monthly income is assumed to be \$250 in 2006 if you have one eligible dependent or \$500 in 2006 if you have two or more eligible dependents. Consequently, an employee with one child that requires care while a spouse attends school full-time for nine months of the year, would be limited to annual contributions of \$2,250.

How to Enroll

Participation in the Spending Accounts is optional.

If You:	What You Need to Do to Enroll:
<p>Are an Employee</p>	<p>Health Care and Child/Elder Care Spending Accounts. During an annual benefits enrollment period, you can make your elections through the Benefits Web Center via My Rewards @ Work or via the Benefits Call Center. At the beginning of each enrollment period, you'll receive instructions on how to enroll. You must re-enroll each year to continue participating in the Health Care Spending Account and/or Child/Elder Care Spending Account for the following year.</p> <p>Transportation Spending Accounts. You can enroll in the Transportation Spending Accounts at any time during the year through the Transportation Spending Accounts Web Center via My Rewards @ Work. To enroll by phone, contact the Transportation Spending Accounts Call Center and speak with a Service Representative. Unless you make a change to your contribution amount, your elections will automatically carry forward from year to year.</p>
<p>Are a Newly Hired Employee or Have a Change in Work Status or Qualified Change in Status</p>	<p>For information under each Spending Account, please see:</p> <ul style="list-style-type: none"> • "How to Enroll" on page 17 for the Health Care Spending Account; • "How to Enroll" on page 25 for the Child/Elder Care Spending Account; and • "How to Enroll" on page 32 for the Transportation Spending Accounts.

What Happens to Your Spending Account Balance(s) at the End of the Year

You generally have until April 30 of the year following the plan year (January 1 - December 31) to submit eligible claims for reimbursement from the Health Care Spending Account incurred during the plan year and during the two-and-a-half-month extension (January - March 15 of the following year). For the Child/Elder Care Spending Account, you generally have until April 30 of the following year to submit eligible claims for reimbursement incurred during the plan year (January 1 - December 31). However, because you contribute to the Health Care and Child/Elder Care Spending Accounts with before-tax dollars, there are specific guidelines about what happens to any remaining balances after these periods.

The “Use It or Lose It” Rule

Under current U.S. tax law, if you still have a balance credited to either the Health Care Spending Account or Child/Elder Care Spending Account after submitting all claims incurred during the eligible period (see the preceding paragraph), that balance will be forfeited. It's very important that you plan carefully before you decide how much to contribute to the Health Care Spending Account and/or Child/Elder Care Spending Account.

For example, if you contribute \$500 to the Health Care Spending Account, and your eligible expenses through March 15 of the year following the plan year (January 1 - December 31) are just \$450, then you would forfeit the \$50 remaining in your Health Care Spending Account.

Under the Transportation Spending Accounts, any unused before-tax dollars will be used to offset any future before-tax transit and/or parking expenses. Please see “The Transportation Spending Accounts” on page 31 for more information.

Your Other JPMorgan Chase Benefits

Although many of your JPMorgan Chase benefits are based on your benefits pay, redirecting before-tax dollars to your Spending Accounts does not affect your other pay-related benefits. Your benefits under the 401(k) Savings Plan, Retirement Plan, Life and Accident Insurance Plans, Disability Leave Policy, and Long-Term Disability Plan will continue to be based on your full, unreduced benefits pay.

Spending Accounts Card

The Health Care and Child/Elder Care Spending Accounts have a card feature that lets you electronically access your accounts to pay for eligible health care and child/elder care expenses that you incur at locations where the card is accepted. The card can be used at the point of sale (for example, when you're filling a prescription). Once ADP receives the electronic debit, the expenses are verified, the appropriate service provider is paid, and your applicable account is adjusted accordingly. There is no fee for the use of the card. If your provider does not accept the card, you will need to submit a claim to ADP for reimbursement.

You will receive one card per family for the Health Care and/or Child/Elder Care Spending Accounts. You may request additional spending account cards from ADP. To obtain additional cards for your eligible covered dependents, complete the Dependent Card Form from ADP, which can be accessed through the Health Care and Child/Elder Care Spending Accounts Web Center via My Rewards @ Work, indicate the name of the dependent who will use the card, and fax to ADP at 1-678-762-5693.

The IRS requires proof of qualified purchases made with a spending accounts card. It is recommended that you keep your receipts for three years. Card transactions will be automatically substantiated when the card is used at businesses that primarily or exclusively provide eligible health care services and sell eligible items, such as doctors' offices, as long as the copayment matches the plan provisions. If you have expenses that are incurred through the Prescription Drug Plan and administered by Caremark under the PPO/POS High and Low Options, the EPO Option, or the Traditional Indemnity Option, generally, substantiation will not be necessary since this information is forwarded directly to ADP by Caremark. If the amount debited from your account is inconsistent with plan copayment amounts, you will be required to provide a copy of your receipt for eligible expenses. If you are required to provide proof of a qualified purchase, you will receive a request for substantiation from ADP, the claims administrator.

Failure to provide the required substantiation will result in the temporary deactivation of your spending accounts card, and you will be required to repay the amount of the unsubstantiated/ineligible expense.

Spending Accounts Statement

Each year, you will receive periodic statements indicating your current Health Care and/or Child/Elder Care Spending Account(s) balance(s) and listing all the amounts paid to you related to that plan year.

Information about your Health Care and Child/Elder Care Spending Accounts is also available online from the Health Care and/or Child/Elder Care Spending Accounts Web Center via My Rewards @ Work. You can also contact the Benefits Call Center.

Information about your Transportation Spending Accounts is available online from the Transportation Spending Accounts Web Center via My Rewards @ Work. You can also contact the Transportation Spending Accounts Call Center.

Qualified Change in Status

The Health Care Spending Account and/or Child/Elder Care Spending Account elections you make during the annual benefits enrollment period will stay in effect through the following plan year (or the current plan year if you enroll during the year as a newly eligible employee). However, you may be permitted to change your elections before the next annual benefits enrollment period if you have a qualified change in status. **Please Note:** Any changes you make during the year must be consistent with your qualified change in status.

If you have a qualified change in status and want to change your Health Care Spending Account and/or Child/Elder Care Spending Account contributions, please see the **Benefits Status Change Guide** available on Company Home > HR & Personal > Pay & Benefits, which includes details on how to make changes. This Guide is also available on request through the Benefits Call Center. You need to contact the Benefits Call Center or make your changes through the Benefits Web Center via My Rewards @ Work within 31 days of the qualifying event. Otherwise, you will not be able to make the change in contributions until the following annual benefits enrollment period. Documentation of eligibility isn't always required when you enroll, but may be requested at any time by JPMorgan Chase or the claims administrator. Your changes will take effect as of the day of the qualifying event. Eligible expenses are those incurred on or after the effective date of the qualifying event. For example, if you get married on April 15 and increase your Health Care Spending Account from \$300 to \$3,000, you will only be allowed to claim \$300 in expenses incurred from January 1 through April 14.

If you have questions during the year about qualifying events and what the allowed benefits changes are, please visit the Benefits Web Center via My Rewards @ Work, or contact the Benefits Call Center and speak with a Service Representative.

Qualified changes in status for eligible dependents under the Spending Accounts are listed in the following table.

Spending Account Changes for Qualified Changes in Status*

Event	Health Care Spending Account Changes	Child/Elder Care Spending Account Changes
Spouse and Children		
You get married	Start or increase contributions	Start, increase, decrease, or cancel contributions
You have, adopt, or obtain legal guardianship of a child**	Start or increase contributions	Start or increase contributions
You and/or your covered dependents gain other benefits coverage**	No changes are permitted	Decrease or cancel contributions
You and/or your eligible dependents lose other benefits coverage**	Start or increase contributions	Start or increase contributions
You get legally separated or divorced	Decrease or cancel contributions	Start, increase, decrease, or cancel contributions
A covered family member dies**	Decrease or cancel contributions	Start, increase, decrease, or cancel contributions for your spouse/domestic partner Decrease or cancel contributions for your dependent child
A dependent child is no longer eligible for coverage**	Decrease or cancel contributions	Decrease or cancel contributions
You move out of a Medical Plan option service area**	No changes are permitted	No changes are permitted
You have a change in dependent care provider or fees**	No changes are permitted	Start, increase, decrease, or cancel contributions
Qualified Adult Dependents — Domestic Partner		
You add a newly eligible domestic partner who is your tax dependent	Start or increase contributions	Start, increase, decrease, or cancel contributions
You end a domestic partner relationship with a domestic partner who was your tax dependent	Decrease or cancel contributions	Start, increase, decrease, or cancel contributions
Qualified Adult Dependents — Extended Family Member		
You add an extended family member (for example: an individual meets the definition of an extended family member)	Start or increase contributions	Start or increase contributions
You drop an extended family member (for example: an extended family member gains other benefits coverage)	Decrease or cancel contributions	Decrease or cancel contributions
An extended family member dies	Decrease or cancel contributions	Start, increase, decrease, or cancel contributions

* Please remember that you can make changes to your participation in the Transportation Spending Accounts at any time.

** Also applies to a domestic partner relationship.

If You Have a Work Status Change

Your contributions to the Spending Accounts end if your work status changes and you are then scheduled to work fewer than 20 hours per week. In this case, you may continue to claim reimbursements from your account balances for any eligible expenses that were incurred before the date of your work status change. In addition, you may be able to continue to make contributions to the Health Care Spending Account on an after-tax basis under COBRA. If your work status changes and you are then scheduled to work more than 20 hours per week, please see “How to Enroll” on page 17 for information on when you can newly enroll to participate

How the Health Care Spending Account and Child/Elder Care Spending Account Can Save You Money

The following example shows how paying for eligible expenses using before-tax dollars can actually increase your after-tax income and save you money.

Let's assume your annual income is \$40,000, you're married, and you contribute \$1,000 to your Health Care or Child/Elder Care Spending Account.

	If you use the Spending Accounts	If you don't use the Spending Accounts
Your annual income	\$40,000	\$40,000
Eligible expenses paid from your Spending Account	-\$1,000	\$0
Adjustable gross income	\$39,000	\$40,000
Federal taxes	-\$5,164	-\$5,390
After-tax income	\$33,836	\$34,610
Eligible expenses paid with after-tax dollars	\$0	-\$1,000
Remaining after-tax income	\$33,836	\$33,610
Tax savings	\$226	\$0

The above example is based on 2005 federal income tax rates, assuming the taxpayer is married, files a joint tax return, claims three exemptions, and takes the standard deduction. Social Security and Medicare taxes are based on a combined 7.65% tax rate. The impact on state income taxes is not addressed. **Please Note:** State income taxes may apply to amounts contributed to a spending account.

HIPAA Privacy Rights and Protected Health Information

JPMorgan Chase has certain legal obligations regarding the privacy of your personal health care information according to the provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). JPMorgan Chase may only use and disclose protected health information received from the Health Care Spending Account claims administrator in ways that are permitted by, required by, and consistent with HIPAA privacy regulations.

For details about HIPAA privacy regulations and your rights with regard to this information, please see “HIPAA Privacy Rights and Protected Health Information” in the “Medical Plan” section of this Guide.

The Health Care Spending Account

You can contribute between \$240 and \$5,000 a year per household on a before-tax basis to pay for eligible out-of-pocket health care expenses. Any contributions you make will be deducted from your pay in equal installments throughout the year. If you begin contributing during the year (as a newly eligible employee), the maximum contribution you can make is \$5,000, which will be taken in equal installments over the remaining pay periods for that year.

The following example illustrates how to determine your annual and semimonthly contributions if you contribute to the Health Care Spending Account. This example shows an employee who is paid on a semimonthly basis and who chooses to contribute \$5,000 during an annual benefits enrollment period. Generally, semimonthly deductions would be calculated as follows:

$\$5,000 \div 24 \text{ pay periods} = \$208.33 \text{ per semimonthly pay period}$

If you are hired on April 1 and you elect \$5,000, you will contribute \$5,000 for the remainder of the year. If you are a full-time employee, this means your contributions will begin on May 1 and the amount deducted each pay period will be calculated as follows:

$\$5,000 \div 16 \text{ pay periods} = \$312.50 \text{ per semimonthly pay period}$

Here are some additional key points about how the Health Care Spending Account works:

- **Your Expenses.** When you incur an eligible expense, you may either use your spending accounts card at the time of service or you may submit a claim for reimbursement from your account. The total dollar amount of your annual contributions can be reimbursed for eligible expenses, even if the money has not yet accumulated in your account.
- **Your Eligible Tax Dependents.** Under the Health Care Spending Account, you can pay for eligible expenses on behalf of yourself or your eligible tax dependents. Your eligible tax dependents can include your spouse, a qualified adult dependent (including a domestic partner who is your tax dependent or an extended family member), and your dependent children, including the children of your domestic partner if they are your tax dependents.
- **Continuing Participation.** If you leave JPMorgan Chase before the end of the year, you can continue to be reimbursed for eligible expenses incurred up to your termination — as long as you submit the expenses by the applicable deadline. (Please see “Receiving Reimbursement from the Spending Accounts” on page 36 for more information.) You can also elect through COBRA to continue contributing to your Health Care Spending Account on an after-tax basis for eligible expenses incurred after you leave, but only until the end of the plan year in which you leave. If you are receiving insurance benefits under the JPMorgan Chase Severance Pay Plan, you can continue to participate in the Health Care Spending Account on a before-tax basis during your severance period. Please see the “Plan Administration” section of this Guide for more information on COBRA continuation coverage. If you continue to participate in the Health Care Spending Account while on COBRA through December 31, you are eligible to take advantage of the grace period. (Please see “Grace Period” under “Important Terms” beginning on page 5 for more information.)
- **Coordinating with Your Spouse.** If your spouse has a Health Care Spending Account at JPMorgan Chase or at another employer, you cannot claim reimbursement for any expenses your spouse has claimed under the other plan.

How to Enroll

If You:	What You Need to Do to Enroll:
Are an Employee	<p>During an annual benefits enrollment period, you can make your elections through the Benefits Web Center via My Rewards @ Work, or via the Benefits Call Center. At the beginning of each enrollment period, you'll receive instructions on how to enroll. You must re-enroll each year to continue participating for the following year.</p> <p>You should plan your elections carefully. You can't change your elections during the year unless you have a qualified change in status. Please see "Qualified Change in Status" on page 12 for more information.</p>
Are a Newly Hired Employee	<p>If you've just joined JPMorgan Chase and are enrolling for the first time, you need to make your choices through the Benefits Web Center via My Rewards @ Work or via the Benefits Call Center within 31 days of your date of hire if you are a full-time employee, and within 31 days prior to becoming eligible if you are a part-time employee. Part-time employees will receive their enrollment materials within the 31 days prior to becoming eligible and can enroll at that time. You can access your enrollment materials online via Company Home > HR & Personal > Pay & Benefits > Enrollment Materials. (In most cases, a copy of these materials will also be sent to you via interoffice mail. However, you do not need to wait for these materials to arrive to make your enrollment elections online).*</p>
Have a Change in Work Status or Qualified Change in Status	<p>If you're enrolling during the year because you're a newly eligible employee due to a work status change or you have a qualified change in status, you'll have 31 days from the date of the change in status to make your new choices through the Benefits Web Center via My Rewards @ Work or by contacting the Benefits Call Center and speaking with a Service Representative.* Please see "Qualified Change in Status" on page 12 for more information.</p>

* Special restrictions may apply concerning the processing of spending account enrollments and payroll contributions after mid-December of any year. Please contact the Benefits Call Center for more information.

If You Do Not Enroll

If you do not enroll when you first become eligible, you won't be able to enroll until the next annual benefits enrollment period unless you have a qualified change in status. Please see "Qualified Change in Status" on page 12 for more information.

When Participation Begins

If You:	When Participation Begins:
Are an Employee	The contributions you elect during the annual benefits enrollment period take effect at the beginning of the following plan year (January 1).
Are a Newly Hired or Newly Eligible Employee	<p>The elections you make as a newly hired employee take effect as follows:</p> <ul style="list-style-type: none"> • If you are a full-time employee, coverage begins on the first of the month following your date of hire. • If you are a part-time employee regularly scheduled to work at least 20 but less than 40 hours per week, coverage begins on the first of the month following 90 days from your date of hire. <p>Any contributions you make will be deducted from your pay in equal installments throughout the remainder of the year.* For example, if you are hired on June 1 and you elect \$3,000, you will contribute \$3,000 for the remainder of the year. If you are a full-time employee, this means your contributions will begin on July 1, and the amount deducted each pay period will be \$250.</p>
Have a Qualified Change in Status	The elections you make as a result of a qualified change in status (such as marriage, divorce, or the birth or adoption of a child) or work status change (such as an adjustment to your regularly scheduled work hours that results in a change in eligibility) will take effect as of the day of the qualifying event, if you have already met the plan's eligibility requirements.*

* Special restrictions may apply concerning the processing of spending account enrollments and payroll contributions after mid-December of any year. Please contact the Benefits Call Center for more information.

Changing Your Contributions

You may change your contribution amounts during the year only if you have a qualified change in status. Please see “Qualified Change in Status” on page 12 for more information.

Plan carefully, because you cannot change the amount of your contribution to the Health Care Spending Account during the year except in limited circumstances as determined by JPMorgan Chase in accordance with Internal Revenue Service (IRS) guidelines. If you do not spend all the money in your account for expenses incurred during the plan year (January 1 - December 31) and the two-and-a-half-month extension (January - March 15) of the following year as explained in “Special Rules” under “Some Quick Facts” on page 8, the unused balance cannot be returned to you or carried forward for use during the following year. Unused balances left in your Health Care Spending Account are forfeited.

Eligible Expenses

Eligible expenses are those incurred from the effective date of participation through the date participation ends. Eligible expenses under the Health Care Spending Account include expenses that you pay out of your pocket and that you could also claim as medical deductions on your federal income tax return. Some expenses include, but are not limited to, deductibles, copayments, and coinsurance. Examples of eligible expenses under the current Internal Revenue Code (IRC) are dental services, certain equipment and supplies, certain over-the-counter medicines (except vitamins), hospital services, lab exams and tests, and medical treatments (including smoking cessation programs). **Please Note:** Insurance contributions (i.e., premiums) are not reimbursable under the Health Care Spending Account.

The specific expenses listed below are generally considered by the Internal Revenue Service (IRS) to be deductible health care expenses for federal income tax purposes. Therefore, they're eligible for reimbursement through the Health Care Spending Account. Because the deductibility of these expenses is always subject to IRS review, JPMorgan Chase can't guarantee that the same expenses will always be eligible (or ineligible) for reimbursement from the Health Care Spending Account.

If the IRS changes its ruling concerning the deductibility of a particular expense, JPMorgan Chase will accept that ruling effective on the date prescribed by the IRS.

Please Note: Changes by the IRS to the tax-deductible status of an expense do not allow you to stop or start contributions to the Health Care Spending Account.

Examples of Eligible Expenses Under a Health Care Spending Account Under the Current Internal Revenue Code (IRC)

This list is subject to change at any time.

Dental Services

- Cleaning teeth
- Dental X-rays
- Filling teeth
- Gum treatment
- Oral surgery
- Orthodontia

Equipment and Supplies

- Abdominal supports
- Ambulance hire
- Arches
- Artificial teeth or eyes, to the extent they are not deemed to be cosmetic
- Automobile device for a physically disabled person, but not for travel to work
- Back supports
- Braces
- Contact lenses and supplies
- Crutches
- Diabetic supplies
- Elastic hosiery
- Eyeglasses
- Fluoridation unit in the home
- Hearing aids
- Installation of stair-seat elevator for a person with a heart condition
- Invalid chair
- Iron lung
- Orthopedic shoes
- Over-the-counter (non-prescription) medications used to alleviate or treat an illness or injury (e.g., aspirin, Tylenol, Claritin)
- Portable air conditioner if needed for relief from allergy or difficulty in breathing
- Prescriptions
- Reclining chair if prescribed by a physician
- Repair of telephone equipment for the deaf
- Sacroiliac belt
- Special mattress and plywood bed boards for relief of spinal arthritis
- Splints
- Truss
- Wig, if advised by a physician for the mental health of a patient because of hair loss from disease

Hospital Services

- Anesthetist
- Operating room usage
- Oxygen mask and tent
- X-ray technician

