

# Synopsis of Proposed IAM Benefit Plan

## May 2005

The following is a summary of coverage only for plans offered under the new company. Benefits will be effective July 1, 2005.

### **Three Medical Plan Options Available Through PHS**

Vision coverage will be provided as part of your medical plan choice and is similar to the coverage you have today (check the upcoming enrollment materials for further details).

### **Preferred Provider Organization Plan (PPO)**

Choose any provider and receive care. Higher benefits are offered when you use a provider in the PPO network. Generally network coverage provided at 90% after the deductible or as an office visit copay and 60% after the deductible for out-of-network care. Annual deductible and out-of-pocket maximums apply as shown below.

| <b>Coverage Level</b>        | <b>Network Deductible</b> | <b>Out-of-Network Deductible</b> | <b>Out-of-Pocket Maximum<br/>(excluding deductible)</b> |
|------------------------------|---------------------------|----------------------------------|---|
| <b>Employee</b>              | \$200                     | \$600                            | \$2,000   |
| <b>Employee + Spouse</b>     | \$400                     | \$1,200                          | \$3,000   |
| <b>Employee + Child(ren)</b> | \$400                     | \$1,200                          | \$3,000   |
| <b>Family</b>                | \$600                     | \$1,800                          | \$4,000   |

### **PPO Prescription Coverage**

Prescription coverage will be available when purchased at a network retail pharmacy or through the mail service program. Your copay amounts for network coverage are shown below:

|   |   |
|---|---|
| Network Retail Prescriptions<br>(30-day supply) | \$8 copay generic<br>\$15 copay formulary<br>\$30 copay non-formulary |
|---|---|

|   |  |
|---|--|
| Network Mail Service Prescriptions<br>(90-day supply) | \$16 copay generic<br>\$30 copay formulary<br>\$60 copay non-formulary |
|---|--|

## Coordinated Care Plan (CCP)

You must choose a primary care physician (PCP) who will coordinate your care and refer you to specialists when necessary. Benefits are higher when you obtain care from a CCP network provider. Generally network coverage is provided at 100% after a copay and 60% after the deductible when you do not use a network provider. You will pay a lower office visit copay when you use high performing providers.

| Coverage Level        | Network Deductible | Out-of-Network Deductible | Network Out-of-Pocket Maximum (excluding deductible) | Out-of-Network Out-of-Pocket Maximum (excluding deductible) |
|-----------------------|--------------------|---------------------------|--|---|
| Employee              | None               | \$600                     | None   | \$1,500   |
| Employee + Spouse     | None               | \$1,200                   | None   | \$2,250   |
| Employee + Child(ren) | None               | \$1,200                   | None   | \$2,250   |
| Family                | None               | \$1,800                   | None   | \$3,000   |

## CCP Prescription Coverage

Prescription coverage will be available when purchased at a network retail pharmacy or through the mail service program. Your copay amounts for network coverage are shown below:

|   |   |
|---|---|
| Network Retail Prescriptions<br>(30-day supply) | \$8 copay generic<br>\$15 copay formulary<br>\$30 copay non-formulary |
|---|---|

|   |  |
|---|--|
| Network Mail Service Prescriptions<br>(90-day supply) | \$16 copay generic<br>\$30 copay formulary<br>\$60 copay non-formulary |
|---|--|

## Consumer Directed Health Plan (CDHP)

A CDHP is a new plan type. Under this plan, you will manage your care and how your health care dollars are spent. You may use any provider to receive care but will receive higher benefits (90%) when you use a network provider than when you use an out-of-network provider (60%). The company will make a contribution to a Personal Care Account ranging from \$500 to \$1,500 (unused funds can be carried over to the next year) depending on your coverage level. This plan has a higher deductible and an out-of-pocket maximum than the other two plans as shown below:

| Coverage Level        | Network Deductible | Out-of-Network Deductible | Network Out-of-Pocket Maximum (excluding deductible) | Out-of-Network Out-of-Pocket Maximum (excluding deductible) |
|-----------------------|--------------------|---------------------------|--|---|
| Employee              | \$1,000            | \$2,000                   | \$1,000  | \$2,000   |
| Employee + Spouse     | \$1,750            | \$3,500                   | \$1,500  | \$3,000   |
| Employee + Child(ren) | \$1,750            | \$3,500                   | \$1,500  | \$3,000   |
| Family                | \$2,500            | \$5,000                   | \$2,000  | \$4,000   |

**CDHP Prescription Coverage**

Prescription coverage will be available when purchased at a network retail pharmacy or through the mail service program. Your copay amounts for network coverage are shown below:

|   |  |
|---|--|
| Network Retail Prescriptions<br>(30-day supply)       | \$10 copay generic<br>\$20 copay formulary<br>\$35 copay non-formulary |
| Network Mail Service Prescriptions<br>(90-day supply) | \$25 copay generic<br>\$50 copay formulary<br>\$85 copay non-formulary |

**Medical Plan Monthly Contributions 7/1/2005 through 6/30/2006**

| Coverage Level        | PPO      | CCP     | CDHP     |
|-----------------------|----------|---------|----------|
| Employee              | \$116.00 | \$32.00 | \$36.00  |
| Employee + Spouse     | \$232.00 | \$64.00 | \$72.00  |
| Employee + Child(ren) | \$232.00 | \$64.00 | \$72.00  |
| Family                | \$348.00 | \$96.00 | \$108.00 |

- To waive coverage, you will be required to show proof of coverage elsewhere.
- Monthly spousal surcharge will be waived for the first 3 years of the contract.
- Future medical contributions for the CCP and CDHP will be 10% of the overall premium. Future medical contributions for the PPO will be the CCP monthly contribution you would have paid *plus* 90% of the difference between the total cost of the CCP and PPO.

**Two Dental Plan Options Available**

Offered through Delta Dental, two options will be available: a dental PPO style and a dental HMO style plan. Monthly contributions are shown below:

| Coverage Level        | Dental PPO | Dental HMO |
|-----------------------|------------|------------|
| Employee              | \$9.00     | \$7.00     |
| Employee + Spouse     | \$18.00    | \$14.00    |
| Employee + Child(ren) | \$18.00    | \$14.00    |
| Family                | \$27.00    | \$21.00    |

**Health Care and Dependent Care Spending Accounts**

Both a health care and dependent care spending account will be offered. You may contribute from \$250 to \$3,000 annually to a health care spending account and \$250 to \$5,000 for a dependent care account. Use the money to pay for eligible health care or dependent care expenses. Your contributions are made before taxes are taken out of your paycheck. This means you pay no Social Security, federal and in most cases state taxes on this money.

## **Welfare Coverage**

Comprehensive welfare coverage will be offered to provide financial protection for you and your family if you become sick, injured or die.

| <b>Welfare Coverage</b>      | <b>Paid By</b> | <b>Provided Through</b> | <b>Benefit</b>   |
|------------------------------|----------------|-------------------------|--|
| <b>Weekly Disability</b>     | Company        | Aetna                   | \$330 per week (\$165 for disabilities covered by worker's compensation); 26 week maximum  |
| <b>Basic Life</b>            | Company        | Aetna                   | \$32,000   |
| <b>Supplemental Life</b>     | You            | Aetna                   | 1 to 5 times annual base wage; spouse coverage available at 50% or 100% of your basic life coverage; \$10,000 for each child; evidence of insurability may apply |
| <b>Basic AD&amp;D</b>        | Company        | AIG                     | \$32,000; actual payment depends on loss suffered  |
| <b>Supplemental AD&amp;D</b> | You            | AIG                     | 1 to 5 times annual base wage; spouse coverage available at 50% of your election; 10% of your election for children's coverage                                   |
| <b>BTA</b>                   | Company        | AIG                     | 2 times annual base wage; actual payment depends on the loss suffered  |

## **Retirement and Savings**

The company will provide contributions for your participation in the IAM National Pension Fund. You will automatically participate in the IAM National Pension Fund beginning on Day One of the new company. You will accrue a benefit of \$60.07 per month for each year of future service and will be eligible for normal, early, and disability retirement, along with survivor benefits. In addition, you have an opportunity to defer on a pre-tax basis into the IAM's 401(k) plan

More details to come from IAM's pension fund office. Information also available at [www.iamnfpf.org](http://www.iamnfpf.org)

Pension earned under BCERP for service through Closing Date will transfer to a new company pension plan. All BCERP vesting and early retirement features will apply when that benefit becomes payable.

## **Retiree Medical**

For individuals who are employed on the effective date, the company will offer subsidized retiree medical coverage upon retirement at age 62 as long as you have 10 years of service. You will pay the same premiums until you reach age 65 that you would have paid as an active employee. In addition, "access-only" retiree medical coverage is available to all current and future employees upon retirement at age 55 and have 10 years of service. Costs for access-only coverage will be fully paid by the retiree, based on the cost of coverage for the retired employee population.