



Welcome to Manley

With the continued increase in the popularity of flex plans comes exciting increases in Manley's business. We are pleased to announce that we now have a full time sales office in the Portland area, staffed by Brian Holmes and Barry Pyle. Brian has been with Manley for about four years, and is happy to provide face to face service to brokers and clients in the Portland area.

"A lot of brokers like to deal with somebody local," says Brian. He enjoys the ability to swing by and say 'hi' to clients, just to let them know we're in the area. "If they need anything they can always just give us a call and we'll be there right away."

Also working in the Portland area is renewals expert Barry Pyle. She has worked with Manley Services since 1995.

When you have questions about products or services that we offer, Brian invites your call at (503) 827-4182. You can also reach him via email at manleyserv@home.com.

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|--|
| This Issue |
| Welcome |
| Client Profile Mercy Medical |
| Flexible Spending Accounts Options |
| Employee Profile Bonni Strong |
| Updates & Issues New President, New CEO |
| Reminders Time to file 5500's Direct Deposit System |

Client Profile Mercy Medical

At Roseburg Oregon's Mercy Medical Center, the emphasis is on taking care of people. While her job does not involve taking blood pressure or mending broken legs, Hazel Larsen also holds a job in which she takes care of people. As Human Resources Coordinator for Mercy Medical's 1,400 employees, Hazel helps employees care for their needs through the benefits programs they offer. "My challenge," she says, "is to always make sure we can

meet the needs of employees. That means if there is something new out there, we need to look at it. We have to be competitive."

Part of staying competitive in her business is offering a Flexible Spending Account. Mercy Medical has done so since 1993, with Manley as their plan service provider. According to Hazel, they make an ideal team. They chose Manley, she reports, based on references. "They were highly recommended by our insurance broker and

others that we contacted. We haven't used any other administrator, but I've certainly talked to people who have. Based on what I've heard from them, our turnaround time for claims is much faster and we get more individualized attention." Not to mention the fact that, in 2000 alone, Mercy's employees saved nearly \$45,000 in taxes because of their flex plans.

Of course, Hazel is also responsible to management to get results through their *continued on pg. 2*

Flexible Spending Account Options

For several years now, you've probably been singing the praises of your Flexible Spending Account to anyone who would listen. While many employees appreciate the program, there are still some who don't show up.

For many of these 'non-takers' in your employee group, the reason they don't participate has less to do with doubt about the program's value than about their fear of poorly estimating their yearly expenses. The old 'use it or lose it' rule is enough to discourage them.

Finally, Congress has heard the pleas of the masses, and is working toward changing the rule. House Republicans Dreier and Royce, both from California, have jointly introduced HR 63 and HR 167. The bills take slightly different approaches to leftover funds.

HR 63 would allow unused money set aside for medical expenses to be returned to the participant at the end of the plan year. The amount returned would be included in the employee's gross income, and would therefore be subject to taxes. HR 63 would be effective immediately.

HR 167 would also allow unused monies to be returned to participants, but would also allow participants the choice of rolling the extra (up to \$3,000) into future plan years. If the participant wants to take the excess back in cash, it would be taxable. But, if the participant chooses, he also has the option of transferring the excess into a tax-deferred account like an IRA, 401(k), 403(b), 457, or even a Medical Savings Account. HR 167 would become effective for plan years beginning after December 31, 2001.

The Bush Administration is also getting into the act. They have proposed legislation similar to HR 167, with the 'roll over' amount limited to \$500. The Employers Council on Flexible Compensation applauded the proposal, calling it "common-sense public policy."

While these proposals are encouraging, the show isn't over. Watch this space for future updates.

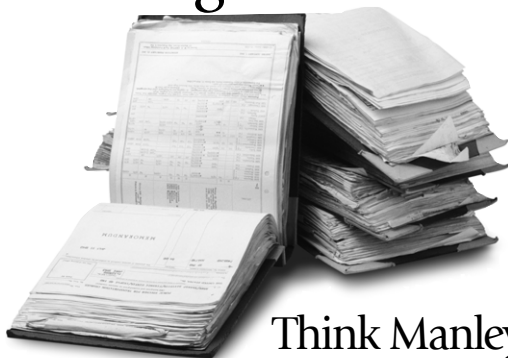
ClientProfile *cont. from pg. 1*

benefits programs. She enthusiastically points out that Mercy Medical saved another \$9,000 in payroll taxes for 2000, also as a result of the flex plans.

From time to time, Manley's representatives come to Mercy Medical to help answer any questions employees might have. "They are always available to attend Benefits Fairs," says Hazel. "Our people like being able to sit in the cafeteria and talk with Manley's folks." At other times, she says, "if someone doesn't understand something, or needs help figuring out how much to set aside, we can call them and get the question answered. Employees are comfortable with them."

Making employees feel comfortable is part of Hazel Larsen's job. And with Manley on her team, that job is easier. "They're just wonderful!" she says.

Thinking 125 FSA Plan?



Think Manley.

Manley Services is the leading provider of 125 Flexible Spending Account plans in the Northwest. When you require assistance with a 125 FSA plan for your company, Manley is the company to be with.

MANLEY
SERVICES

Section 125 and COBRA
Administration Specialists

541/485-7488 ■ 800/422-7038
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Employee Profile Bonni Strong

Bonni Strong is the kind of home-grown employee every boss seeks: smart, practical and capable. After ten years working at Manley Services, Bonni has proven herself able to handle everything from one end of the business to the other. Her boss, Stan Manley, put it this way: "Bonni is awesome. I rely on her totally, and I trust her judgment."

Bonni was born in South Dakota, and raised in the Eugene area. "I've been here all but two years of my life," she says. A country girl at heart, Bonni lives in a pastoral setting about 30 miles south of Eugene, with her husband, Dennis, and various four-legged friends. "We have horses and mules, and we go riding and packing," she says. "It's wonderful to get out there in the middle of nowhere."

Bonni and Dennis have three grown kids between

them, two of whom have thoughtfully produced a nice collection of grandchildren. Paul, 31, and Angie, 34, have children ranging in age from 2 to 14, five in all. Bonni enjoys playing grandparent. Recently, she and her daughter, Michelle, 22, traveled to Virginia to baby-sit Angie's kids for a few days. She relished the opportunity since she doesn't get to see them as often as she would like. Michelle, who married last year, did see to it that her parents don't suffer from empty nest syndrome that affects so many when the last child leaves home. She allowed her Dalmatian, Heartnose, to stay with the folks when she moved out. The truth is, Bonni admits, "I wouldn't let her take Heartnose with her!" She claims it has to do with the great outdoors, and keeping their other dog, Blue,

company, but one can't help wondering.

Bonni came to Manley Services as one of three clerical staffers in 1991. She now oversees the staff, which numbers 20. "My official title is Flexible Spending Manager," she says. "Everyone here is so good about doing everything. That's the great thing about this company – everybody is willing and able to do more than just one thing." Bonni recognizes that the staff is one of Manley's major strengths, but she also emphasizes their approach to customer service. "We're looking to educate folks. If you don't get the correct information, you're not going to make smart decisions, and somewhere down the line you're not going to be happy. Stan does a great job of keeping up with all the changes that happen." Stan feels similarly about Bonni.



"She has tremendous knowledge about cafeteria plans, how they work, and how to get the best service to our clients and our employees."

When you have problems or questions, Bonni invites your call. If you ask nicely, she might even explain about the name Heartnose.

Updates & Issues

Usually when a company gets a new CEO and a new President, it is considered a major change. That's what happened recently at Manley Services, but you may not read about it in the business section of your local paper. Manley's new President is Stan Manley, and the CEO is now Gene Manley. According to Stan, the changes were strictly to solidify the organizational structure. In other words, call Stan and Gene almost anything you want, as long as you still call them for your flex plan needs.

Reminders



- Our sales office in the Seattle area has new email addresses. Please update your records with the following: Alan Peksa alan@massea.com, Jina Yotty jina@massea.com, and Sharon Mason sharon@massea.com. Of course, you can still call them with your sales questions at 1-425-822-4760. If you need customer service, continue to contact us at the main office in Coburg, at 1-800-422-7038.

- Once again, the time is near to file 5500s for calendar year plans. Because the Department of Labor will no longer accept handwritten 5500's, we are happy to prepare the 5500 for you. However, we don't maintain all of the required information, so we designed a questionnaire you can use to provide it to us. We mailed the questionnaires out to our clients over the past few weeks; if you haven't received one yet and would like one, please contact our customer service center, at 1-800-422-7038.

When we receive the information and your request, we'll complete the 5500 and send it back to you for your review and signature.

- Please remind employees that, when requesting a reimbursement, they should send us copies of their documentation, and not the originals.

- We are pleased to announce that our direct deposit system is up and running! Direct deposit of reimbursements into employees' account promises to make the reimbursement process faster and easier. Employees simply fill out an authorization form, which was included in the direct deposit information packet sent to our clients recently. They send the completed form, along with a cancelled check, back to us. Once the bank has reviewed the account number information, reimbursements will be deposited directly into the participant's account. There is no fee for this service to either the employer or the employee.

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