

Local 95 Bargaining Unit Members ANNUAL OPEN ENROLLMENT June 15 – June 26, 2009

HealthAmerica Medical Plan Monthly Pricing for 2009 - 2010

The current monthly Local 95 employee contribution for health care is \$167.77. Under the current system, that rate would increase approximately \$25 for the next fiscal year. It is anticipated that both the university and the union have or will have proposals changing the current rate system which would affect the amount payable by employees.

HealthAmerica HMO Medical Option

HealthAmerica, a Health Maintenance Organization (HMO), provides a full range of health care services to members, usually at little or no charge beyond the monthly employee contribution for coverage. A co-payment is required for prescription drugs, medical supplies and some medical services.

The HealthAmerica HMO requires that you pre-select a primary care physician (PCP) when you enroll and that you use only doctors, hospitals or facilities affiliated with their network. However, you are not required, except under certain circumstances, to get a referral to see a specialist. HealthAmerica allows you to self-refer to any participating network specialist. If you use providers outside the network, no benefits will be paid. A list of affiliated health care providers is available by visiting HealthAmerica's website at <http://www.healthamerica.cvty.com> or by contacting HealthAmerica by phone at 1-800-735-4404.

HealthAmerica Medical Plan Overview

| | HealthAmerica |
|-------------------------------------|---|
| Deductible & Coinsurance | None |
| Co-Payments | Primary Care Physician: None Specialist: None Self-Directed: None |
| Preventive Care / Physicals | Covered in full when received from PCP, according to a schedule |
| Prescription Drugs | Covered in full for a 31-day supply after a: \$5 co-pay formulary and generic \$10 co-pay, generic diabetic supplies \$20 co-pay brand name, non-formulary Covered in full for a 90-day supply via mail order after a: \$5 co-pay formulary and generic \$10 co-pay generic diabetic supplies \$20 co-pay brand name, non-formulary Mandatory Generic Applies |

Benefits for You

Benefits are an important part of your total compensation package. Open Enrollment gives you the chance to make sure that your coverage levels meet your needs for the coming year.

Please take time to review these materials closely, even if you are not making any changes to your benefit elections. Plans and prices change and this is an easy way to stay informed about your benefits.

What Do I Need to Do?

New elections: If you want to make new elections for July 1, 2009 – June 30, 2010, complete the enclosed Enrollment Form for Local 95.

Return the Enrollment Form to Human Resources/Benefits & Compensation at 319 South Craig Street, by June 26.

No changes: If you do not intend to make changes to your current coverage, you do not need to complete a new Enrollment Form. However, be sure to review these enrollment materials so that you are familiar with any plan or price changes.

Get the Details

For more detailed information, consult the Summary of Benefits that lists specific coverage levels and features of the HealthAmerica plan. The summaries are available at the Carnegie Mellon Human Resources website at <http://www.cmu.edu/hr/index.html>, by email hrhelp@andrew.cmu.edu or by phone (412) 268-4747.

Open Enrollment: Your Annual Election Opportunity

Effective July 1, 2009 - June 30, 2010

During Open Enrollment, you may:

- Enroll for or de-enroll from medical coverage;
- Delete or add eligible dependents to your medical coverage;
- Increase or decrease optional life insurance coverage.

The elections you make will remain in effect through June 30, 2010, unless you experience a life or family status change that permits you to make corresponding benefit changes. **In all cases, please take time to review these enrollment materials so that you are familiar with any plan or price changes.**

Who is Eligible?

You may enroll for benefits if you are employed by Carnegie Mellon University and an active member of the Local 95 Bargaining Unit. You may also cover your eligible dependents under your medical coverage. Eligible dependents include:

- your spouse or your registered domestic partner,
- your unmarried dependent children up to age 19,
- your unmarried dependent children up to age 23 if certified as a full-time student, and
- unmarried dependent children of any age who are incapable of self-support due to total disability.

Your Medical Premiums Are Pre-Taxed

If you are enrolled or will enroll in the HealthAmerica HMO medical plan, your medical premiums will be paid pre-tax. This will allow your medical premium to be reduced from your pay before federal, state and FICA taxes are calculated, resulting in a tax savings for you. There is no enrollment required to request this option. This program is automatic.

Coordination of Benefits

Employees and their dependents who are covered under another medical plan may enroll for medical benefits through the Carnegie Mellon program if they wish. In such cases, the benefits payable under the Carnegie Mellon plan will be coordinated with the benefits payable under the other plan. In no case will benefits for a claim be paid under more than one plan.

This is a Summary

This document contains summaries of the options provided in each benefits category. These summaries are intended to help you choose among the available options. They do not take the place of legal plan documents. If there is a conflict between this summary and the plan documents, the plan documents will govern. If you require more detailed information, contact the Human Resources Service Center by email hrhelp@andrew.cmu.edu or by phone (412) 268-4747.

Your Benefit Options

Benefits for Domestic Partners

Eligible employees may elect medical benefits for their same- and opposite-sex domestic partners. If your relationship meets the criteria found in the Domestic Partner Registration Packet, your partner is eligible to receive benefits and to use certain university facilities.

Enrollment Process for Employees with Domestic Partners

If you have not already done so, first download and complete a Carnegie Mellon Registration Statement of Domestic Partnership. You can download the Domestic Partner enrollment kit from <http://www.cmu.edu/hr/index.html> or request one from the Human Resources Service Center at hrhelp@andrew.cmu.edu or 412-268-4747. To elect medical coverage for your domestic partner, you should also complete the Benefits Enrollment/Change Form for Local 95 Employees, also available in the Registration Packet. All Domestic Partnership Registration and Termination Statements will be held confidentially in Human Resources.

Family or Life Status Changes

The elections you make during Open Enrollment will remain in effect for the full plan year beginning July 1, 2009 and will continue through June 30, 2010. If your life or family status changes during that time, however, you may be permitted to change your benefits level to accommodate your new situation. Generally, if you experience any of the following, you can make specified benefit changes consistent with your situation:

- Marriage or Registration of a Domestic Partnership
- Divorce, Termination or Death of a Spouse or Domestic Partner
- Death of a Dependent or a Dependent Becomes Ineligible
- Birth or Adoption of a Dependent
- Spouse or Domestic Partner Gains Other Coverage
- Spouses or Domestic Partner Loses Other Coverage
- Major Change to Cost or Terms of Coverage
- Relocation To An Area Without Plan Network Coverage

If any such event occurs, you must make the changes to your benefits by contacting the Human Resources Service Center within 31 days of the event. The staff will help you to make the appropriate changes in your enrollment. You may be required to provide documentation verifying the change.

Tax Treatment of Domestic Partner Coverage

The Internal Revenue Service (IRS) prohibits pre-tax contributions to be made on behalf of dependents who do not meet the Internal Revenue Code Section 152 definition of a dependent. In most cases, same-sex and opposite-sex domestic partners do not meet this definition. If your domestic partner is an eligible dependent for federal income tax purposes, the domestic partner may qualify for a tax break when you file your income tax return.

The cost to add the domestic partner is paid on an after-tax basis and is considered imputed income to the employee at the fair market value of the coverage. That value is derived from the COBRA rates (the full cost of the plan minus the 2% administrative fee). The additional cost of adding your domestic partner to your coverage will be noted as additional reported taxable income on your pay stub. This amount will vary depending on the level of coverage you are electing.

Optional Life Insurance at Group Term Rates

Carnegie Mellon helps you to provide financial protection to your survivors in the event of your death by providing basic life insurance, as well as the opportunity to purchase additional coverage at group rates.

Carnegie Mellon automatically provides (at no charge to you) basic life insurance equal to one-and-a-half times your annual straight-time salary or \$12,000, whichever is greater.

You may also choose to carry optional coverage. The level of coverage available to you is based on your age and salary (detailed in the chart below). The cost of optional coverage is listed in the chart at right. For your convenience, optional life insurance enrollment elections are part of the annual Open Enrollment form. If you'd like to elect, increase/decrease or de-enroll from optional life insurance coverage, you may do so on the enclosed form.

Please note that regardless of when life insurance payouts may occur, they will be based upon your annual straight-time salary effective July 1, 2009.

Supplemental Life Insurance Bi-Weekly Employee Contribution Rates

| Age | Rates/\$1,000/Month |
|-------------|---------------------|
| Under 30 | \$ 0.050 |
| 30-34 | \$ 0.063 |
| 35-39 | \$ 0.069 |
| 40-44 | \$ 0.081 |
| 45-49 | \$ 0.092 |
| 50-54 | \$ 0.157 |
| 55-59 | \$ 0.235 |
| 60-64 | \$ 0.391 |
| 65-69 | \$ 0.667 |
| 70 and over | \$ 1.369 |

Level of Optional Coverage Available According to Your Age and Salary

| Age | To 24 | 25 – 29 | 30 – 34 | 35 – 39 | 40 – 44 | 45 – 49 | 50 – 54 | 55 – 59 | 60 – 64 | 65 + |
|-----------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|--------|
| Salary | | | | | | | | | | |
| To \$17,599 | 30,000 | 28,500 | 27,000 | 25,500 | 24,000 | 21,000 | 18,000 | 15,000 | 12,000 | 11,100 |
| 17,600 – 22,199 | 38,000 | 36,000 | 34,000 | 32,000 | 30,000 | 26,000 | 22,000 | 18,000 | 14,000 | 12,800 |
| 22,200 – 27,199 | 46,000 | 43,500 | 41,000 | 38,500 | 36,000 | 31,000 | 26,000 | 21,000 | 16,000 | 14,500 |
| 27,200 – 31,999 | 54,000 | 51,000 | 48,000 | 45,000 | 42,000 | 36,000 | 30,000 | 24,000 | 18,000 | 16,200 |
| 32,000 – 36,799 | 62,000 | 58,500 | 55,000 | 51,500 | 48,000 | 41,000 | 34,000 | 27,000 | 20,000 | 17,900 |
| 36,800 – 41,599 | 70,000 | 66,000 | 62,000 | 58,000 | 54,000 | 46,000 | 38,000 | 30,000 | 22,000 | 19,600 |
| 41,600 – 46,399 | 78,000 | 73,500 | 69,000 | 64,500 | 60,000 | 51,000 | 42,000 | 33,000 | 24,000 | 21,300 |
| 46,400 – 51,199 | 86,000 | 81,000 | 76,000 | 71,000 | 66,000 | 56,000 | 46,000 | 36,000 | 26,000 | 23,000 |
| 51,200 – 55,999 | 94,000 | 88,500 | 83,000 | 77,500 | 72,000 | 61,000 | 50,000 | 39,000 | 28,000 | 24,700 |
| 56,000 – 60,799 | X | X | 90,000 | 84,000 | 78,000 | 66,000 | 54,000 | 42,000 | 30,000 | 26,400 |
| 60,800 – 65,599 | X | X | X | 90,500 | 84,000 | 71,000 | 58,000 | 45,000 | 32,000 | 28,100 |
| 65,600 – 70,599 | X | X | X | X | 90,000 | 76,000 | 62,000 | 48,000 | 34,000 | 29,800 |
| 70,600 – 75,199 | X | X | X | X | X | 81,000 | 66,000 | 51,000 | 36,000 | 31,500 |
| 75,200 – 79,999 | X | X | X | X | X | 86,000 | 70,000 | 54,000 | 38,000 | 33,200 |
| 80,000 – 84,799 | X | X | X | X | X | 91,000 | 74,000 | 57,000 | 40,000 | 34,900 |
| 84,800 & above | X | X | X | X | X | X | 86,000 | 65,000 | 42,000 | 36,600 |

*The combined amount of basic and supplemental insurance for an employee shall not exceed \$500,000.