THE EMERITI PROGRAM
for retirees

The Comprehensive Solution to Meeting Your Health Care Needs in Retirement
TODAY’S AGENDA

- Emeriti Program Overview
- Why You Need a Health Care Solution Beyond Medicare
- What’s new in 2009
- Emeriti Insurance Options
- Choosing the Right Plan for You
- How to Enroll
- Other Emeriti Program Features in Retirement
YOUR INSTITUTION’S COMMITMENT

Innovative employee benefit for you and your eligible dependents during retirement

• Employer contributions during your working years
• Access to group health insurance in retirement
• Lifetime retiree flexible spending account
THE EMERITI RELATIONSHIP

- Nonprofit consortium serving higher education community
- Program development and management, plan design, legal framework, communication materials, outreach, and ongoing education
- Generous grant support from the Andrew W. Mellon and William and Flora Hewlett Foundations

- Largest provider of workplace savings plans in the U.S.
- Management of more than $1.5 trillion in assets on behalf of 24 million individuals*
- Investment manager and trust administration
- Disbursements for premiums and other qualified medical expenses

* as of 6/30/2008

For Minnesota Institutions and their Minnesota-resident retirees, HealthPartners provides participants with medical insurance and health-related products.

HealthPartners is the largest consumer governed nonprofit health care organization in the nation.
CORE PROGRAM COMPONENTS

- Emeriti Health Insurance Options
  Portable group health insurance options wherever you decide to live in retirement (underwritten by HealthPartners in Minnesota and Aetna in other states)

- Emeriti Reimbursement Benefits
  A tax-free method for you to pay for other qualified out-of-pocket medical expenses not covered by Medicare or Emeriti, through assets in your health account (administered by Acclaris Inc.)

- Emeriti Health Accounts
  A tax-advantaged way for you to pay for retiree insurance premiums and other medical expenses (investment choices and administrative services provided by Fidelity Investments)
WHY DO YOU NEED A HEALTH CARE SOLUTION BEYOND MEDICARE?
HOW HEALTH CARE EXPENSES ARE PAID

Private Insurance 19%

Medicare 51%

Individual Out-of-Pocket 20%

Other Gov’t Programs* 10%

Source: The Employee Benefit Research Institute (EBRI) 2006 estimates from the 2003 Medical expenditure survey.

*VA/Tricare 4%, Medicaid 4%, Other 2%
THE A, B, C, D’s OF MEDICARE

CHOOSE ONE:

<table>
<thead>
<tr>
<th>ORIGINAL MEDICARE</th>
<th>MEDICARE PART C (Medicare Advantage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PART A (Hospital)</td>
<td>• Provides Parts A &amp; B services</td>
</tr>
<tr>
<td>PART B (Medical)</td>
<td>• Private insurers approved by</td>
</tr>
<tr>
<td></td>
<td>Medicare provide coverage</td>
</tr>
<tr>
<td></td>
<td>• Some plans may have networks</td>
</tr>
<tr>
<td></td>
<td>• You may get extra benefits</td>
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</table>

• Medicare provides these coverages
• You have your choice of doctors & providers

THEN ADD

<table>
<thead>
<tr>
<th>MEDICARE PART D (Prescription Drug)</th>
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<tbody>
<tr>
<td>• Choose from a variety of Rx coverages</td>
</tr>
<tr>
<td>• Private insurers approved by Medicare provide coverage</td>
</tr>
<tr>
<td>• Medicare approves formularies</td>
</tr>
<tr>
<td>• Different plans cover different drugs</td>
</tr>
</tbody>
</table>
WHAT ORIGINAL MEDICARE DOES NOT COVER

Partial list:

• Deductibles, coinsurance, and co-payments required on Medicare covered services
• Most prescription drugs
• Coverage while traveling abroad
• Custodial or long term care
• Routine physical exams (except upon entry into Medicare)
• Some shots, tests and lab tests
• Some diabetic supplies
• Routine foot care
• Dental care and dentures
• Routine vision and hearing care
• Most eyeglasses and hearing aids
• Acupuncture and certain chiropractic services
• Cosmetic surgery

www.medicare.gov

NOTE: These items not necessarily covered by Emeriti Insurance.
THE EMERITI PROGRAM:
WHAT’S NEW IN 2009

1-866-EMERITI
MEDICARE CHANGES FOR 2009

• Annual Medicare changes
  - Part A deductible will increase to $1,068 (was $1,024)
  - Monthly Part B premium will stay at $96.40
  - Part B annual deductible will stay at $135
  - Part D deductible will increase to $295 (was $275)
  - Part D True Out-of-Pocket (TrOOP) will increase to $4,350 (was $4,050)
• Emeriti Freedom (Med + Rx) Plans underwritten by HealthPartners
  - Freedom Plan I: Rx copays change to $15 generic & $30 brand
  - Freedom Plan II: Rx copays change to $15 generic & $30 brand

• Emeriti Dental Plan underwritten by HealthPartners
  - Available with Freedom Plans only in 2009 and future years
  - Dental plan no longer available on a stand-alone basis

• Emeriti Pre-65 Dependent Coverage underwritten by HealthPartners
  - Closed due to lack of enrollment

• Emeriti Stand-Alone Low Rx Plan underwritten by Aetna
  - Effective after this annual enrollment, participants in this plan will not be able to move to the Freedom Plans
  - Participants can add Aetna dental coverage to the stand-alone low Rx plan
NOTE: In both the Plan I and Plan II options, retirees are not subject to the Parts A deductible.
In all cases, retirees pay the Medicare Part B deductible and the Medicare Part B premium.
EMERITI RX DESIGN (Minnesota)

HealthPartners Freedom Plans (Rx)

**Plan I (Rx)**
- $0 deductible generics
- $135 deductible brand & specialty
- $10 copay generics
- $30 copay brands
- 25% coinsurance specialty
  - *Continuing coverage in donut hole*
- Standard Tier 3 (after TrOOP)

**Plan II (Rx)**
- $0 deductible generics
- $135 deductible brand & specialty
- $10 copay generics
- $30 copay brands
- 25% coinsurance specialty
  - *No coverage in donut hole*
- Standard Tier 3 (after TrOOP)
**EMERITI DENTAL COVERAGE**
( Minnesota)

**HealthPartners Dental Coverage**
(with Medical/Rx Combo)

<table>
<thead>
<tr>
<th>Service Description</th>
<th>In-Network</th>
<th>Out-of-Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive &amp; Diagnostic Care</td>
<td>100%</td>
<td>80%</td>
</tr>
<tr>
<td>Annual Deductible (other services below)</td>
<td>$50</td>
<td>$75</td>
</tr>
<tr>
<td>Basic Care I (e.g. fillings, extractions)</td>
<td>80%</td>
<td>50%</td>
</tr>
<tr>
<td>Basic Care I (e.g. posterior white fillings, root canal therapy, nonsurgical periodontics)</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Basic Care II (6 month waiting period) (e.g. major oral surgery, surgical periodontics)</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Special Care (12 month waiting period) (e.g. crowns, onlays, bridges, dentures)</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>Annual Benefit Maximum</td>
<td>$1250</td>
<td>$750</td>
</tr>
</tbody>
</table>

*Waiting periods may be waived with evidence of continuing comparable coverage.*
OR

AETNA LIMITED OPTION (in Minnesota)

Alternate Selection

Select the Aetna Rx Low Plan
as a stand-alone option

AND

Consider Aetna Dental

This option allows you to remain in limited insurance coverage through the Emeriti Program.

Please note: effective after this annual enrollment, participants in this plan will not be able to move to the Freedom Plans.
ADVANTAGES OF EMERITI INSURANCE

- Builds on the foundation of Medicare
- Continuing guaranteed issue group health insurance coverage (no pre-existing condition criteria)
- Portable, nationwide access
- A menu of options to fit your personal needs
- Catastrophic protection
- Prescription drug coverage
- Foreign urgent or emergency care
- Preventive care
- Any provider who accepts Medicare (no networks)

Annual choice among options
EMERITI COVERAGE ELSEWHERE FOR 2009
(Outside of Minnesota)

- **HealthPartners Extended Absence Benefit**
  Minnesota retirees from Minnesota institutions spending up to nine months out of state each year may continue to benefit from HealthPartners insurance coverage.

- **Aetna Coverage For Out-of-State Residents**
  Non-state residents from Minnesota institutions will need to select their coverage from Aetna insurance offerings in 48 other states and the District of Columbia. Aetna options will include 4 medical plans, 4 Rx plans, and 1 optional dental plan.
EMERITI RATE CHANGES FOR 2009  
(Minnesota)

- Rate increase for Freedom Plan I (medical + Rx) is 5.67%  
  - HealthPartners 2009 rate - $229.20 / month

- Rate increase for Freedom Plan II (medical + Rx) is 8.28%  
  - HealthPartners 2009 rate - $147.70 / month

- Rate increase for the optional Personal Dental Plan will take place in April, 2009  
  - HealthPartners current rate - $47.98 / month

- Rate increase for the Stand-Alone Basic Rx Plan (Aetna) is 0%  
  - Aetna 2009 rate - $33.40 / month

- Rate increase for Dental Coverage (Aetna) is 10.4%  
  - Aetna 2009 rate - $46.00 / month
MEDICARE FORMULARIES

HealthPartners Formulary (3 tiers of coverage)

- Generics covered on formulary
- Preferred brands covered on formulary
- Specialty drugs covered on formulary

- Features at least two drugs in every class
- Includes most of the top 100 drugs seniors typically use

NOTE: Emeriti Freedom Plan I includes continuing coverage in the donut hole.
Emeriti Freedom Plan II has no coverage in the donut hole.
Both Freedom Rx plans have closed formularies.
HOW TO CHOOSE THE RIGHT PLAN FOR YOU

www.emeritihealth.org
WHAT IS THE RIGHT MIX
OF MEDICAL AND Rx BENEFITS FOR YOU?

Ask yourself these questions:

• What is my health status?
• Is my health likely to change?
• How often do I need to see the doctor?
• Do I take a lot of prescription drugs? Are they expensive?
• How much premium can I afford?
• How much out-of-pocket can I afford?
• How is the current plan working for me?
• Is dental coverage important to me?
BEGIN THINKING ABOUT YOUR OPTIONS
Medical and Rx Exposure

Considerations:
- Higher premium now, lower deductibles, coinsurance, and OOP costs later
- Lower premium now, higher deductibles, coinsurance, and OOP costs later
CHOOSE YOUR INSURANCE OPTIONS

Continue with your current Emeriti Freedom Plan (default)

OR

Select the alternate Emeriti Freedom Plan

OR

Select the Aetna Alternative
(with no future right of return to the Freedom Plans)
WHEN CAN YOU ACCESS YOUR EMERITI HEALTH INSURANCE

- After you have reached age 65
- When you have retired and,
- After you have enrolled in Medicare Parts A and B

Your institution’s retirement eligibility

NOTE: Your employer’s plan establishes specific rules for vesting in the Emeriti account balance and retirement eligibility for the Emeriti insurance.
WHO CAN ACCESS YOUR EMERITI HEALTH INSURANCE

- You

- Your eligible post-65 dependents:
  - Your spouse (pre- or post-65)
  - Your dependent or independent domestic partner*
  - Permanently disabled children**

NOTE: Your employer’s plan establishes specific rules for retirement eligibility for the Emeriti insurance.

*Domestic partners’ coverage is available only if elected by your institution. Independent domestic partners pay for insurance with their own funds.

**Determination of permanent disability also confers access to post-65 insurance for these individuals. Disability must occur before age of majority.
YOUR NEXT STEPS

If you’re satisfied with your level of coverage, do nothing

If you want to make changes to your existing coverage, call the Service Center

If you’re enrolling for the first time, call the Service Center:

- Have your Medicare Parts A and B cards
- Have your social security number
- Have dates of birth of any eligible dependents
- Have social security numbers for eligible dependents
- Have your checkbook handy to provide bank account number to set up electronic transfers (ACH)
OTHER EMERITI PROGRAM
ADVANTAGES IN RETIREMENT

Using the Emeriti Health Accounts
Using the Emeriti Reimbursement Benefit

www.emeritihealth.org
USING YOUR HEALTH ACCOUNT DURING RETIREMENT

Employer contributions

- Lump sums ($100 or more) from your bank account
- Regular electronic (ACH) transfers from your bank account for insurance premiums

Your Emeriti Health Account

- Emeriti Reimbursement Benefits
- Emeriti Health Insurance Premiums
HOW YOUR MONEY WORKS FOR YOU

Choice of investments

• **Fidelity Freedom Funds**
  - Lifecycle funds
  - Asset diversification among stocks, bonds, and money market funds
  - Automatic rebalancing

• **Fidelity Retirement Money Market**
  - A money market mutual fund
  - Seeks to provide high level of current interest income with preservation of principal and liquidity
  - Seeks to assure the value of your investment at $1 per share*

*You are automatically defaulted into the age-appropriate Fidelity Freedom Fund if you make no choice*
ADVANTAGES OF YOUR HEALTH ACCOUNT IN RETIREMENT

- Enables you to have premiums paid automatically
- Dollars contributed into the Health Account grow tax free
- Dollars withdrawn from the Health Account are distributed tax free for premiums and other qualified medical expenses
- Plan ahead and add extra money for other health expenses not covered by insurance or Medicare
WHO CAN USE YOUR EMERITI HEALTH ACCOUNT FOR REIMBURSEMENTS IN RETIREMENT

- You

- Your dependents:
  - Your spouse (pre- or post-65)
  - Your dependent domestic partner (pre- or post-65)*
  - Your dependent children (before majority)
  - Permanently disabled children*
  - Dependent relatives**

NOTE: Your employer’s plan establishes specific rules for vesting in the Emeriti account balance and retirement eligibility for the Emeriti insurance.

* Only if elected by your institution.

**Determination of permanent disability also confers access to post-65 insurance for these individuals.
ADVANTAGES OF YOUR REIMBURSEMENT BENEFIT

- earnings disbursed **tax free** for qualified medical expenses
- residual balance stays in your account, continues to grow tax free
- first four bundled reimbursement submissions each calendar year are free
- convenient and easy-to-use
- form available on www.emeritihealth.org
Partial list:

- Pre-65 health insurance premiums
- Supplemental insurance deductibles, co-insurance, co-pays
- Vision, dental, hearing care
- Over-the-counter and non-formulary drugs
- Long-term care insurance
- Medical expenses associated with nursing or in-home health care services
- Medicare premiums and cost shares
- Other post-65 insurance premiums (if Emeriti coverage is not elected)
- Medical equipment

NOTE: A wide range of health care expenses are eligible for tax-free reimbursement as long as they satisfy the requirements of Section 213 (d) of the IRS Code.
EMERITI’S COMMITMENT
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- Ongoing communication
  - Emeriti Service Center - 1-866-EMERITI (1-866-363-7484)
  - On-campus workshops
  - Periodic newsletters
  - Robust website - www.emeritihealth.org
  - Educational materials and enrollment kits

- Transparency of fees during retirement
  - Emeriti service fee: $4.00/month
  - Fidelity recordkeeping fee: $6.25/month
  - Acclaris reimbursement fee – first four bundled reimbursement submissions each calendar year are free, thereafter, $6 per bundled set of receipts
  - Fidelity investment management fee (please refer to the mutual fund prospectuses for more information about investment fees)

NOTE: Depending on your employer’s plan, fees may be paid by you, by your employer, or on a cost-sharing basis.
RESOURCES AVAILABLE ON
www.emeritihealth.org

- Emeriti online premium rate guide
- Fidelity retirement health care cost calculator
- HealthPartners website link
- Aetna Medicare Formulary
- Aetna Pharmacy Directory
- Fidelity Freedom Funds

Other resources:

www.medicare.gov  Medicare and You 2009
from the Centers for Medicare and Medicaid Services

www.kff.org  Kaiser Family Foundation

www.ebri.org  Employee Benefit Research Institute
Emeriti Retirement Health Solutions provided this information and is responsible for its content.

The Emeriti Program, Aetna Life Insurance Company, Fidelity Investments, HealthPartners (in Minnesota), and Acclaris Inc., are independent corporations and are not legally affiliated.

The full name of Emeriti Retirement Health Solutions is The Emeriti Consortium for Retirement Health Solution, an Illinois Nonprofit Corporation.

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

**Summary Plan Description (SPD)**
This presentation is intended to provide you with a brief summary of some of the details of your Employer’s Emeriti Plan and the Emeriti Program. 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.
Investment Adviser Status
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.

Investment Decisions
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 p.m. Eastern time, or on weekends or holidays, will receive the next available closing prices.

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.

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

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

An investment in a money market fund is not insured or guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at $1 per share, it is possible to lose money by investing in these funds.
The comprehensive solution to meeting your health care needs in retirement

1-866-EMERITI (1-866-363-7484)