

Take control of your health and health care costs

**Annual enrollment for 2016 benefits
Fall 2015**

This document contains an overview of benefits only.
See the 2016 Health & Insurance Benefits Guide, which can be
downloaded at benefits.ti.com > Health > Benefits Guides.

What we'll cover

- 2016 information
 - Changes
 - Your medical insurance options
- How you can take control of your health, health care costs
 - Using the power of the HDHP-HSA
 - Making the most of support from TI
- Health care reform
 - Where we've been, and where we're going

The basics

- **Annual enrollment is Nov. 3-17** for 2016 benefits
- This is the only time you can make changes, except for a qualified life event, such as marriage, birth, divorce – make sure you add or drop dependents

2016 benefit changes

Support for your health

- **HDHP & PPO**

Better access to flu shots and preventive immunizations at network pharmacies (CVS, Target, Walmart, etc.)

- **Dental**

MetLife Dental will now cover composite (white) fillings rather than just amalgam (silver)

- **Cigna Copay Plan**

Specialty drugs now require 10% coinsurance rather than current flat copay

- **PPO changes due to health care reform**

- Annual pharmacy out-of-pocket max lowered to \$4,000 for individuals (was \$5,000) and \$8,000 for families (was \$10,000)
- Hearing aids: covers 1 pair every 36 months (current benefit covers up to \$1,000 every 36 months)

Support for your family

- **Improved adoption benefits**

- Reimbursement for up to \$5,000 of eligible expenses per child (was \$4,000 per year)
- 4 weeks paid leave for primary caregiver (was 2)

- **Improved maternity leave**

After 1-week waiting period, moms get up to 8 weeks paid leave for birth (was 7)

- **More time to enroll babies**

Window for enrolling newborns and adopted children in health coverage extended to 60 days (was 30 days)

- **Increased limits for HSA, FSAs**

- Max total contribution (TI's plus Tler's) to health savings accounts increased to \$6,750 for family coverage (was \$6,650)
- Max contribution to flexible spending accounts for health care and dental/vision increased to \$2,550 (was \$2,500)

2016 medical insurance premiums

- Premium increases for most medical plans
- Continue multiyear transition to 70/30 cost share of the most efficient plan (TI covers 70% of total healthcare costs, Tler covers 30%)

Monthly Rates	Employee Only	Employee+ Spouse	Employee+ Child(ren)	Employee+ Family	Monthly Increase vs. 2015
BCBS - HDHP	\$37	\$102	\$84	\$150	\$10-\$40
BCBS - PPO	\$118	\$392	\$319	\$549	\$30-\$125
Cigna Copay Plan	\$178	\$538	\$434	\$765	\$40-\$175
Kaiser HMO (Northern California)	\$196	\$400	\$386	\$555	\$40-\$125
HMO Blue (New England)	\$171	\$409	\$300	\$532	no change

- Minor increases for dental and vision
- Premiums flat for all other insurance programs (life, AD&D, LTD & DPC)

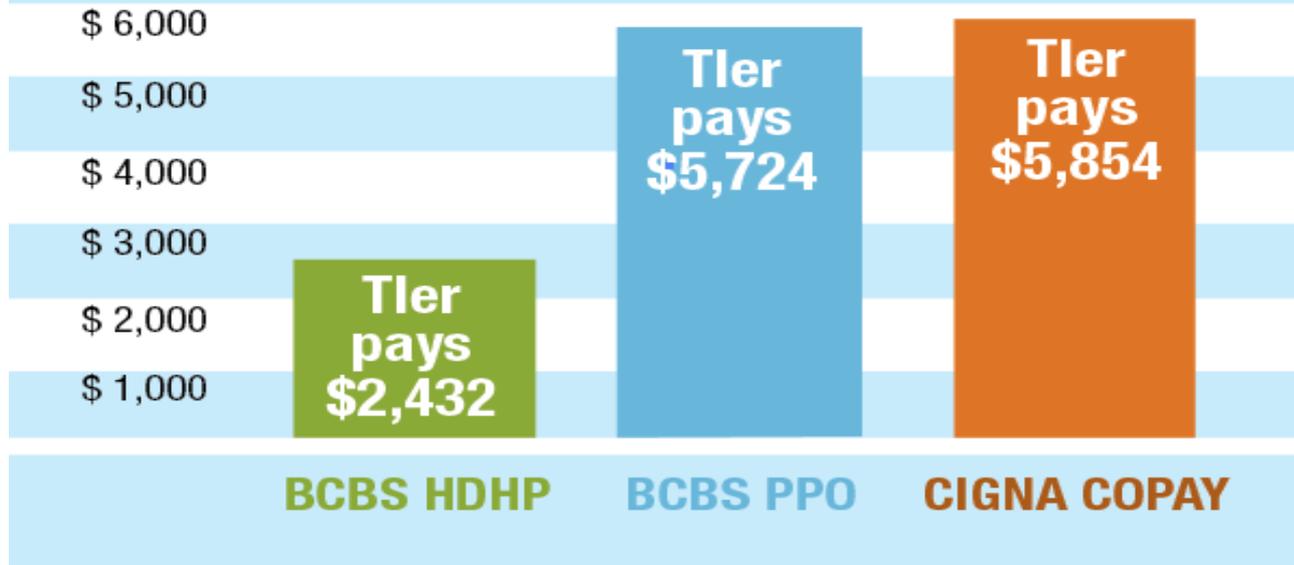
You can take control of your costs

With the power of the High-Deductible Health Plan (HDHP)

- Same high-quality medical coverage
- Only pay for what you use or need
- Low premiums
- Lowest cost plan for Tiers

HDHP continues to cost Tiers less

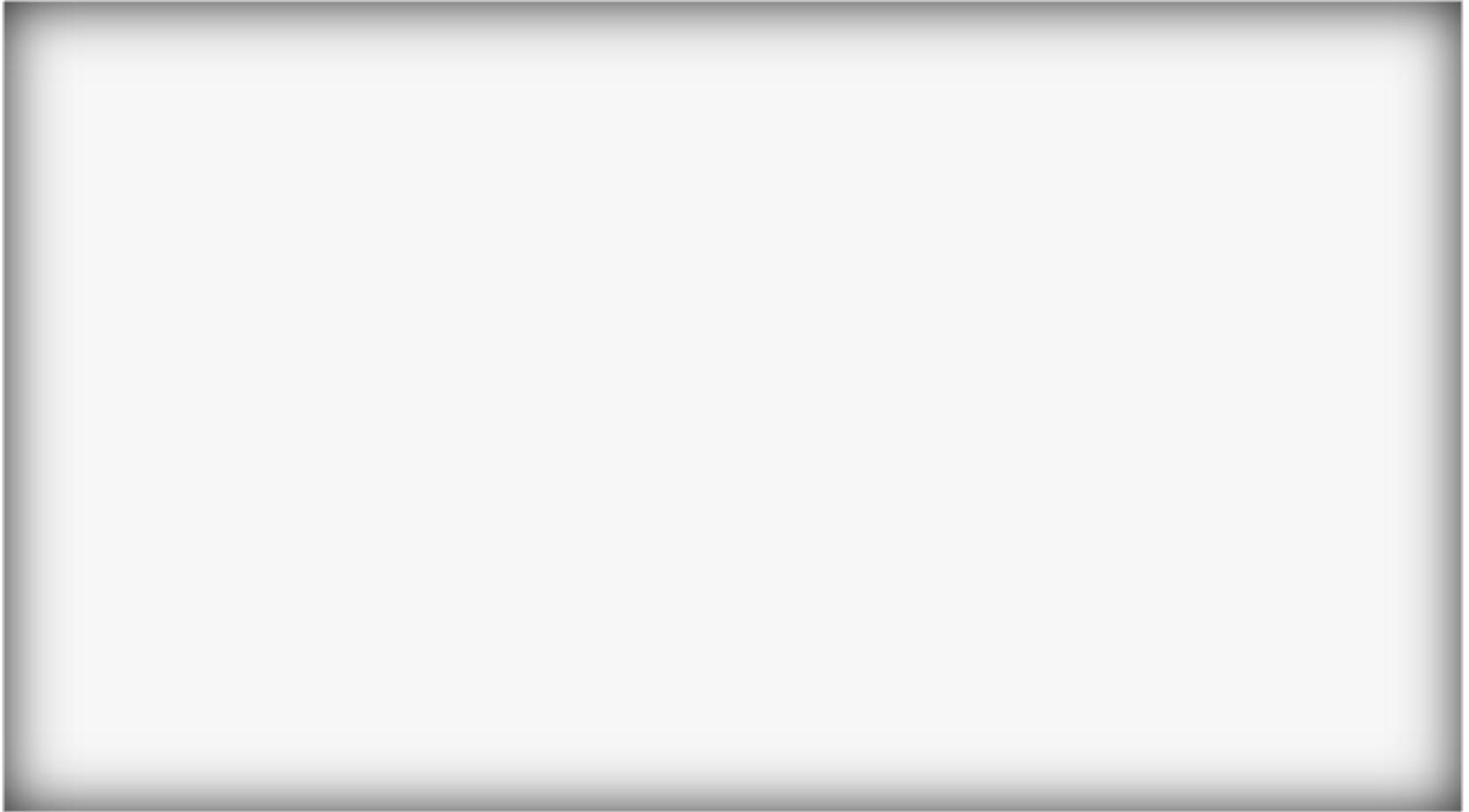
Projected average total cost per Tier in 2015
(includes premiums and out-of-pocket expenses)



	Blue Cross Blue Shield HDHP/Fidelity HSA		Blue Cross Blue Shield PPO		CIGNA Copay Plan	
<u>Medical</u>	<u>In-Network</u>		<u>In-Network</u>		<u>In-Network</u>	
Deductible	\$1,500 - individual cvrg. \$3,000 - other levels cvrg.*		\$300 for each individual \$600 for family overall		N/A	
HSA TI Contribution Individual/Family	\$750/\$1,250		N/A		N/A	
Coinsurance/Copay Physician	10%		10%		\$20 PCP/\$40 specialist \$500/admission	
Hospital	20%		20%			
Out-of-pocket max Individual/Family	\$3,000/\$6,000 (includes deductible)		\$2,500/\$5,000 (includes deductible)		\$6,350/\$12,700	
Preventive Services	0% (TI pays 100% of covered services)		0% (TI pays 100% of covered services)		\$0 copay	
<u>Prescription Drugs</u>	<u>Retail</u>	<u>Mail</u>	<u>Retail</u>	<u>Mail Order</u>	<u>Retail</u>	<u>Mail Order</u>
Deductible	Combined w/ medical		\$0	\$0	\$0	\$0
Generic	20%/\$25	20%/\$75	25%	20%	\$15	\$40
Preferred brand	30%/\$75	30%/\$225	40%	35%	\$30	\$85
Non-preferred brand	50%/\$100	50%/\$300	40%	35%	\$50	\$145
Specialty	10%		10%		10%	
Out-of-pocket max Individual/Family	Combined w/ medical		\$4,000/\$8,000		N/A	
<u>Flexible Spending Accounts</u>	Dental/Vision Dependent Daycare		Health Care Dependent Daycare		Health Care Dependent Daycare	

* NOTE: The HDHP deductible works differently from the PPO – in the HDHP, the family coverage deductible applies to all covered family members – there is no individual deductible

Take control: Do the math



Take control: Health Savings Account

The power of the Health Savings Account (for HDHP participants)

- TI's **annual** contribution
 - **\$750** individual / **\$1,250** other levels of coverage
- And these special features



- **Easy bill payment:** Use your Fidelity HSA debit card, checkbook or online Fidelity BillPay
- 2016 HSA contribution limits, including TI contribution

\$3,350 individual (unchanged)	\$6,750 other levels of coverage (was \$6,650)
Employee contribution max: \$2,600/yr.	Employee contribution max: \$5,500/yr.

How your HDHP and HSA work together

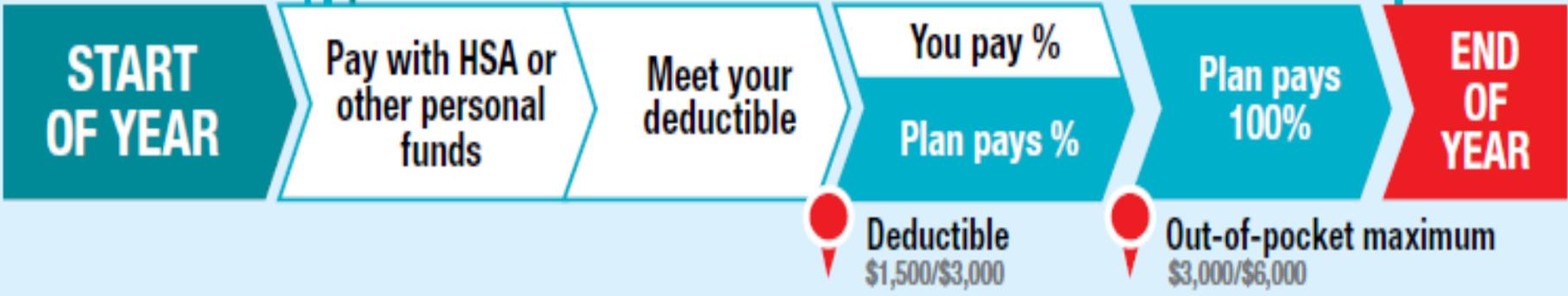


TI contributes to your HSA

You pay expenses out-of-pocket including prescription drugs

In-network preventive care is 100% covered

Unused HSA \$\$ roll over to next year



Take control: Flexible Spending Accounts

- Save taxes by setting aside pre-tax funds through payroll deduction.
- Reimburse eligible expenses throughout the year.
- **Must re-enroll each year. Unused funds forfeited at end of year.**

For dependent daycare expenses

- Dependent Daycare FSA available if you and your spouse are both employed
- **2016:** Annual limit is \$5,000

For health care expenses

- **Dental/Vision FSA**, available with HDHP, lets you preserve your HSA funds
- **Health Care FSA**, available if you are NOT enrolled in the HDHP, lets you reimburse all qualified health care expenses, including dental and vision
- **2016:** Annual limit is \$2,550

You may be paying too much for health care

- **Use free health care cost and quality comparison tool** available with the HDHP and powered by Castlight.
- **Check your explanation of benefits (EOB) statement** to make sure you didn't overpay for a service or procedure. You can do this by visiting your insurance company's website or reviewing your bill when it arrives in the mail.
- **Make sure your doctor's office** is billing preventive care correctly.

The screenshot shows the Castlight Health website interface. At the top, the Castlight Health logo is visible along with navigation icons for home, user profile, and help. Below the logo is a navigation bar with tabs for 'Find care', 'Past care', 'Your plan', 'Bookmarks', and 'Recommendations'. The main content area includes a welcome message for 'Melissa' and a prominent heading: 'Know the cost & quality before you go.' Below this, a search bar contains the text 'Find doctors, services, conditions, and more' and a location filter set to 'Pleasanton, CA'. The search results are organized into three columns: 'Find a doctor', 'Treat a condition', and 'More services'. The 'Find a doctor' column lists 'Primary care' (\$54 - \$195), 'Dermatologist' (\$54 - \$147), and 'Ob/Gyn' (\$117 - \$208). The 'Treat a condition' column lists 'Earache' (\$130), 'Pink eye' (\$128), and 'Sore throat' (\$150). The 'More services' column lists 'EKG' (\$27 - \$73), 'Phys. therapy' (\$15 - \$95), and 'Lab test' (\$4 - \$137). To the right, a 'Plan status' section shows a progress bar from 'deductible' to 'covered', with 'deductible' currently selected. It details that 'Acme pays 100% of routine preventive care' while 'You pay 100% of all other care until you meet your remaining deductible'. A summary table shows '\$250 Spent to date', '\$750 remaining deductible', and '\$500 HRA balance'. Below this, a message states 'Don't get charged for preventive care!' and explains that most preventive care is fully covered. A 'View coverage' button is present. To the right of this message is a 'Why do prices vary so much?' section explaining that prices are set between physician groups and health plans, and a 'Learn more' button is provided. At the bottom, the copyright notice 'Copyright © 2014 Castlight Health, Inc., San Francisco, CA' and a footer with links for 'Overview | Security | Privacy | Terms of use' are visible.

Protect yourself and your family

During annual enrollment, you may want to review ways to protect your income. TI offers benefits to help you and your family if you become ill or disabled, or in the event of your death.

Don't miss your opportunity: Sign up for these benefits during annual enrollment.

- **Disability Pay Continuance (DPC) Plus:**

- Additional coverage beyond the 13 weeks covered under TI-provided DPC Basic

- **Long-Term Disability (LTD):**

- LTD Basic: Pays 50 percent of your earnings after 26 weeks of disability
- LTD Plus: Pays 66 2/3 percent of your earnings after 26 weeks of disability

- **Life Insurance:**

- In addition to basic coverage TI provides (one year of base pay, \$50,000 minimum), you can buy additional insurance for yourself, spouse/partner and children (to age 26)

- **Accidental Death and Dismemberment Insurance:**

- Pays benefits in the event of a dismemberment or death due to a covered accident, whether at work, home or while traveling for business or pleasure

Other benefits-related news

- Don't forget about all the **great FREE smart phone apps**
 - Type **mobileapps** into your browser
 - Manage your health and financial benefits

Fidelity NetBenefits

Blue Cross Blue Shield

CVS Caremark

Cigna

MetLife Dental

WageWorks (FSAs)

Castlight Health

Magellan Health Services (EAP)

- **Sign up for online W-2s**
 - It's convenient: Can download W-2 to various tax software
 - Register through the new simplified enrollment



Look ahead: Health care reform update

- **Where do we stand?**
 - 2010 – Affordable Care Act (ACA) signed into law.
 - Exchanges, subsidies funded by charging large employers like TI taxes, fees.
 - Since 2011, TI has implemented 22 provisions of the ACA.
- **What's coming in 2016?**
 - Employer and individual mandates take effect in 2016 (for the 2015 tax year).
 - Employer: TI must offer coverage to 95% or more of eligible employees.
 - Individual: All U.S. citizens must enroll in some form of coverage or pay a penalty.
 - Reporting rules: Large employers must produce 1095-C tax form.
 - Tiers enrolled in TI health coverage in 2015 (or offered coverage even if they did not enroll) will receive a 1095-C in January that they must file with their taxes.
- **On the horizon (2018): Cadillac tax**
 - Companies will pay a 40% tax on “high cost” health care plans
 - We will review impact on our health care plans and whether it still makes sense to offer certain plans. (The BCBS PPO and Cigna plans for family coverage could trigger tax.)

Resources for decisions

Go to benefits.ti.com >
Health

or type **annualenrollment** in your browser

- Details on all health benefits
- Medical scenarios
- Recorded presentation
- 2016 Health & Insurance Benefits Guide

TI Benefits News booklet mailed to home

Additional tools on netbenefits.com/ti

- Plan detail comparison charts
- Cost comparison charts
- Find a provider
- FSA calculator

Register your choices on
netbenefits.com/ti Nov. 3-17

Phone help: TI Benefits Center,
888-660-1411, option 1

Recap: Take control of health, costs

Annual enrollment is Nov. 3-17. This is your only opportunity to make changes for 2016.

Premiums increasing across most medical plans.

Use your preventive benefits. Flu shots, health screenings and preventive care are covered at no cost to you.

Check out the HDHP:

- 75% of Tlers in the HDHP
 - Free health care comparison service
- TI's money goes into your HSA in January

Make sure you are spending your health care dollars wisely.

Type **annualenrollment** in your browser, or visit netbenefits.com/ti for personal information and to make your elections.

Questions?

myHealth@list.ti.com

Backup

2016 Dental Premiums

Active Dental Premiums				
	You Only per check/month	You + Spouse per check/month	You + Child(ren) per check/month	You + Family per check/month
MetLife Basic	\$4/\$8	\$8.50/\$17	\$9/\$18	\$13/\$26
MetLife Plus	\$12/\$24	\$24/\$48	\$26.50/\$53	\$38/\$76
Aetna DMO	\$2.50/\$5	\$5.50/\$11	\$5.50/\$11	\$8.50/\$17

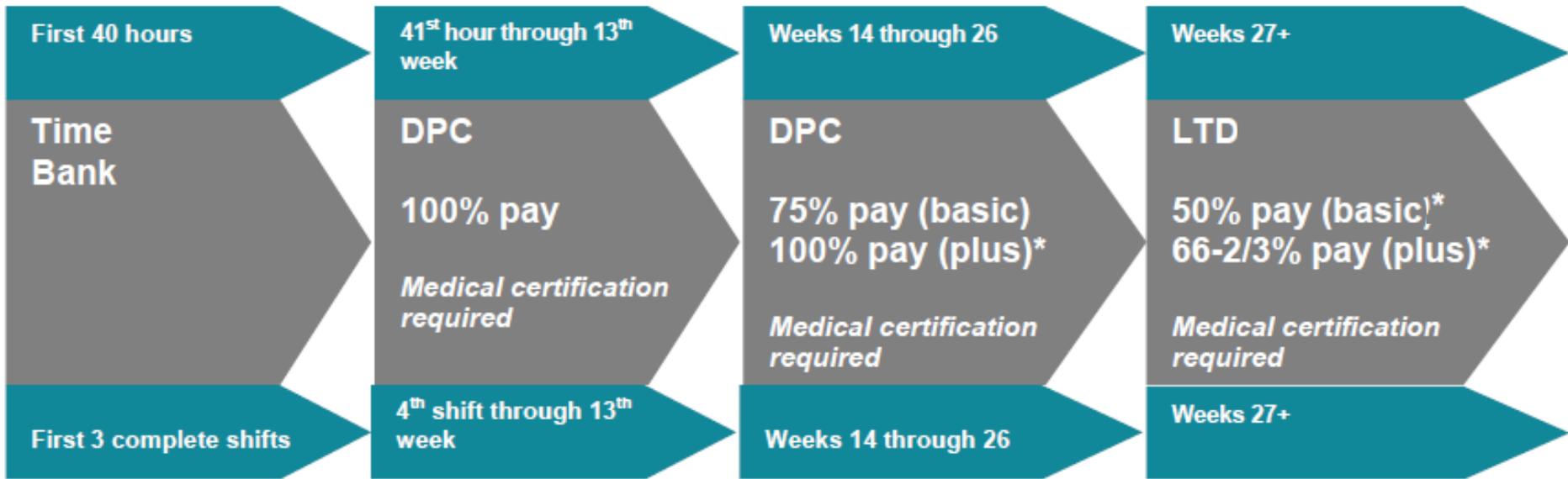
2016 Vision Premiums

Active Vision Premiums				
	You Only per check/month	You + Spouse per check/month	You + Child(ren) per check/month	You + Family per check/month
VSP	\$6.04/\$12.07	\$9.40/\$18.80	\$9.61/\$19.21	\$15.47/\$30.93

How your DPC benefit works

DPC time frame

Regular schedule:



Compressed schedule

* This applies only if you have elected DPC Plus or LTD coverage.

Take control: HSA Resources

Call a Fidelity Workplace Planning and Guidance Consultant—
1-866-602-0651 or log on to **www.netbenefits.com**

How much
should I spend?
Save?

How much
should I
invest?

How much
should I
contribute?

How does this
fit into my
retirement
savings plan?



Cost Comparison – with Cigna

Cost Comparison: Employee Only

	BCBS HDHP	BCBS PPO	Cigna Co-pay
Annual Premiums	\$444	\$1,416	\$2,136
Annual Deductible	\$1,500	\$300	NA
TI HSA Contribution	(\$750)	NA	NA
Total	\$1,194	\$1,716	\$2,136

“Worst Case”	BCBS HDHP	BCBS PPO	Cigna Co-pay
Annual Premiums	\$444	\$1,416	\$2,136
Out of Pocket Maximum	\$3,000	\$6,500 (\$2,500 Medical +\$4,000 Rx)	\$6,350
TI HSA Contribution	(\$750)	NA	NA
Total	\$2,694	\$7,916	\$8,486

Cost Comparison: Employee + Family

	BCBS HDHP	BCBS PPO	Cigna Co-pay
Annual Premiums	\$1,800	\$6,588	\$9,180
Annual Deductible	\$3,000	\$600	NA
TI HSA Contribution	(\$1,250)	NA	NA
Total	\$3,550	\$7,188	\$9,180

“Worst Case”	BCBS HDHP	BCBS PPO	Cigna Co-pay
Annual Premiums	\$1,800	\$6,588	\$9,180
Maximum	\$6,000	\$13,000 ((\$5,000 Medical +\$8,000 Rx)	\$12,700
TI HSA Contribution	(\$1,250)	NA	NA
Total	\$6,550	\$19,588	\$21,880

HMO Blue NE Slides

	Blue Cross Blue Shield HDHP/Fidelity HSA	Blue Cross Blue Shield PPO	HMO Blue NE HMO Plan
<u>Medical</u>	<u>In-Network</u>	<u>In-Network</u>	<u>In-Network</u>
Deductible	\$1,500 - individual cvrg. \$3,000 - other levels cvrg.*	\$300 for each individual \$600 for family overall	N/A
HSA TI Contribution Individual/Family	\$750/\$1,250	N/A	N/A
Coinsurance/Copay Physician Hospital	10% 20%	10% 20%	\$20 PCP/\$25 specialist \$500/admission
Out-of-pocket max Individual/Family	\$3,000/\$6,000	\$2,500/\$5,000	\$5,350/\$10,700
Preventive Services	0% (TI pays 100% of covered services)	0% (TI pays 100% of covered services)	\$0 copay
<u>Prescription Drugs</u>	<u>Retail</u> <u>Mail</u>	<u>Retail</u> <u>Mail Order</u>	<u>Retail</u> <u>Mail Order</u>
Deductible	Combined w/ medical	\$0 \$0	\$0 \$0
Generic	20%/\$25 20%/\$75	25% 20%	\$15 \$30
Preferred brand	30%/\$75 30%/\$225	40% 35%	\$30 \$60
Non-preferred brand	50%/\$100 30%/\$225	40% 35%	\$50 \$100
Out-of-pocket max Individual/Family	Combined w/ medical	\$4,000/\$8,000	\$1,000/\$2,000
Specialty pharmacy	10%	10%	
<u>Flexible Spending Accounts</u>	Dental & Vision Dependent Daycare	Health Care Dependent Daycare	Health Care Dependent Daycare

***NOTE: The HDHP deductible works differently from the PPO -- in the HDHP, the family coverage deductible applies to all covered family members -- there is no individual deductible**

Cost Comparison: Employee Only

	BCBS HDHP	BCBS PPO	HMO Blue
Annual Premiums	\$444	\$1,416	\$2,052
Annual Deductible	\$1,500	\$300	NA
TI HSA Contribution	(\$750)	NA	NA
Total	\$1,194	\$1,716	\$2,052

“Worst Case”	BCBS HDHP	BCBS PPO	HMO Blue
Annual Premiums	\$444	\$1,416	\$2,052
Out of Pocket Maximum	\$3,000	\$6,500 (\$2,500 Medical +\$4,000 Rx)	\$6,350
TI HSA Contribution	(\$750)	NA	NA
Total	\$2,694	\$7,916	\$8,402

Cost Comparison: Employee + Family

	BCBS HDHP	BCBS PPO	HMO Blue
Annual Premiums	\$1,800	\$6,588	\$6,384
Annual Deductible	\$3,000	\$600	NA
TI HSA Contribution	(\$1,250)	NA	NA
Total	\$3,550	\$7,188	\$6,384

“Worst Case”	BCBS HDHP	BCBS PPO	HMO Blue
Annual Premiums	\$1,800	\$6,588	\$6,384
Maximum	\$6,000	\$13,000 ((\$5,000 Medical +\$8,000 Rx)	\$12,700
TI HSA Contribution	(\$1,250)	NA	NA
Total	\$6,550	\$19,588	\$19,084