

DP3 VEBA Trust Plan Participants Q&A

RE: Impact on Retirees/Qualified Family Members if HCTC ARRA Legislation Is Not Reauthorized

Note: ARRA extension expired on February 13, 2011

General Questions:

Q. What can I do as a retiree, in order to help to get the legislation reauthorized which will continue the subsidy at the 80% subsidy level and continue the Qualified Family Member (QFM) program?

A. We strongly urge you to continue to contact members of Congress to: 1) Express the importance of the HCTC program to retirees who have lost their pensions and 2) Explain that retirees need this program in order to afford the monthly cost of healthcare premiums. 3) Make sure they are aware that the QFM program is not just being reduced; it is being eliminated and will cause a hardship on these families if you/they are forced to pay 100% of the cost of your healthcare on a reduced pension.

Q. Who else is working on our behalf in an effort to keep the monthly premiums at the 80% tax credit level and to continue the QFM program?

A. The DP3 Board is working very hard to make sure that their elected representatives continue to push for the reauthorization of this program at the 80% subsidy level as well as for an extension of the QFM program. Cone Insurance Group (CIG), the Broker for the DP3 VEBA Trust, is also working very hard to educate members of Congress on the importance of reauthorizing this legislation. CIG has gone to Washington D.C. to lobby more than 5 times over the last 2 years including most recently in both January and February of 2011. They have prepared a presentation which was distributed and presented to more than 40 elected representatives in the key offices of both the House and Senate. The presentation can be viewed on this website and essentially underscores the importance of this program. CIG was able to bring a clearer

understanding of how the program works and what needs to be done to support this program among elected representatives offices which we believe will help to garner support of extending the subsidy and reauthorizing the QFM program.

Q. What happens if I cannot afford to continue my enrollment into this program and I forget to cancel my coverage until sometime in April or beyond?

A. You will continue to be invoiced by Marsh until April or beyond unless you call and terminate your coverage. You will still be responsible for the prior month's premiums even if you did not use your benefits during that time period. If you fail to pay your invoice for two months or more you will then be terminated from the health plan and will not be eligible to enroll in the program at a later date.

Q. Who do I contact to initiate a change in coverage?

A. You can contact Marsh at 1.877.928.8322 to request a change in coverage.

Q. Does the DP3 VEBA Trust Standard Plan qualify for as a HDHP or HSA Plan?

A. No, neither the Premium nor Standard plans qualify as this type of plan.

Q. Can I keep just my dental and vision coverage and cancel the rest of my coverage for medical and Rx?

A. Yes, you have the option to continue to be enrolled in the Dental and Vision programs while cancelling the medical and prescription drug programs if you choose.

Q. If the legislation is reinstated at some calendar date beyond 2/13/11, will the tax credit amounts be retroactive to 2/13/11 upon reinstatement?

A. Historically speaking, yes, when legislation has expired and has been reinstated within a reasonable time period, the legislation has been retroactive once it was reauthorized. With that being said there is **no**

guarantee the legislation will be retroactive if the provisions are reauthorized.

Q. For non-QFM HCTC members, if I want to change to a different coverage level after the 80% tax credit is reduced to 65%, can I do that after 2/13/11? (Ex: From the Premium plan to the Standard plan)?

A. If the extension expires, this will not be considered a qualifying event as it relates to a regular HCTC member because the tax credit is not going away; rather it is being reduced from 80% to 65%. For a QFM though, the change in the tax credit from 80% to 0% is a life event because of what a drastic change this results in being.

Qualified Family Member (QFM) Questions:

Q. Will I have to re-enroll in the insurance program and HCTC program if the ARRA legislation is not reauthorized?

A. For non-QFM HCTC members, the only change you will encounter is that your monthly invoice you receive from the IRS will increase as a result of the tax credit changing from 80% to 65%. The only action necessary to continue your enrollment is to pay the amount as indicated on your monthly invoice from the IRS.

For the QFM's currently enrolled in the HCTC program, there will be a change in how you make your payments, but you will continue to be enrolled. Going forward, QFM's will receive their invoices from Marsh, the plan administrator, for their premium and the invoice will have increased to 100% of the cost of the insurance program. Please remember that you can make payments to Marsh each month thorough the Electronic Funds Transfer (EFT) process. You can contact Marsh for the details on how to enroll in the EFT program.

Q. For QFM members, what happens if I wish to change to a different coverage level after 2/13/11?

A. Spouses and Dependents of eligible retirees (QFM) enrolled in the DP3 VEBA Trust insurance programs do qualify for a “Life Event” because their eligibility in the IRS-HCTC program has been terminated. The “Life Event” will allow you to make enrollment changes for your QFM. Please contact Marsh at 1.877.928.8322 for further clarification.

Q. If I am a QFM and want to continue to be covered by AETNA, how do I set up monthly payments to Marsh since I no longer qualify for the HCTC?

A. Marsh allows you to pay by check or you can take advantage of the electronic funds transfer program called **SECURE PAY**. Secure Pay will allow you to have an electronic funds transfer (EFT) on a monthly basis from the account you designate. This is a convenient option, especially if you travel and do not want to risk having your coverage lapse. A **SECURE PAY** form will be mailed to you with your first premium invoice. Complete the form and return it to Marsh and they will work to set-up the ongoing transfer.

Q. As a QFM, if I decide to change my coverage to a lower monthly cost plan, when do I need to notify **Aetna** that I want to change from the “Premium” to the “Standard” plan in order to avoid making the 100% payment to the “Premium” plan for my QFM?

A. If the QFM was already enrolled in the program prior to January 1st, 2011, then QFM should have been invoiced for the 20% payment in February for their March coverage. In order to avoid paying 100% for April coverage you should notify Marsh by the end of February by calling 1.877.928.8322 and inform them of your change request to another plan type.

Q. If the QFM plan is not reauthorized by 2/13/11 or made retroactive to the expiration, but it does get reauthorized later on in 2011, can I just pick up where I left off paying 20% or do I need to complete a new enrollment form and pay the 100% for a few months to get back in the program?

If reauthorized before 2/25/11

A. If Congress reauthorizes the legislation sometime between now and 2/25/11, then there should be enough time for the HCTC program to invoice members using their existing process without a hiccup to the program.

If reauthorized at some point after 2/25/11

A. The IRS-HCTC program will need to assess the language of the legislation and determine how to implement any changes. We cannot say at this time what the process will be.

Q. What will happen if I change my coverage level when I lose my QFM eligibility, and then the plan gets reauthorized at a later date; how do I go back to the coverage level I was originally on once the IRS-HCTC has reauthorized the program and is paying 80% of the monthly premiums?

A. Just like it is a “Life Event” for the QFM to change their coverage level when the legislation expired, it is also considered a “Life Event” and a change can be made at that time. Please contact Marsh at 1.877.928.8322 for further clarification.

Q. If I cancel my coverage outright, can I come back to the plan at a later date if the legislation is reinstated?

A. If you were forced to cancel your coverage due to the QFM program being terminated by the IRS-HCTC and you could not pay 100% of the cost, if it is reauthorized at a later date and because of this you would like to reenroll into the program, this will need to be handled on an exception basis with AETNA Underwriting because the rules state that once you leave the program, you cannot be reinstated at a later time. At a minimum, you may have to wait for the next open enrollment window in order to reelect your coverage.

Q. As a QFM, if the tax credit expires, where do I mail my payments in the future if I stay in the program?

A. If you are mailing in payments with your invoice, please send to the following address:

Marsh, P.O. Box 10494, Des Moines, IA 50306

Q. Once the 2/13/11 extension period passes and assuming the QFM program does not get reauthorized, when will my QFM coverage at the 80% subsidy level end?

A. The invoice you received in February was to pay for your March coverage at the 80% tax credit level. In early March, you will receive notification from the IRS-HCTC that QFMs are no longer eligible for the HCTC tax credit. Beginning in April, your family member will be required to pay 100% of the cost which you should send directly to Marsh, the plan administrator, until any further legislation may be passed to include qualified family members of those retiree's who are already on Medicare.

Q. I am enrolled in the QFM program and have a remaining credit in my account with the HCTC program and would like to know what happens to that money if the QFM program is not reauthorized for 2011? How will I get my money back and how long will it take to receive it?

A. When you are cancelled from the HCTC program, they will reconcile your account and return any credit amounts back to you in the form of a check from the US Department of Treasury. This could take 2-4 months to process the return of your funds.

Q. My husband is over 67 and I am 60. What can be done for those of us that will have to pay 100% of the cost of our healthcare and do not qualify for the IRS-HCTC? Can we lobby to get this change to have no time limit for the retiree's eligibility when the spouse and dependents are still under age 65?

A. Yes, we encourage you to always contact your local Congressmen and Senators to lobby regarding the issues that you support or would like to see a change. In this case, legislation needs to be passed that allows this expanded coverage and no time limits attached to it.

Q. When will I be notified that I am no longer eligible for the HCTC subsidy through the QFM program?

A. Notifications will be sent by the IRS-HCTC in early March 2011.

Q. I am the retiree and I turned 65 in January of 2011. I tried to enroll my wife into the QFM program; however, I was told that she could not enroll into the program on a monthly basis even though the QFM program was extended to February 13, 2011, WHY?

A. No QFM plan participants were allowed to enroll into the QFM monthly program beginning January 1, 2011 because the program was set to terminate on February 13, 2011 and you would not have time to enroll into the program before it was terminated, if it did not get reauthorized. Those QFM's that were impacted by this issue will need to claim their 80% tax credit cost when filing their income tax return for 2011 as long as they were enrolled in a "qualified" plan for those months.

Q. When I contact my local Congressman and Senators, I have focused only on re-authorizing the tax credit at the 80% because that is the most important issue. Why do I care if the QFM program expires?

A. While it is true that the 80% tax credit issue impacts everyone, the QFM program has become a lifeline to many spouses and dependents of those retirees who are already on Medicare (or upon death or divorce) and have lost the tax credit eligibility all together. If the legislation is not reauthorized, there are 600+ Delphi families that will have to pay 100% of the monthly premiums in order to continue their insurance. It may not be directly impacting you today, but there will be one day down the road where all retirees age into Medicare and this issue will be equally important to you and having the support of the entire group is critically important.