A new approach to investing for your retirement health care needs.
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All of the investment options in the 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.
Emeriti Retirement Health Solutions developed and oversees the Emeriti Program for a consortium of colleges, universities, and other higher education-related tax-exempt organizations. The Emeriti Program was created to respond to ever-increasing health care costs, concerns about the availability and sustainability of health care coverage, and the rapid aging of the American population. As a collaborative enterprise, Emeriti is able to provide an innovative way to invest for retirement, as well as to access retiree health insurance plans and flexible disbursement options for other out-of-pocket retiree medical expenses.

Emeriti’s goal is to help ensure that health care is affordable and available to you at retirement and throughout your retirement years, from any doctor or hospital, wherever you decide to live in the United States or wherever you travel for short periods outside the United States. The Emeriti Program strives for efficient delivery, cost-effective services, and excellent education about your health needs in retirement. Through a rigorous evaluation process, Emeriti Retirement Health Solutions selected Fidelity Investments and Aetna Life Insurance Company for their complementary strengths and proven capability to deliver Emeriti Program services seamlessly to participants on a national basis.

Fidelity Investments provides recordkeeping and shareholder services that empower participants to make highly tax-efficient contributions, invest appropriately, and accumulate funds to prepare for the costs of their health care in retirement. Founded more than a half century ago, the firm is the largest mutual fund company in the United States and the leading provider of workplace investing plans. Fidelity currently provides investment management, retirement planning, brokerage, human resources, and benefits outsourcing services to approximately 22 million individuals and institutions.

As the primary health insurer, Aetna Life Insurance Company provides participants with a choice of medical insurance products and health-related products. For more than 150 years, Aetna has been an innovator in the delivery of insurance solutions and is a nationwide provider of Medicare-approved Part D prescription drug benefits. The company currently serves approximately 15.4 million medical, 13.3 million dental, 10.2 million pharmacy, and 15.2 million group life insurance members. Aetna is committed to helping its members make informed decisions about their health care and to protecting its members’ finances against health-related risk.

As of 7/31/2006.
Aetna provides all coverage for institutions and their retirees in 48 states and the District of Columbia. For institutions and their retirees in Minnesota, HealthPartners provides comprehensive coverage, and Aetna provides prescription drug only plans. Call 1-866-EMERITI and talk to an Emeriti Specialist from HealthPartners to find out about the plans offered. Emeriti will select a provider for comprehensive coverage for institutions and their retirees in New Mexico.
Aetna Corporate Controller figures, 6/30/2006.
The ability to pay for medical costs in retirement is rapidly becoming one of society’s largest and most complex issues. As baby boomers enter retirement and lifespans extend further, the pressure on employers, medical systems, and insurance companies will further escalate.

The problem has become overwhelming to many retirement-eligible individuals who want to retire but have drastically underestimated what health care will cost and how access to health care will be determined. Within the academy, tax-sheltered annuities, 403(b) and defined benefit retirement plans, along with Social Security benefits, were generally intended to replace 70%–80% of current income. Rising health care costs have changed this equation and pushed the savings requirement even higher. Even with the addition of the new federal program, Medicare Part D, which covers a portion of prescription drugs under Medicare for the first time, individuals will still need to pay a substantial share of the costs.

The high cost of health care

Increases in health care costs have consistently outpaced the general inflation rate as measured by the Consumer Price Index (CPI). People are also living longer, which tends to increase medical costs over one’s lifetime. These two factors, along with the impending retirement of the baby-boom generation, is putting tremendous pressure on Social Security and Medicare. The Medicare Trust Fund is projected to be exhausted in 2018* (well before the Social Security Trust Fund’s projected demise in 2040). Remedies may involve higher taxes, lower benefits, or more cost sharing. Many employers are cutting back their health insurance subsidies for retirees because of the high costs. Research indicates that few individuals contemplating retirement today are prepared to meet their increasing medical expenses in addition to their day-to-day income requirements in retirement.

What does this mean to you? The more you can invest for retirement, and specifically for retiree health costs, the better. Your employer has taken an important step by adopting a plan providing the Emeriti Program and making a contribution toward the costs of health care, but you will probably need to contribute as well.

The gap left by Medicare

By today’s estimates, Medicare Part A and Part B covers somewhat over 50% of the average retiree’s total health care expenses. Benefits are limited—particularly for catastrophic illnesses—and coverage restrictions may expose individuals to potentially devastating medical expenses.* The new Medicare Part D prescription drug benefit pays on average about half of the cost of prescription drugs, but individuals will still have to pay a substantial share of the total costs.† When you take into account premiums, deductibles, coinsurance, and copays, plus other out-of-pocket expenses, quite a lot may not be covered by Medicare.

*Source: The Employee Benefit Research Institute (EBRI) estimates from the 2002 Medical expenditure survey.

You will need to fill in the rest

Quite simply, you might need to pay for close to half of health care expenses for you and your dependents from your own personal resources. And if the pressures on Medicare require it to reduce benefits, your share may increase.

<table>
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<tr>
<th>Estimated Savings Needed to Supplement Medicare</th>
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<td>Age of Couple at Retirement</td>
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<td>Total Savings Required</td>
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<td>Annual Savings Required if Started at Age 35</td>
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<td>Annual Savings Required if Started at Age 45</td>
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It’s important to start saving as early as possible, because the longer you wait, the more you may need to save. A Fidelity Investments study estimates that a couple retiring in 2006 at age 65 without an employer-sponsored retiree health plan would require $200,000 in savings to cover their insurance premiums and other out-of-pocket retirement medical expenses. The chart above helps illustrate your potential savings needs at different starting points and retirement ages. You can also use the Retirement Health Care Cost Calculator at www.emerithhealth.org to estimate what your needs might be in retirement.
The Emeriti Program

The Emeriti Program, provided to you by your institution through its Emeriti Plan, offers you a unique and practical approach to addressing health care needs in retirement. The Program offers a new way to accumulate funds and invest now, during your working years, to pay for future medical costs and to provide access to group health insurance when you retire. The key benefits of the Emeriti Program’s innovative design include:

- **A tax-advantaged way** for you to invest and accumulate assets exclusively to help meet future retiree medical expenses — *the Emeriti Health Accounts* — with investment choices and administrative services provided by Fidelity Investments.®
- A specially designed retiree health insurance program for you and your dependents that complements Medicare — *the Emeriti Health Insurance Plan Options* — with an array of plans to choose from, underwritten by Aetna Life Insurance Company.¹
- An innovative, tax-free way for you to pay for other qualified out-of-pocket medical expenses — *the Emeriti Reimbursement Benefit* — administered by Acclaris Inc., a third-party administrator.

Emeriti Retirement Health Solutions has selected a range of investment options designed to help you meet your retiree health care expense needs. Over your working years and into retirement, you will be able to direct contributions among a variety of mutual funds—the 12 Fidelity Freedom Funds® or the Fidelity Retirement Money Market Portfolio. These Emeriti investment options are designed to offer you the flexibility to invest for retiree medical expenses at a level of risk appropriate for you over the long term.

These funds are subject to the volatility of the financial markets in the U.S. and abroad, and may be subject to the additional risks associated with investing in high yield, small cap and foreign securities.

“Health insurance is the number one concern I have about retirement—without a doubt it’s the tremendous cost of medical care. The one scenario that could wipe me out is a long-term illness where I am not covered by Medicare.”

— Professor, age 63

¹If your organization has fewer than 50 employees, your Emeriti Health Insurance Plan Options will be limited to a separate insurance offering mandated by your state insurance department as part of small group insurance reform. Please call an Emeriti Specialist from Aetna to find out what insurance coverage is available to you.

For Minnesota institutions and their retirees in Minnesota, HealthPartners provides comprehensive coverage, and Aetna provides prescription drug only plans. Call 1-866-EMERITI (1-866-363-7484) for more information.

The individuals and their circumstances referenced in this brochure are fictional and are provided for illustrative purposes only.
A tax-advantaged way to fund retiree medical expenses

The Emeriti Program provides an innovative way for your employer and you, if your institution’s plan permits,* to accumulate funds exclusively to pay for health insurance and many other qualified medical expenses for you, your spouse, and eligible dependents after you retire. Contributions are made to VEBA Trusts, which are very tax-efficient employee benefit funding vehicles. They offer the potential for long-term tax-free investment growth on contributions (although the share price and return of your investment will vary and is subject to investment risk).

• Employer contributions are made pre-tax, and all contributions plus earnings are disbursed tax-free for retiree health benefits.

• Employee voluntary contributions are made after-tax; all assets including earnings are paid out tax-free for retiree health benefits.

There are no limits on contributions, and you can contribute even if you have contributed the maximum amount to your 403(b) or 401(k) plans. There is also no minimum distribution requirement, but the assets must be used for qualified medical expenses.

Accumulated assets in the VEBA Trusts can be used for two purposes:

• to pay for Emeriti Health Insurance Plan premiums when you retire, and

• to pay for any IRS 213(d) qualifying medical expenses for yourself, your spouse, and other eligible dependents. These expenses include insurance deductibles and coinsurance; Medicare premiums; vision, dental, and hearing care costs; over-the-counter drugs; durable medical equipment; long-term care insurance or at-home medical care; and premiums for other pre- or post-65 retiree medical insurance.

If you think that you and your spouse will have a long period in retirement and have average or above average need for medical care, you need to think about saving for retiree health care. And if you like the idea of tax-free distributions for qualified expenses, you should consider saving in the Emeriti Program now. To get an idea of how much you may need per year to pay for medical expenses for you and your dependents and how much you need to save, access the Retirement Health Care Cost Calculator at www.emeritihealth.org by clicking Individuals > Tools and Calculators.

*Under federal law, institutions with fewer than 50 employees cannot allow employee voluntary contributions.
The benefits of contributing to the Health Accounts

Why you need to save

You no doubt know that in order to retire comfortably, you need to begin saving far in advance. You are probably contributing to a defined contribution retirement plan to provide income during retirement. But there is another important expense that you also must plan for: health expenses during retirement. While Medicare pays for a substantial amount of your health care costs, there are considerable gaps. You may need to cover approximately half of your health care costs, which continue to rise every year. By 2010, retirees on average can be expected to spend close to 25% of their after-tax income on health care spending.

Your employer has taken a big step by adopting an Emeriti retiree health plan, making contributions toward your future costs, and assuring access to Emeriti Health Insurance when you retire, but you should also consider contributing. In fact, with the pressures on Medicare from rising health care costs and the imminent retirements of the baby boomer generation, you may need to pay even more in the future.

*Source: The Employer Benefit Research Institute (EBRI) estimates from the 2002 Medical expenditure survey.

Why the Emeriti Health Accounts

While there are many ways to save for retirement, the Emeriti Health Accounts have a number of important advantages. Unlike some other retirement savings vehicles, you can contribute as much as you want, whenever you want. There are no annual limits and no income limits. Although your contributions are made after-tax, all contributions and earnings accumulate and are paid out tax-free for qualified expenses. If you think that taxes are likely to rise in the future, you may consider tax-free distributions for qualified expenses very desirable.

Over time, the value of your account will vary and you may have more or less than the original amount invested.

“Is it too early to start?”

Jim is a 28-year-old administrator for a small liberal arts college. His organization offers the ability for him to contribute voluntarily to an Emeriti Health Account. Is it too early for him to begin investing?

Because his employer offers the option to contribute on a voluntary basis, Jim should consider starting to contribute to the Health Account while he has plenty of time before retirement. Although the value of his investment will vary over time, if he starts investing now, the power of tax-free compounding can help boost any earnings growth and help create a bigger nest egg for his retiree medical expenses. These funds are subject to the volatility of the financial markets in the U.S. and abroad, and may be subject to the additional risks associated with investing in high yield, small cap, and foreign securities.
If you are young, saving for retirement health expenses is the farthest thing from your mind. But this is actually the best time to begin, because the potential for compounding of earnings on your investment is most powerful with a long time horizon. The chart below illustrates the power of starting early and the effects of compound earnings. Hopefully it will also encourage you to take action now.

Potential advantages of investing early
The following is an illustration of the power of compounding—$100/month for 5, 10, 15, 20, 25, 30, 35, and 40 years.

Even if you are already well along in your career, it is never too late to start. You could make up for the lack of time with additional funds, as shown in the chart on page 5.
Choosing your investment options

You can choose how you want to invest your institution’s contributions, and your voluntary contributions if allowed under the Plan. The Emeriti Program offers a choice of the Fidelity Freedom Funds® and the Fidelity Retirement Money Market Portfolio for investing the assets in your Emeriti Health Accounts to fund your future retiree medical expenses.

Fidelity Freedom Funds®

The Fidelity Freedom Funds are designed to offer a simple yet diversified approach to investing for long-term goals. Each Fidelity Freedom Fund invests in a diversified portfolio of well-established, actively managed Fidelity mutual funds. Over time, the investment mix of equity funds, fixed income funds, and money market funds becomes more conservative as each Freedom Fund approaches its targeted retirement year. All but one of the Freedom Funds are managed to targeted retirement dates.

The Freedom Income Fund is a more conservative option designed for recent or soon-to-be retirees who want the potential for high current income with some capital appreciation.

The Freedom Funds Asset Allocation

- Equity (Stocks)
- International Equity (Stocks)
- Investment Grade Fixed Income (Bonds)
- High Yield Fixed Income (Bonds)
- Short-term Investments

The percentages represent the Funds’ anticipated target asset allocations as of September 30, 2006.

Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.

Fidelity Freedom 2050 Fund™
- 70% Equity
- 20% Intl Equity
- 10% High Yield Fixed Income

Fidelity Freedom 2045 Fund™
- 65% Equity
- 10% Intl Equity
- 15% High Yield Fixed Income
- 2% Inv. Grade Fixed Income

Fidelity Freedom 2040 Fund™
- 60% Equity
- 15% Intl Equity
- 15% High Yield Fixed Income
- 10% Inv. Grade Fixed Income

Fidelity Freedom 2035 Fund™
- 55% Equity
- 24% Intl Equity
- 14% High Yield Fixed Income

Fidelity Freedom 2030 Fund™
- 45% Equity
- 29% Intl Equity
- 25% High Yield Fixed Income
- 1% Short-Term

Fidelity Freedom 2025 Fund™
- 40% Equity
- 35% Intl Equity
- 20% High Yield Fixed Income
- 5% Short-Term

Fidelity Freedom 2020 Fund™
- 35% Equity
- 40% Intl Equity
- 20% High Yield Fixed Income

Fidelity Freedom 2015 Fund™
- 30% Equity
- 38% Intl Equity
- 30% High Yield Fixed Income
- 2% Short-Term

Fidelity Freedom 2010 Fund™
- 25% Equity
- 45% Intl Equity
- 30% High Yield Fixed Income

MORE AGGRESSIVE
The advantages of the Freedom Funds

Each of the Fidelity Freedom Funds is designed to:

Diversify your investments and help control risk. This means that your investments are spread (or allocated) across several types of investments (asset classes). Over the long term, diversification has historically proven to help reduce the impact of investment risk. However, neither diversification nor asset allocation ensures a profit or guarantees against loss. Please note that these funds are subject to the volatility of the financial markets in the U.S. and abroad, and may be subject to the additional risks associated with investing in high yield, small cap, and foreign securities.

Provide the advantages of professional management. Fidelity professionals make day-to-day decisions to help ensure that each Freedom Fund maintains its objective. The managers may do this by adjusting the Freedom Funds’ allocations among the underlying Fidelity mutual funds. When you invest in Fidelity Freedom Funds, not only is your money being managed by the Freedom Funds’ investment team, but it is also being managed by the portfolio manager of each of the underlying mutual funds.

Automatically rebalance over time. The funds provide periodic rebalancing of your asset allocation based on each fund’s target retirement date to help meet your changing needs as you near your own retirement.

As each Freedom Fund nears its target retirement date, the fund will take on an asset mix comparable to the Fidelity Freedom Income Fund. In fact, each of the Fidelity Freedom Funds will ultimately merge into the Fidelity Freedom Income Fund® 10–15 years after the target retirement date is reached.
Fidelity Retirement Money Market Portfolio

In addition to the range of Freedom Funds, you can choose the Fidelity Retirement Money Market Portfolio, which is a money market mutual fund managed by Fidelity Investments. The Fidelity Retirement Money Market Portfolio seeks to provide a high level of current income consistent with the preservation of principal and liquidity. Because the price of each share tends to stay at $1, investors tend to use money market funds as a stable investment.*

*An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although a money market fund seeks to preserve the value of your investment at $1 per share, it is possible to lose money by investing in these investment options.

Which fund should you choose?

As you consider your investment options, you may wish to allocate contributions in the Fidelity Freedom Fund closest to your target retirement date, since Emeriti Retirement Health Solutions has selected the Fidelity Freedom Funds for the purpose of offering you the appropriate risk allocation for your target retirement date. Or you can choose to allocate your contributions among several investment options, such as a percentage in any Fidelity Freedom Fund of your choice and the remaining percentage in the Fidelity Retirement Money Market Portfolio. At any time you can change how future contributions to your Accounts are invested or rebalance your portfolio by contacting an Emeriti Specialist at Fidelity.

You should review the important differences among the investment options, and determine which investment choices might align with your individual circumstances, retirement horizon, risk tolerance, and investment goals. Refer to the enclosed fund prospectuses for more information on these investment options.

If you have any additional questions regarding which fund or funds may be right for you, call 1-866-EMERITI (1-866-363-7484) to talk to an Emeriti Specialist at Fidelity about investment options, or log on to www.emeritihealth.org and click Individuals > About the Emeriti Program > Health Accounts.

Another investment option to keep in mind for your Health Account assets after you retire is the Fidelity Guaranteed Income Annuity. Through this annuity, you can create a stream of guaranteed principal plus potential earnings back into your Health Account.
Your next steps

Once you have reviewed the material in this package, you should take the following steps:

**Step 1. Decide if you want to contribute on a voluntary basis**

If your plan offers this feature, you can contribute to your Emeriti Health Account via payroll deduction or on your own via electronic transfers (called Automated Clearing House [ACH]) that you initiate from your bank account. You can initiate these transfers as frequently as monthly for any amount greater than $100. Your contributions are made on an after-tax basis but grow tax free, and may be used tax free after retirement for any qualifying out-of-pocket medical expenses.

Please note that the funds accumulated in the Emeriti Health Accounts can be used only for retirement health benefits for you and your eligible dependents after you retire. See page 16 for information about what happens if you should die before you have used all the funds in your Health Accounts.

**Step 2. Determine your investment choice**

Determine an investment allocation from among the various Fidelity Freedom Funds and the Fidelity Retirement Money Market Portfolio selected by Emeriti for the Emeriti Program. For more information, visit www.emerithemlhealth.org, and click Individuals > About the Emeriti Program > Health Accounts, or contact an Emeriti Specialist at Fidelity by calling 1-866-EMERITI (1-866-363-7484). If you don’t make a selection, contributions will be invested in the Fidelity Freedom Fund targeted to the date closest to when you will turn 65.

Please see your Summary Plan Description for information about special conditions allowing early withdrawal of your Emeriti assets in the case of a terminal illness, catastrophic health situation, or a de minimis account balance.
Your next steps  continued

Step 3. Determine your eligible dependents

You will need to determine your eligible dependents who may have access to your Emeriti Health Accounts after your retirement or after your death, if they continue to qualify. Examples of eligible dependents can be your spouse, minor or disabled children, or other dependent relatives. Please check with your institution or refer to the Summary Plan Description for your institution’s Emeriti Plan to see who qualifies as an eligible dependent.

Step 4. Enroll

You must contact an Emeriti Specialist to indicate your eligible dependents and to select your investment options. Specialists can be reached by calling 1-866-EMERITI (1-866-363-7484). When you call, please be prepared to provide the Social Security numbers and dates of birth of your dependents. If you choose to make voluntary contributions through ACH transfers, please have your checkbook handy as you will have to supply the Emeriti Specialist with your bank account number and routing number.

“Why should I bother to start now?”

Carol, 59, has been working as an administrative assistant for a west coast research center for 11 years. The center has not offered a retiree medical benefit in the past and has just introduced the Emeriti Program to help employees invest for medical expenses in retirement.

The research center will make contributions to Carol’s Emeriti Health Account. Is it too late for Carol to start contributing on a voluntary basis?

She should consider contributing to the Health Account even though she is only a few years away from retiring. The Health Accounts can provide a way for any earnings to grow tax free and provide tax-free disbursements to pay for qualified medical expenses, including health insurance premiums. It may also be a good way for her to invest tax refunds, inheritance money, or proceeds from the sale of a home. That way, some of her retirement will be earmarked exclusively for retiree health care expenses, and she can continue contributing to the Health Account after retirement.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

*Domestic partners’ coverage may also be available if elected by your institution.

The individuals and their circumstances referenced in this brochure are fictional and are provided for illustrative purposes only.
How do the Health Accounts offer unique tax advantages?
The Emeriti Health Accounts have unique tax advantages because the contributions in the accounts are held in a type of trust called a VEBA. VEBA, which stands for Voluntary Employees’ Beneficiary Association, is a tax-exempt trust that is used as a vehicle to fund certain employee welfare benefits—most notably health care—for its members or their designated eligible dependents.

• Employer contributions are pre-tax and any earnings grow tax free.
• Employee voluntary contributions, if your plan allows them, are made on an after-tax basis; however, any earnings grow tax free.
• Unlike traditional 401(k) and 403(b) plans, any amounts paid out of the accounts for qualified medical expenses, including health insurance premiums, Medicare premiums and cost shares, and other out-of-pocket health expenses, are tax free.

Why should I consider contributing voluntarily to my Emeriti Health Account if I am already contributing to a workplace savings plan such as a 403(b) or 401(k)?
Workplace savings plans such as 403(b) and 401(k) plans are designed to help provide income for a broad array of needs in retirement, while the Emeriti Health Account is designed exclusively to help meet retirement health expenses.

The Emeriti Health Account offers unique tax advantages. While employee voluntary contributions are made on an after-tax basis, the money paid out from the Health Accounts is tax free when used to pay for qualified medical expenses, including health insurance premiums, when you retire. While there are no limitations on how distributions from a 403(b) or 401(k) plan may be used, distributions from such plans are taxed at the rate in effect when you withdraw funds. If you think tax rates will rise in the future, tax-free money may be better, depending on your tax bracket, than tax-deferred money. Please consult a tax advisor for more information.

Do I have a right to the money in my Health Accounts?
If you meet the requirements of your institution’s Emeriti Plan, the balance attributable to Employer contributions is considered nonforfeitable (vested) during your life and the lives of your dependents (as long as they continue to qualify as dependents), and will be available for reimbursement of qualified medical expenses after you retire and are age 55 or older. If you do not meet these Plan rules, you and your dependents will lose (forfeit) the right to funds in your Health Account that are attributable to Employer contributions.
If your Plan allows Employee contributions, the balance attributable to your voluntary contributions is always considered nonforfeitable (vested) during your life and the lives of your dependents (as long as they continue to qualify as dependents) and will be available for reimbursement of qualified medical expenses for you and your eligible dependents after you retire and are age 55 or older.

If you meet the institution’s definition of Retirement Eligibility under the Emeriti Program, you will be able to access the funds as soon as you retire, and you will be able to purchase the Emeriti Health Insurance Plan Options when you become eligible for Medicare. Coverage is also available for your spouse and eligible dependent children once you have enrolled.

For more information about the Emeriti Health Insurance Plan Options, call our toll-free number, 1-866-EMERITI (1-866-363-7484), or access the Emeriti website at www.emeritihealth.org and click Individuals > About the Emeriti Program > Health Insurance Plan Options.

Whose health expenses can I cover with my Health Account assets?
You can designate your spouse or dependent children to have their qualified medical expenses reimbursed. If your Plan allows, dependent domestic partners’ or dependent relatives may also qualify. Dependent relatives can include parents, siblings, and others, in accordance with your institution’s Plan rules and IRS regulations. Please see your Summary Plan Description for more information.

What happens to the amounts remaining in my Health Accounts when I die?
What happens depends upon whether you have a right to the balance in your Health Accounts (see the question on the previous page entitled Do I have a right to the money in my Health Accounts?). Assuming you have a right to the balance in your Health Accounts, then after you die the amount remaining in your Health Accounts can be used by your spouse and any other eligible dependents for qualified medical expenses until they die or cease to be eligible dependents. It is important to remember that this is a program designed specifically to pay for health expenses, and it receives favorable tax treatment for this purpose.

Because Emeriti is a health and welfare benefit, not a pension plan, the rules are different. Federal law requires that when you and all your eligible dependents die (or cease to be eligible dependents), any unused funds in the Health Accounts will revert to your institution’s Emeriti Plan for use in providing benefits to other eligible participants from your campus community.

If you have a non-dependent domestic partner, IRS rules require that you must pay for that individual’s health insurance via Automated Clearing House (ACH). You cannot use your Emeriti Health Account assets.
When and how are contributions made to the Emeriti Health Accounts?

• Each institution determines when employer contributions will begin.
• Employer contributions will be made on a flat-dollar basis.
• Employee voluntary contributions, if allowed by your Plan, can be made via payroll deduction or electronic transfers initiated by you from your bank account. Contributions made via electronic transfer can be made as frequently as monthly for any amount greater than $100.

How much should I contribute?

Each individual’s circumstances are different. Emeriti offers tools and resources to help you determine what your needs may be. The Retirement Health Care Cost Calculator estimates the amount of medical expenses you may need to cover from your own resources in retirement. The Emeriti Online Premium Rate Guide provides Emeriti Health Insurance Plan Option premium estimates. You can find these calculators on www.emeritihealth.org by clicking Individuals > Tools and Calculators, or call 1-866-EMERITI (1-866-363-7484) to have an Emeriti Specialist assist you with these calculations.

What types of fees are charged for my Emeriti Health Account while I am an active employee, and how are they deducted?

As an active employee, you will be charged a quarterly recordkeeping fee of $5, payable to Fidelity, to cover participant and dependent enrollment, the processing of contributions to the Health Accounts, participant education and service, and other administrative support. There is also a charge of $4 per month by Emeriti for participant education, administration, and services for the Program. Some of these charges may be covered by your institution. Fees payable by you are deducted from assets in the Health Account.

Fees and expenses associated with the Fidelity investment options will also apply. Please refer to the enclosed mutual fund prospectuses for more information about the investment fees.

What types of fees are charged for my Emeriti Health Account when I am retired or leave my employer, and how are they deducted?

When you start to utilize the Health Account assets for insurance premiums or reimbursement of qualified medical expenses as a retired or terminated employee, you will be charged a quarterly participant recordkeeping fee of $18.75, payable to Fidelity, to cover the costs of enrolling participants.
Questions you may have

and their eligible dependents in the Emeriti Health Insurance Options and the Reimbursement Benefit, processing premium payments and ACH transfers, and for providing participant education and other services. You will also be charged $4 per month by Emeriti for participant education, administration, and services for the Program. Some of these charges may be covered by your institution. You will also be charged a qualified medical expense claim fee of $6 each time you use the Emeriti Reimbursement Benefit. The fee is taken only as claims are submitted and it is in your best interest to bundle your claims to pay a single $6 processing fee for the entire batch. Fees payable by you are deducted from assets in the Health Account.

Fees and expenses associated with the investment options will also apply. Please refer to the enclosed mutual fund prospectuses for more information about the investment fees.

Are there any fees relating to the Emeriti Health Insurance Plan Option that I choose? The charge for Aetna’s and HealthPartner’s administrative services is already included in the premium cost for any of the Emeriti Health Insurance Plan Options.

Can I change my investment options? You can make online exchanges/allocation changes via Fidelity’s website, NetBenefits, by going to www.emeritihealth.org or via an Emeriti Specialist at Fidelity by calling 1-866-EMERITI (1-866-363-7484).

If I change employers and my new employer also offers an Emeriti Plan, can I move my account balance from my old employer’s plan to my new employer’s plan? Fidelity maintains separate accounts for you under each institution’s plan. You cannot move account balances under one employer’s plan to another employer’s plan.

Can I contribute to my Emeriti Health Account if I leave? Yes, if you leave with a balance in your Emeriti Employee Health Account, you can continue to make contributions to your employee account via ACH. You can contribute a minimum of $100 as often as monthly.

Can I take a loan from my Emeriti Health Account? No, federal law does not permit loans from the Emeriti Health Accounts.

When will I be eligible to enroll in Emeriti Health Insurance Plan Options? First, you must meet your employer’s Retirement Eligibility requirements. Then, after you have retired, have attained age 65 or older, and have
enrolled in Medicare Part A and Part B, you can sign up for the Emeriti Health Insurance Plan Option of your choice. As a participant in one of the Health Insurance Plan Options, you can enroll your spouse in the same insurance coverage you have selected if he or she is also age 65 or older and is enrolled in Medicare Part A and Part B. If you have a younger spouse or eligible dependent children, they may enroll in a separate Emeriti Health Insurance Plan Option.

What if I retire early?
If you have decided to retire before age 65 and have met your institution’s Retirement Eligibility requirements, you will qualify automatically for the Emeriti Health Insurance Plan Options when you turn 65 and enroll in Medicare Part A and Part B. In the meantime, you can use the balance in your Health Accounts for reimbursement of qualified medical expenses, including pre-Medicare health insurance, for you, your spouse, and eligible dependents.

If you have not met your institution’s Retirement Eligibility requirements but have nonforfeitable (vested) contributions, you can use the balance in your Health Account for reimbursement of qualified expenses for you and your eligible dependents after you are age 55.

What if I don’t choose an investment option?
If you don’t choose an investment option, contributions will be directed to the Fidelity Freedom Fund closest to the year in which you will turn age 65, as directed by the Plan.

What if I don’t enroll in an Emeriti Health Insurance Plan Option?
Disbursements from your Health Accounts can be used for reimbursements for other health insurance premiums, Medicare premiums and cost shares, or other out-of-pocket qualified medical expenses for you or for your eligible dependents. However, if you opt out of the Emeriti Health Insurance Plan Options when you first become eligible, you may not be able to enroll in the Health Insurance Plan Options later, except if you experience certain life events. For additional information about insurance enrollment, call an Emeriti Specialist at 1-866-EMERITI (1-866-363-7484) or refer to your institution’s Emeriti Summary Plan Description.
For the help and information you need

Along with the annual statement you receive, you will be able to access your Emeriti Health Account information virtually 24 hours a day, seven days a week, using secure technology via Fidelity NetBenefits. To access NetBenefits, go to www.emeritihealth.org and select the site for Individuals. Choose the “Access Account/Enroll” tab at the top left, and then click the top link, “Log on to Fidelity NetBenefits.” You may also access your account information by phone, either through the automated voice response system or by speaking directly with a knowledgeable representative, at 1-866-EMERITI (1-866-363-7484), Monday through Friday, 8:00 A.M. to midnight ET (5:00 A.M. TO 9:00 P.M. PT).

IMPORTANT: 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 is not an insurance company, insurance broker, or insurance provider.

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

Emeriti Retirement Health Solutions is a registered investment advisor 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.

Strategic Advisers, Inc., a subsidiary of FMR Corp., manages the Fidelity Freedom Funds.

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.

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 advisor 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.

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.