Post-65 Health Care Changes
AGENDA

Reason for change to Health Care Program

Eligibility Guidelines

Pension Benefit

Your top Questions

Extend Health Overview

Question and Answer Session

Fill out evaluations
Katy Barclay Message to Salaried Retirees
**What does GM pay for Health Care?**

GM spent $4.6 billion on health care for 1.0 million employees, retirees and dependents in 2007.

For every second of every day, GM pays for a medical procedure.

For every two seconds, GM pays for a prescription.
What are the Changes?

On January 1, 2009, GM is eliminating health care coverage for U.S. salaried retirees, surviving spouses and eligible dependents after they reach age 65, when people typically become eligible for Medicare coverage.
What are the Changes?

The coverages impacted are Medical, (including DME, Hearing Aid, Behavioral Health, and Prescription Drug) Dental, Vision, and Extended Care

Individuals will also no longer receive a Medicare Part B special benefit. (This is the $76.20 reimbursement)
Who is Impacted by This Change?

It important to understand that GM health care will cancel when an individual turns 65

Retirees, spouses or eligible dependents of retirees under age 65 will remain covered by GM’s Salaried Health Care Program until they turn age 65
## How Does This Change Impact Me?

<table>
<thead>
<tr>
<th>NOW - 2008</th>
<th>Single</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>You pay from Social Security</td>
<td>$96.40</td>
<td>Medicare Part B Premium Payment</td>
</tr>
<tr>
<td>Check</td>
<td></td>
<td>** Description</td>
</tr>
<tr>
<td>You receive in Pension Check</td>
<td>$76.20</td>
<td>Medicare Part B Special Benefit reimbursed by GM</td>
</tr>
<tr>
<td>You pay from Pension Check</td>
<td>$71.00</td>
<td>Monthly contributions paid to GM:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BCBS = $60, Dental = $5, Vision = $1, ECC = $5</td>
</tr>
<tr>
<td>YOUR COST</td>
<td>$91.20</td>
<td></td>
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</tbody>
</table>

| January 2009                    |         |                                                 |
| You pay from Social Security    | $100.00 | Medicare Part B Premium Payment (estimated      |
| Check                           |         | premium for 2009)                               |
| Your receive in Pension Check   | $240.00 | Medicare Part B Special Benefit cancels on 1/1/09, |
|                                 |         | but $300 monthly pension benefit starts (20% tax) |
| You pay to new Medicare         | $215.00 | Premium payments now made to new Health Plan    |
| Plan(s)                         |         | directly (BCBS = $175; Dental / Vision = $40)   |
| YOUR COST                       | $75.00  |                                                 |
Eligibility

Salaried Health Care Coverage Eligible

- Salaried Retiree age 64 or younger
- Surviving Spouse age 64 or younger that is eligible for health care
- Dependent Spouse or other dependents age 64 or younger
Eligibility

No Coverage from GM

- Salaried Retiree age 65 or older

- Surviving Spouse age 65 or older

- Eligible Dependent Spouse or other eligible dependents age 65 or older
When Does My Health Care Cancel?

- If the GM salaried retiree, surviving spouse or eligible dependent are age 65 or older, your health care coverage will cancel on January 1, 2009.
When does my health care cancel if I am 64 or younger?

Salaried retirees and surviving spouses who are 64 or younger will still be subject to the salaried retiree cap. Nothing changes for them until they turn age 65.

- Remember, their health care will cancel on the first day of the month that they turn age 65.
- This follows Medicare’s age rules.
What is the Salaried Retiree Cap?

The cap limits the amount that GM will spend in the future toward the cost of salaried retiree health care – this includes current and future retirees eligible for health care in retirement.

- The limits will be based on average amounts spent by GM on health care for pre-Medicare and Medicare-eligible salaried retiree populations in 2006.

- The fixed average amounts are what is capped.
Pension Benefit Increase

To help offset this change eligible retirees and surviving spouses, who are 65 or older, will receive a monthly pension benefit of $300 beginning January 1, 2009

* $3,600 per year

* Taxable income
When does the Pension Benefit Increase Go Into Effect?

The $300 pension benefit will be effective the month the retiree’s or surviving spouse’s health care coverages cancel due to reaching age 65.
**TOP QUESTIONS ASKED**

What coverages are being cancelled for those retirees, surviving spouses and dependents who are age 65 or older?

- **Medical** (including DME, hearing aid, Behavioral Health and Prescription drug)  Dental, Vision, and Extended Care Coverage

- The Medicare Part B special benefit (the $76.20 reimbursement)
TOP QUESTIONS ASKED

What happens to my ECC coverage?

- Extended Care Coverage is cancelled

- ECC has required monthly contributions which allow individual access to ECC services and benefits for that calendar year

NOTE: John Hancock—Long Term Care is different than ECC. John Hancock phone number is: 1-800-200-6773.
**TOP QUESTIONS ASKED**

Will I still receive the monthly $76.20 Special Benefit payment?

-No, GM is no longer providing the $76.20 Special Benefit payment
Will my spouse and I each receive $300 a month in pension increase?

- No, Eligible GM retirees and surviving spouses, who are 65 or older, will receive a monthly pension benefit of $300 beginning January 1, 2009.
TOP QUESTIONS ASKED

What happens if I (the salaried retiree) am 65 and have a spouse who is 64 or younger?

-The Retiree will no longer be eligible to participate in the GM Salaried Health Care Program effective January 1, 2009.-----receives $300

-The dependent spouse would be eligible for GM Salaried Health Care Program.
What happens if I (retiree) am 64 or younger and have a spouse who is 65 and older?

- The Spouse will no longer be eligible to participate in the GM Salaried Health Care Program
- The Retiree would be eligible to participate in the GM Salaried Health Care Program
- not eligible for $300 until age 65
**TOP QUESTIONS ASKED**

Will GM still take monthly contributions out of my pension check for health care?

- GM will only take monthly contributions out of a retiree pension check if they are participating in GM’s health care program.

- The retiree will have to arrange payment of their premiums to their new carriers.
If I (retiree) or my spouse is age 64 or younger how will they find out about their enrollment options with GM?

-The GM Annual Enrollment period is late October and early November for eligible participants
TOP QUESTIONS ASKED

Can the $300 ever be cancelled once it starts?

Under most circumstances the $300 pension benefit can not be cancelled once it is started unless the recipient is deemed ineligible.
What impact has banking & mortgage situations in USA had on the funded status of the Pension Plan?

Funded status of SRP is impacted by: market returns of equities, fixed asset & real estate instruments held in the Trust.

-The Hourly and Salaried Trusts had a 10.7% blended return on assets last year.
Important Dates to Remember

- **Week of August 11** — Q&A
- **Mid-September** — Educational Materials (General Overview of Medicare)
- **Late September** — Save the date reminders for Extend Health Welcome and Enrollment Guide
- **Mid-October to Early November** — Extend Health Welcome and Enrollment Guide mailed
  - Mailing date depends upon the dates for your enrollment
- **December 31, 2008** — must have enrolled in a plan
GM has selected Extend Health to help our retirees transition to new health care plans. This company will ensure that all retirees make an informed and confident choice about your health care benefits.
Helping You Make Informed and Confident Enrollment Decisions
Today’s Agenda

• Introduce Extend Health
• Our mission
• How our services work
• Next steps
• Q & A
Things to Remember

• You will receive all the information necessary to make an informed and confident decision

• Opportunity to personalize coverage – find better coverage for similar or less cost

• You will have an objective advocate, an Extend Health licensed benefit advisor, to help you through this process

• You have plenty of time to make an informed and confident decision
Who is Extend Health?

• Independent company, contracted by General Motors, to provide
  ▪ A competitive marketplace of health plan options
  ▪ Education, evaluation and enrollment services
  ▪ **Objective** and trusted benefit advisors
    ▪ All U.S. based
Who is Extend Health?

• Services are at no cost to GM Salaried retirees, surviving spouses and their dependents
  • Our rates are the same as the carriers
  • Objective comparison services across carriers and plan types

• Experienced assisting over 150,000 retirees throughout the U.S. including Chrysler and Ford Medicare eligible retirees
Extend Health’s Mission

Provide *WORLD CLASS CUSTOMER SERVICE*, which enables each General Motors Medicare eligible salaried retiree, and surviving spouse, and their families, to make an *INFORMED and CONFIDENT* health plan election as they transition from GM’s health care coverage to an individual Medicare health plan.
Medicare Marketplace

Place where you can access all Medicare plan types

- Medicare Advantage
- MediGap
- Part D prescription drug (Coverage Gap/Donut Hole)
- Dental
- Vision
Medicare Marketplace

• Pre-existing conditions will not affect your plan choice
  • Select any plan regardless of your medical conditions
  • Exception is End Stage Renal Disease (ESRD)
• You will speak with an objective licensed Benefit Advisor whose sole function is to help you understand these plan types and enroll you in the plan that best fits your needs and budget
Extend Health - How it Works

Retiree group

Educate  Evaluate & Enroll  Manage

Individualized & personalized
• **Welcome and Enrollment Guide** will be mailed to each retiree household

• Four enrollment start dates: October 15th to November 6th

• Mailed to your home 10 days prior to your enrollment start date

• Reminder notice of Extend “Welcome and Enrollment Guide” to be mailed late September 2008

Regardless of your start date, you will have plenty of time to evaluate and enroll
Licensed benefit advisors

• Your advocate
• Single point of contact
• Extend University
  • Most experienced and best trained personnel in the business
• Objective, trusted resource
• Carrier certified
• Enabling informed and confident decisions

Hours of Operation
Monday – Friday
9:00 am – 9:00 pm ET
Decision support tools

Medicare plans

Three ways to search for Medicare plans

Search all plan options
- Medicare Advantage
- Part D
- Medigap

Help me choose
Enter your preferences and we will find the plans that correspond to your needs.

Plans like mine
Look at plans similar to the plan I currently have
Enrollment Process

Licensed Benefit Advisors

- 100% of calls recorded
- Once you have made plan selection, enrollment is conducted via telephone
- Benefit Advisors can discuss plan options with anyone – need to speak to the participant to complete the enrollment
Who is Extend Health?

• Services are at no cost to GM Salaried retirees, surviving spouses and their dependents
  • Rates are the same as the carriers
  • Objective comparison services across carriers and plan types

• Experience assisting over 150,000 retirees throughout the U.S. including Chrysler and Ford Medicare eligible retirees
Post Enrollment Customer Service

- Advocacy and support services continue beyond enrollment
- Provide support for claims issues, appeals and network questions
- Renewal process – ability to pick a new plan for 2010 beginning mid-November – not locked into this year’s plan choice
- Ongoing enrollment services as enrollees turn age 65
Important Dates to Remember

• Mid-September - GM educational mailing (general Medicare overview)

• Late September - Save the date for Extend Health “Welcome and Enrollment Guide”

• Mid-October to Early November - Extend Health “Welcome and Enrollment Guide” mailed
  • Mailing depends upon the dates for your pre-assigned enrollment

• December 31, 2008 – must be enrolled in a plan
Things to Remember

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Thank you