

*The Emeriti Program
for your retirement years*



Your Emeriti Health Insurance Plan Options

From Aetna Life Insurance Company including
Medicare Part D prescription drug coverage

How to make the right choice to meet your needs



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All of the investment options in your employer's Emeriti Plan are mutual funds registered under the Securities Act of 1933, as amended, and the Investment Company Act of 1940, as amended, but the right to make Employee After-Tax contributions has not been registered under the Securities Act of 1933, as amended, and the Employee After-Tax Contribution VEBA has not been registered under the Investment Company Act of 1940, as amended. Under a letter from the Securities and Exchange Commission ("SEC") Staff to Emeriti, for administrative purposes, the SEC is not requiring registration of the right to participate in the Employee After-Tax Contributions of your employer's Emeriti Plan.



Retirement brings new health insurance decisions

Now that you are about to retire or are already retired, you need to think about your health care coverage needs. The *good news* is that you are eligible for Medicare, the primary health insurance coverage for retirees over 65. Medicare provides an excellent foundation for the health care coverage needs of retirees, and it is very important that you enroll as soon as you are eligible. The *bad news* is that there are many health expenses that Medicare doesn't cover completely or at all. And since for most retirees, medical expenses are a growing and significant expense, it is essential that you understand what role Medicare plays, what it does not cover, what responsibilities you have for your health care, and how you need choose wisely among a bewildering array of options for additional insurance coverage.

The Emeriti Program is designed to build on the foundation of Medicare, and to provide additional insurance coverage where retirees need it most: for major medical and prescription drug coverage. The Emeriti Program, offered through your institution's Emeriti Plan, provides a carefully considered array of nationally available options at a range of costs. It also provides a way to pay for insurance premiums, coinsurance, and other out-of-pocket health expenses through tax-advantaged savings.

The Emeriti Program has three components: the **Health Accounts**, which help you accumulate funds on a tax-advantaged basis for future medical expenses; the **Reimbursement Benefit**, which provides a tax-free mechanism to pay for your out-of-pocket health expenses; and the **Emeriti Health Insurance Plan Options**, which is the focus of this booklet. Please see the enclosed booklet *Welcome to the Emeriti Program* for more information on the Emeriti Program and the Health Accounts.

About Emeriti

Emeriti Retirement Health Solutions developed and oversees the Emeriti Program for a consortium of colleges, universities, and other higher education-related tax-exempt organizations. Emeriti's goal is to help ensure that health care is affordable and available to you throughout your retirement years, from any doctor or hospital that accepts Medicare, wherever you decide to live in the U.S, or while traveling anywhere in the world for up to six months.

- Developed by Emeriti with generous support from The Andrew W. Mellon Foundation
- Designed to meet the needs of the higher education community
- Delivered by Emeriti through its industry collaborators Fidelity Investments and Aetna Life Insurance Company

The Emeriti Approach to Retiree Health Care Coverage

The Emeriti Program provides these important advantages

As you are thinking about your health needs in retirement and those of your spouse and other eligible dependents, keep in mind that Emeriti was designed specifically for you. Emeriti offers a choice of **three comprehensive (major medical plus Part D prescription drug coverage) plans**, underwritten by Aetna.*

Each of these plans includes these important hallmarks of the Emeriti Program:

- Access to any Medicare doctor or facility
- National access to insurance
- Catastrophic protection
- Annual choice among available Emeriti plans
- Annual allowance for preventive care services
- Urgent or emergency coverage for up to 6 months every year while traveling outside the U.S.
- Prescription drug coverage in every plan

Through its **Medicare-approved Part D prescription drug plans**, underwritten by Aetna, Emeriti offers a robust selection of pharmacy coverage for retirees within its comprehensive plans and in two stand-alone prescription drug plans. Key features include:

- Choices of standard and enhanced plans at different premium levels
- Plan options to help fill in the gap or “donut hole”
- Options for open or closed formulary
- Broad menu of drugs commonly prescribed for retirees
- Flexibility of retail purchase and mail order delivery
- Options for full or partial catastrophic coverage

** If your institution has fewer than 50 employees, your Emeriti insurance option will be limited to a separate insurance offering mandated by your state insurance department as part of small group reform.*



Another option under the Emeriti Program is a national **Private Fee-for-Service Plan** which combines some of the most attractive features of comprehensive indemnity plans and HMOs. Like other Part C options under Medicare, retirees participating in Private-Fee-for-Service Plans assign their rights to Medicare Part A, B and D coverage to a private insurance carrier that must provide all Medicare-covered services and may provide additional health benefits. The key features of Emeriti's Private Fee-for-Service Plan are:

- Access to any Medicare doctor or facility that accepts Private Fee-for-Service Plans
- No gatekeeper as in traditional HMO arrangements
- National access to insurance
- Extensive preventive care benefits
- Medicare-approved Part D prescription drug coverage

Emeriti also offers insurance coverage for a pre-65 spouse* or eligible dependent children.

And in combination with any of the post-65 comprehensive or prescription drug-only plans, you can elect a dental insurance plan, underwritten by Aetna. Information about the dental plan can be found in your enrollment package.

** Domestic partner coverage may be available if elected by your institution*



RETIRED LIBRARIAN, AGE 75: **

I signed up for Medicare Part D when it was first offered. I purchased a basic prescription drug plan because of the low cost. But my level of drug usage is higher than I expected, and my most expensive prescription is not on the formulary. So this year I am signing up for Plan II, which has an enhanced drug plan, an open formulary, and good major medical protection. It costs more than basic coverage, but I feel that I need more insurance protection now.

*** The individuals and their circumstances referenced in this brochure are fictional and are provided for illustrative purposes only.*

Emeriti's Choice – Aetna

Emeriti chose Aetna to provide the major medical, prescription drug, and dental insurance coverage because of its nationwide presence, competitive prices and excellent customer service. Aetna offers a members-only website to help you manage your care and also provides 24/7 health information from a registered nurse.

By using Aetna's Pharmacy Benefit Management Service, with 13.4 million customers in the U.S., Emeriti participants have the advantage of Part D plans with a number of attractive features:

- Network of 54,000 retail pharmacies nationwide, including all major chains (over 90% of U.S. retail pharmacies)
- Competitive discount rates for brand drugs
- Steeper discounts for generic drugs
- Aetna Specialty Pharmacy service for injectables and biotech drugs
- Special protection against adverse drug interactions
- On-line tool to find Aetna-network drug stores ("Find a Pharmacy")
- Web-based refill service via mail order ("Rx Home Delivery")

Emeriti also believes in providing excellent education and information through four types of communication:

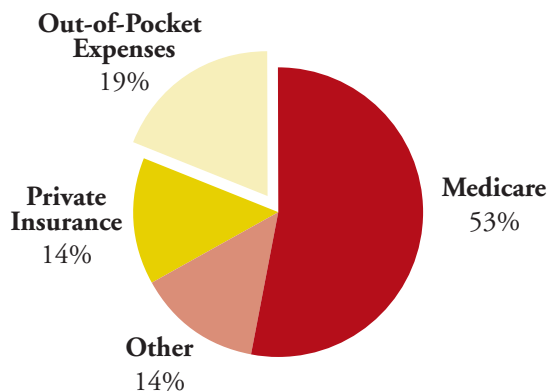
- 1** Print enrollment materials and updates about new benefits and services
- 2** Annual workshops on campus
- 3** An integrated toll free telephone number **1-866-EMERITI (1-866-363-7484)** for enrollment and to answer any of your questions, staffed by Emeriti Specialists from Fidelity and Aetna.
- 4** A dynamic website **www.emeritihealth.org** which provides detailed information about the Emeriti Program, with links to Fidelity's online account information system, NetBenefits, for information about your Health Account, and to Aetna's online site, Navigator, for information about good health practices as well as detailed information about drug formularies.



Why do you need a Comprehensive Health Care Solution?

One of the realities about getting older is that medical treatment and prescription drug usage tend to become more important, more frequent, and more costly. While Medicare is a great foundation for covering these expenses, most people also decide to purchase supplemental insurance that fills in some of the expenses that Original Medicare covers only in part and, in some instances, not at all. The new Medicare Part D prescription drug program, for example, requires seniors to bear a significant burden of pharmacy expenses. That is why it is a good idea to think carefully about your share of costs for Medicare Part A, B, and D services and to determine what level of supplemental insurance is right for you.

Generally, Medicare is estimated to cover about 50-60% of your health care expenses in retirement, with the balance covered by private insurance and by your own out-of-pocket expenditures.



The Employee Benefit Research Institute (EBRI)
Estimates from the 2002 Medical Expenditure Survey

Let's take a closer look at what Original Medicare covers and what your exposure is for various types of charges:

Medicare Part A provides coverage for hospital and skilled nursing stays and some other benefits. There is a deductible (\$992 for 2007), and after an initial 60 days of hospitalization in a benefit period you must share in the cost for the next 90 days; after 150 days and 60 lifetime days, you pay the full cost of hospitalization. With skilled nursing, the first 20 days in a benefit period are paid in full by Medicare. For the next 80 days in a benefit period, you share the cost with Medicare, and thereafter you pay the full cost.

Medicare Part B provides coverage for physician charges and various diagnostic tests prescribed by your doctor. You pay a premium for Part B, which is \$93.50 for 2007. Beginning in 2007, individuals who earn at least \$80,000, or couples who earn at least \$160,000 will be charged a higher premium for Part B. When this is fully implemented in 2009, higher income retirees may pay more than 3 times the rate that others pay. There is also an annual deductible, \$131 for 2007, after which you pay 20% of physician charges, or 50% of charges for outpatient mental health care, on an ongoing basis. There is no limit on the amount that you may have to pay for these charges.

Medicare Part D is a new addition to Medicare, as of January 1, 2006, providing coverage for prescription drugs. It is similar to Part B in that you must pay a premium, and you will be assessed a penalty if you do not enroll when you are first eligible. It is different in that you select the coverage that you want, and you elect an insurance provider offering an approved Part D plan. The standard Part D, designed by Medicare, has a deductible and varying levels of coinsurance. On average, the standard plan is designed to cover just over 50% of the cost of a retiree's prescription drugs. Medicare

provides a subsidy to insurers for offering Part D coverage, which is passed on to you in the form of lower premiums. The subsidy is highest for the standard plan, so it is a good value. You can purchase enhanced coverage at a higher cost, but you will always share in the cost of your drugs. **For more information on how the standard plan works and the array of Emeriti Part D plans, see the Comparison Chart included in your enrollment package.**

You can see that even though Medicare pays a substantial portion of your medical care costs, and is an important foundation, there are important omissions. Medicare doesn't provide true catastrophic coverage, nor does it provide coverage if you are traveling out of the U.S. It provides very little preventive care. And depending on your level of prescription drug needs, even if you elect Part D coverage, you may be required to pay a substantial amount for your drugs.



Retired Faculty Member, age 68:

I am fortunate in that I am very healthy and take only one generic drug. I signed up for Medicare Part D this year because I think it is good to have some pharmacy protection, and I don't want to incur any penalty for delaying Part D enrollment. I've decided to sign up for Plan III because it provides good comprehensive coverage, and includes the standard Part D drug benefits.

How do you secure coverage for some of the major medical and drug expenses that Medicare doesn't cover?

You can go into the open market and buy a Medigap policy that coordinates with Medicare Part A and B. There are a number of coverage options at varying costs depending on the insurance companies that choose to participate in various local and state

markets. One thing to keep in mind is that once you select a Medigap plan, it is very difficult and perhaps impossible to switch to a different plan as your needs change; and it may be very costly to find replacement coverage if an insurer leaves your



local market. So you may need to start out over-insured, or end up under-insured later. You will probably also want to purchase a separate Medicare-approved Part D plan (Medigap plans may not include prescription drug coverage) as soon as you are eligible, in order to avoid the late enrollment penalty, even if your prescription drug needs are small.

By comparison, Emeriti has a number of advantages. First, Emeriti has three comprehensive plans that combine coverage that complements Medicare Part A and Part B, plus Part D services, in a single insurance offering so that you don't have to make multiple purchase decisions. Second, Emeriti offers two stand-alone Part D plans in case you only want prescription drug coverage. Third, Emeriti offers catastrophic protection in several insurance plans so that you do not have to worry about depleting all your retirement assets due to a catastrophic or very serious chronic illness. Fourth, Emeriti offers insurance access nationally, even if you decide to relocate at various points in your retirement. And perhaps most importantly, Emeriti gives you an annual opportunity to switch to another Emeriti plan that may better meet your changing needs over time.

Medicare Advantage: Another approach to Medicare is called Medicare Advantage, which is the name attached to the redesign of Medicare Part C. In Medicare Advantage, your Medicare Parts A, B, and D benefits are assigned to a private insurance provider offering you comprehensive health care coverage. Medicare pays the insurer to assume all of the benefit coverage defined by Medicare. In turn, the insurance company pays all the Medicare-eligible health care costs and sometimes offers additional benefits beyond Original Medicare coverage. The expectation is that the premium for Medicare Part C plans will likely be lower than traditional indemnity-type plans coordinating with Medicare. Medicare Advantage plans typically use a series of copayments for Medicare-covered services, and typically there is no annual out-of-pocket limit. Often these plans provide an additional range of preventive services that Medicare does not cover. Medicare Advantage plans charge a premium that varies from county to county across the United States based on Medicare's reimbursement schedule in each county.

There are two major approaches to Medicare Advantage plans. The first is an **HMO** arrangement, which many retirees think is the only Part C option. In an HMO arrangement you must use in-network services for non-emergency care, and you must select a primary care physician as part of the insurance enrollment process. The network is usually limited

to a specific geographic area. So if you were to move out of the area, you would need to try to find another HMO plan in your new location or try to purchase a Medigap policy and a Part D plan to put together a similar level of insurance coverage.

There is an alternate version of Medicare Advantage called **Private Fee-for-Service**. In this type of arrangement, there is no network, no requirement to select a primary care physician, and no gatekeeper function. Instead, you can go to any provider or facility that accepts Medicare and the Private Fee-for-Service payment arrangement. Similar to HMOs,

these plans typically offer a range of preventive services and work on a copayment basis for Medicare-covered services. It is important to remember that Medicare Advantage plans tend to be generous in covering the first dollar of health care costs, but they do not ordinarily eliminate your out-of-pocket exposure if you require repeated medical treatments or have multiple health conditions.

Beginning in 2007, Emeriti is offering Aetna's Private Fee-for-Service Plan on a nationwide basis. For more information on this plan, see the leaflet included in your enrollment package.

What do you need to know about the new Medicare Part D prescription drug benefit?

Medicare introduced the Part D prescription drug benefit in 2006 to help Medicare-eligible retirees cope with the fastest rising component of their health care costs: prescription drugs. While the design of this benefit is rather complicated, you should understand the basics: you pay an annual premium for this insurance coverage; you pay an initial deductible each year; you pay a proportion of the cost of prescription drugs up to various dollar thresholds; and beyond a certain high limit you contribute very little because Medicare covers nearly all of the remaining costs of your prescription usage.

It is important to enroll in a Part D plan when you are first eligible, because the Center for Medicare and Medicaid Services (CMS) will impose a penalty for late enrollments by permanently increasing your premium by 1% for each month you did not enroll. If you were over 65 as of January 1, 2006, you should have enrolled by May 15, 2006. If you are newly eligible for Medicare in 2007, you must enroll no later than three months after the month you reach 65 to avoid a penalty. If you have creditable coverage, say through your spouse's employer, you do not need to enroll in Part D until that coverage terminates.



It is also important to note that you can enroll in only one Part D plan. All of the Emeriti Health Insurance Plan Options include Medicare-approved Part D plans. So if you are interested in enrolling in any Emeriti insurance option, you should not enroll in any other Part D plan offered by another source. When you enroll in Emeriti, you will be automatically enrolled in Medicare-approved Part D coverage, and you will not need to do anything else.

Here are some questions to ask yourself as you evaluate Part D plans:

What is my current level of drug expenditure?

You need to sit down and list the drugs that you currently take, and total the costs for the year. Keep in mind two things as you do this. First, insurance is for the unexpected, as well as the expected; and your drug needs are likely to change (increase) over time. So elect the Emeriti prescription drug plan that seems to fit your current and expected needs. Second, if your calculations are off, or if you need a different kind of formulary, remember that through the Emeriti Program you will have an enrollment window each year in which you can move to a different Part D plan beginning the next January 1.

- If your drug use is minimal, the standard plan may be your best choice. You should consider enrolling in a plan even if you don't currently need the insurance, so as to avoid the penalty

for late enrollment when you might need the coverage. **The Emeriti comprehensive Plan III, the prescription drug-only Plan V, and the Private Fee-for-Service Plan VI all provide standard Part D coverage, which have the lowest premiums.**

- If your drug use is moderate, you need to calculate if your expenditures for prescription drugs would put you solidly into the gap, or donut hole, meaning that you could have out-of-pocket exposure ranging as high as \$3850 (deductible + initial cost share + donut hole) before Medicare's catastrophic coverage begins. At this level of drug utilization, you might consider an enhanced plan, which partially fills in the hole. Weigh the increased coverage against the higher premiums for enhanced plans. **The Emeriti comprehensive Plans I and II, and the prescription drug-only Plan IV, are enhanced plans and open formularies.**
- If you have very high prescription drug expenditures, an enhanced drug plan might be a good solution for you, not only because you have a smaller cost share in the donut hole, but also because the enhanced Rx plans require no cost share in the catastrophic tier of coverage for the remainder of the calendar year. **The Emeriti Plans I and II are enhanced drug plans with 100% reimbursement for drugs after \$3850 in out-of-pocket expenses in a calendar year.**

Which drugs do I currently take? Check to see if the drugs you take are on the formulary for each Part D plan that you are evaluating. **Emeriti offers plans with open and closed formularies.**

- An **open formulary** means that the plan will cover any drug, although the plan will provide higher payments if the drug is on the formulary. **Emeriti Plans I, II, and IV have open formularies.**
- A **closed formulary** means that the plan will reimburse you only for generic and brand name drugs that are on the formulary. If the drugs on the formulary do not meet your medical needs, then you will have to pay the full cost of your non-formulary prescriptions. A plan with a closed formulary tends to cost less, so if your drugs are on



RETIRED DEAN OF STUDENTS, AGE 65:

My wife and I are very healthy and don't need any drugs at this time. We just retired and we signed up for Medicare as soon as we were eligible. We like the idea of the Private Fee-for-Service option, Plan VI, because it has a lot of preventive care, and the drug benefit is adequate for our current situation. It is comforting to know that we can switch to another plan if we have different needs in the future.

the formulary, that may be a good choice. **Emeriti Plans III, V, and VI all have closed formularies.**

- **Use of mail order services**, instead of the local retail pharmacy, can also help to reduce your pharmacy costs because Aetna will provide a 3-month supply for the same price as two months for generic drugs ordered through the mail.

For a side-by-side comparison of the Emeriti Part D options and an illustration of how the standard Part D plan works, see the enclosed comparison chart. For information about whether your drugs are on the Aetna formulary and how they are reimbursed, go to the Emeriti website at www.emeritihealth.org or call Emeriti.

Keep in mind that you and your over-65 spouse must enroll in the same Emeriti plan option. If you have a spouse who is under age 65 and/or eligible dependent children, there is a separate plan for them. Please call Emeriti at 1-866-EMERITI (1-866-363-7484) for more information.

How the Emeriti (Aetna) Plans Work



All of the Emeriti plans eliminate the need for you to deal with complex Medicare paperwork. With Plans I, II, and III, when you go to a health care provider that participates in Medicare, you do not have to deal with claims. Medicare reimburses the provider directly in accordance with Medicare Part A and B coverage standards, and Aetna then bills you for any amounts that you need to pay.

For prescription drug expenses, you will initially pay the full cost of your drugs until you have met the annual deductible for your plan. At each subsequent coverage tier, you will pay a share of the cost based on the plan design you selected. Until you reach \$3,850 in out-of-pocket costs in the calendar year, you continue to pay your share of the drug costs, with Aetna paying the balance. Beyond total out-of-pocket costs of \$3,850, you then pay 5% or a small copayment with the standard plans, or nothing in the case of Emeriti's enhanced plans, for the remainder of the calendar year.

For the Private Fee-for-Service Plan (plan VI), you should first determine whether the providers or facilities you wish to use accept the Private-Fee-for-Service arrangement. If you find that doctors or hospitals in your area do not know about the relatively new Private-Fee-for-Service Plans, we can provide you with some information about it to give to them before making your decision. Under the Private Fee-for-Service Plan option, you will pay the appropriate copayment for Medicare-eligible services provided by the doctor or medical facility, and Aetna will pay the rest. Aetna handles all claims reimbursements and allows providers who do not take assignment with Medicare to balance bill up to the Medicare-allowable limit of 15% of covered services.

Emeriti's comprehensive plans all include preventive care benefits that Medicare does not provide. Plans I, II, and III include allowances for an annual routine physical exam, for a routine hearing exam every other year, and for a routine vision exam every other year. Plan VI provides extensive preventive benefits. (See the enclosed folder on the Emeriti Private Fee-for-Service Plan.)

The Emeriti Reimbursement Benefit.

This Benefit enables you to be reimbursed for expenses that are not paid for by insurance, from assets held in your Emeriti Health Accounts.

The Reimbursement Benefit can be used to pay tax-free for a wide range of health expenses not covered by insurance. Those eligible to use the Reimbursement Benefit under your direction may include yourself, your spouse or your dependent domestic partner, and your dependent children. To the extent your institution's plan permits, other eligible dependents may include dependent relatives, such as parents or siblings who meet the federal definition. This benefit can continue for your lifetime and until the last of your dependents dies or is no longer dependent.

Expenses payable through the Reimbursement Benefit include payments for:

- Medicare premiums
- deductibles, coinsurance or copayments on insurance plans
- vision, dental, or hearing care
- long-term care insurance
- long-term care services associated with nursing facilities or in-home health care services
- over-the-counter drugs
- various medical devices
- other insurance (if an Emeriti insurance option is not elected)

You may want to contribute to your Health Account to utilize the Reimbursement Benefit if you can make contributions sufficiently in advance of payments to take advantage of potential investment gains, which are tax free. Keep in mind that share price, yield, and return will vary on the contributions you make into your Health Account, and you may have a gain or loss when you sell your shares. You can contribute a minimum of \$100 as often as monthly; periodic lump sums are also allowed. There is a charge of \$6 for each batch of claims that you submit for reimbursement. It is advisable to bundle your receipts and only submit reimbursement requests from time to time.

Enroll Now



We hope you find that the Emeriti Program meets your retirement health insurance needs and that you will enroll in one of the Emeriti Health Insurance Plan Options as soon as you are eligible. You need to make important decisions soon or you risk losing your eligibility to enroll in Emeriti insurance coverage. There are a few exceptions, relating to certain qualifying life events, when you or your eligible family members may enroll in Emeriti Health Insurance Plan Options beyond the timeframe of your initial eligibility.

About Retirement Eligibility

In order to be eligible for the Emeriti Health Insurance Plan Options, you must have met the definition of Retirement Eligibility under your institution's Emeriti Plan. You will be able to enroll during the 90-day period beginning with the latest of the following events: (1) you cease employment; (2) you attain age 65; (3) you enroll in Medicare Part A and Part B; and, for new Emeriti plans, the date that Emeriti retiree health coverage becomes effective at your institution. If you do not enroll during that 90-day period, you may not be eligible for the Health Insurance Plan Options again, unless you experience certain life events. The same is true for your eligible dependents. You must enroll them with you when you become eligible or they will lose their eligibility for Emeriti, except for certain life events. To learn more about these life events, consult the Summary Plan Description for your institution's Emeriti Plan, or call an Emeriti Specialist at 1-866-EMERITI (1-866-363-7484).

NOTE: If you are currently eligible for Medicare, the Emeriti enrollment period is coordinated with the annual enrollment period for Medicare Part D, so that you will not incur penalties for late enrollment in Part D for 2007. If your Emeriti plan becomes effective January 1, 2007 and you are already enrolled in Medicare, you will be able to enroll between October 16, 2006 and December 31, 2006, with coverage effective January 1st.

If you have satisfied the definition of Retirement Eligibility for your institution, you are also eligible for Reimbursement Benefits (see page 14), for yourself and your eligible dependents immediately upon ceasing employment and attaining age 55.

Step 1

Enroll in Medicare

The first step to enrolling in an Emeriti Health Insurance Plan Option is to enroll in Medicare Part A and Part B. If you have not yet enrolled in Medicare, call the Social Security Administration at 1-800-772-1213 (TTY 1-800-325-0778) or go to its website, www.medicare.gov, for information. If you have questions about coordinating the timing of your enrollment in Medicare Parts A and B, the Emeriti Health Insurance Plan Options, and Medicare Part D, call an Emeriti Specialist at 1-866-EMERITI (1-866-363-7484) for assistance.

Note: You should NOT enroll separately in Medicare Part D if you plan to enroll in the Emeriti Health Insurance Plan Options. Each of the Emeriti options includes a Medicare-approved Part D plan, and you are automatically enrolled in Medicare-approved prescription drug coverage by selecting an Emeriti option. If you enroll in a Medicare Part D benefit from a different insurance source, you may lose the opportunity to enroll in an Emeriti Insurance Plan Option now and in future years.

** A domestic partner may be covered if elected by your institution.*

Step 2

Enroll in the Emeriti Health Insurance Plan Options

Call 1-866-EMERITI (1-866-363-7484) and a knowledgeable Emeriti Specialist will help you:

- Choose the plan option that's right for you. See the Summary of Plan Benefits brochure that describes the Emeriti Health Insurance Plan Options. If you also want to cover your spouse* who is over 65, you must both enroll in the same Emeriti Plan Option. If you have a spouse who is under age 65 and/or eligible children, you can enroll them in the pre-65 dependent Emeriti insurance plan available in your area.
- You will need to provide your date of birth and Social Security number. Please have your Medicare card handy when you call. If you are enrolling your spouse in the post-65 coverage, you will also need to supply his or her Medicare number and effective dates.
- Designate your eligible dependents, such as your spouse or dependent children, for Emeriti health insurance coverage. Depending on your



institution's plan, other eligible dependents may also be eligible for Reimbursement Benefits, but dependent relatives do not qualify for the Emeriti Insurance. Please be prepared to provide the Social Security numbers and dates of birth for each of your designated dependents.

Once you've completed your enrollment, you and your eligible dependents will receive a comprehensive information kit and identification cards for the Emeriti Health Insurance Plan Option you've selected.

Step 3

Set up Emeriti Health Account funding instructions

If you choose an Emeriti Health Insurance Plan Option, you will pay your premiums through the

Emeriti Health Accounts. If do not yet have assets in a Health Account or if you have insufficient assets in your account, you will need to set up electronic transfers into your Health Account so that you can pay your premiums. Please have your checkbook handy during the call so that you can provide your routing and bank account numbers to the Emeriti Specialist.

Even if you do not plan to enroll in any of the Emeriti Health Insurance Plan Options, you may want to contribute to your Health Account to take advantage of the Reimbursement Benefit (see page 14) to pay tax-free for qualified medical expenses, including any other insurance premiums. You can direct a lump sum contribution from your bank account into your Health Account by setting up contributions via Automated Clearing House (ACH) with an Emeriti Specialist.



RETIRED DIETICIAN, AGE 88:

I am in reasonably good health for my age, but it takes lots of drugs and visits to specialists to keep me going. I originally chose Plan I and I have no intention of changing, because I want as much protection as I can get. If I really get sick, I don't want to have to exhaust my other retirement resources. That catastrophic coverage in Plan I is extremely important to me.

About your dependents

Which of my dependents are eligible for insurance coverage through the Emeriti Health Insurance Plan Options?

As you enroll in the insurance coverage, you may also enroll certain dependents at the same time. Generally, your initial enrollment in an Emeriti Health Insurance Plan Option is the only time when dependents may enroll in Emeriti insurance coverage. However, there are certain exceptions where you or your eligible dependents may be permitted to enroll in coverage within 31 days of the occurrence of certain life events. For more information about eligibility for late enrollment, please refer to the Summary Plan Description or call 1-866-EMERITI (1-866-363-7484).

Spouse¹¹ who is age 65 or older

He or she may enroll at the same time in the Emeriti Health Insurance Plan Option you selected. Your spouse must be enrolled in Medicare Parts A and B.

If your spouse is still working, then upon retirement he or she will have an opportunity to enroll.

Spouse who is under age 65

He or she may enroll in the pre-65 Emeriti Health Insurance Plan Option available in your area at the same time you are enrolling in the Health Insurance Plan Options. Upon attaining age 65 and enrolling in Medicare Part A and

Part B, he or she can then switch to the Emeriti Plan Option you have chosen.

Dependent children

Children who qualify as dependents under federal law and are under age 19 (or under age 24* if a full-time student) may enroll in the pre-65 Emeriti Health Insurance Plan Option available in your area. Call an Emeriti Specialist for further help on who is an eligible dependent. Special rules apply for permanent disability.

¹¹ Domestic partners' coverage may also be available if elected by your institution. If you have a non-dependent domestic partner, you cannot use your Emeriti Health Account to pay for the health insurance or qualified medical expenses. Insurance premiums must be paid each month via electronic transfer from other assets.

* Different state laws may apply.

For more information about Emeriti Health Insurance Plan Options, and how to make the best choice for you, read the accompanying material, call our toll-free number at 1-866-EMERITI (1-866-363-7484), or visit the Emeriti website at www.emeritihealth.org.

This document is intended to provide you with a brief summary of some of the details of your employer's Emeriti Plan and the Emeriti Program generally. It is not a summary plan description ("SPD") and does not summarize all the terms of your employer's Emeriti Plan. For a full summary of the terms of your employer's Emeriti Plan you must consult the SPD, which will be provided to you upon enrollment or upon request.

Emeriti Retirement Health Solutions, Aetna Life Insurance Company, and Fidelity Investments are independent organizations and are not legally affiliated.

Emeriti Retirement Health Solutions Information

Emeriti Retirement Health Solutions is not an insurance company, insurance broker, or insurance provider.

Emeriti Retirement Health Solutions is a registered investment adviser for purposes of selecting the range of investment options for the Emeriti Program, selecting the investment manager for employer and voluntary employee contributions, and providing these and other impersonal educational materials to plan participants. Emeriti does not provide advice to participants about their individual investment selections. The participation interests in the voluntary employee contribution VEBA trusts associated with the Emeriti plans (the "Interests") may be treated as securities under various state securities laws. The offering of these Interests is subject to compliance with any applicable state law. For residents of Georgia, the Interests are being offered in reliance on paragraph 13 of Code Section 10-5-9 of the Georgia Securities Act of 1973, as amended (the "Georgia Act"). The Interests may not be sold or transferred except in a transaction which is exempt under the Georgia Act or pursuant to an effective registration under the Georgia Act.

Aetna Information

Aetna is the brand name for products and services provided by one or more of the Aetna group of subsidiary companies. The Aetna company that offers or administers benefit coverage is Aetna Life Insurance Company.

This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of plan benefits or programs and does not constitute a contract. Aetna arranges for the provision of health care services. However, Aetna itself is not a provider of health care services and therefore cannot guarantee any results or outcomes. The availability of a plan or program may vary by geographic service area and by plan design. These plans contain exclusions, and some benefits are subject to limitations or visit maximums. Consult the plan documents to determine governing contractual provisions, including procedures, exclusions, and limitations relating to each plan. While this material is believed to be accurate as of the print date, it is subject to change.

Many drugs are subject to rebate arrangements between Aetna and the manufacturer of the drugs. Aetna receives rebates from many manufacturers of drugs. These rebates do not reduce the amount you pay for an individual prescription drug. However, they help control the overall costs of prescription drug coverage.

You can find out more about the terms and limitations of your plan by reading your plan documents. You can also contact Aetna Member Services.

Fidelity Investments Information

It is your responsibility to select and monitor your investments to make sure they continue to reflect your financial situation, risk tolerance, and time horizon. Most investment professionals suggest that you reexamine your investment strategy at least annually or when your situation changes. In addition, you may want to consult an investment adviser regarding your specific situation.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4:00 p.m. ET, or on weekends or holidays, will receive the next available closing prices.

Fidelity Guaranteed Income Annuity (Policy Form No. GIA-2001, et al.) is issued by Fidelity Investments Life Insurance Company. Fidelity Insurance Agency, Inc., is the distributor.

Recordkeeping and shareholder services for the Emeriti Program are provided by Fidelity Investments Tax-Exempt Services Company, a division of Fidelity Investments Institutional Services Company, Inc.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call Fidelity at 1-866-EMERITI (1-866-363-7484) for a free prospectus. Read it carefully before you invest.