



August 2017

## Changes to your Caterpillar retiree healthcare benefits eligibility

In March 2017, Caterpillar and the United Auto Workers (UAW) ratified a new six-year Central Labor Agreement. Those employees covered by the new agreement will be eligible, starting Jan. 1, 2018, for the same healthcare benefit plans that management and executive employees and retirees participate in today, pursuant to the terms of those plans. We wanted to extend this same opportunity to those who retired under the 2005 or later agreements between Caterpillar and the UAW.

Effective Jan. 1, 2018, Caterpillar will provide you and your eligible spouse\* (or your eligible surviving spouse after your death) with the same healthcare benefit plan that management and executive retirees under age 65 participate in today, **unless you opt out of the change**. As an eligible retiree (or surviving spouse), you need to understand the change so you can make the decision that is right for you. The management and executive retiree healthcare benefit plan you'll be eligible for in 2018 is explained in detail in the enclosed brochure. Some of the benefits are very different from what you've previously been eligible for.

### To Know.

- **If you're currently enrolled in Caterpillar-sponsored group health coverage**  
If you're currently enrolled in Caterpillar-sponsored group health coverage, effective Jan. 1, 2018, you will be automatically enrolled in the same healthcare benefit plan as Caterpillar management and executive retirees, unless you opt out. Your covered spouse (or your covered surviving spouse after your death) who is age 64 or under will also be automatically enrolled in the same healthcare benefit plan as Caterpillar management and executive retirees.
- **If you're not currently enrolled in Caterpillar-sponsored group health coverage**  
If you're not currently enrolled in Caterpillar-sponsored group health coverage because you previously declined it, you will become eligible for the same healthcare benefit plan as Caterpillar management and executive retirees, unless you opt out. Your eligible spouse (or eligible surviving spouse after your death) who is age 64 or under will also be eligible for it.

### To Do.

1. Carefully review the enclosed brochure, which explains the healthcare benefit plan for management and executive retirees under age 65.
2. Attend an informational meeting (schedule enclosed).
3. After the informational meeting, if you decide you want to participate in the same healthcare benefit plan as Caterpillar management and executive retirees, **no further action is necessary.**
4. **If you do NOT want to participate in the same healthcare benefit plan as Caterpillar management and executive retirees, you must contact Caterpillar's UAW 2018 Healthcare hotline at 309-675-1700 by Oct. 6, 2017 to begin the opt out process.**

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\* For purposes of healthcare benefits for those under age 65, the term "spouse" also includes your same-sex domestic partner. For purposes of the health reimbursement arrangement, the term "spouse" also includes your same-sex domestic partner who is your tax dependent under the Internal Revenue Code.

## **When you and/or your eligible spouse reach age 65**

In addition, when you reach age 65, your retiree healthcare benefit options will change again. You will be eligible for the health reimbursement arrangement available to management and executive retirees age 65 and older. Rather than being limited to the healthcare coverage offered by the Caterpillar-sponsored group health plan that is secondary to Medicare, you will have access to a number of individual health insurance offerings that work with Medicare, such as Medicare Advantage and Medicare Supplement plans.

To help you pay for this new coverage, Caterpillar will place benefit dollars in a tax-advantaged account called a health reimbursement arrangement (HRA). Caterpillar will deposit \$3,000 for you and \$3,000 for your eligible spouse (or your surviving spouse after your death). In other words, you will receive as much as \$6,000 from Caterpillar to pay for your healthcare and the healthcare of your eligible spouse.

You will be able to use these dollars to pay the premiums for individual insurance coverage and for other qualifying medical expenses. Any unused dollars will remain in the account to be used in the future. This means you will have more choice and more control over your retiree healthcare benefits.

Caterpillar has chosen OneExchange to provide enrollment services for retirees age 65 and older. As professionals in the Medicare market, OneExchange's licensed advisors help retirees and their spouses enroll in individual coverage to fit their budget and their unique medical, dental, vision and prescription drug needs. OneExchange also administers the HRA.

## **Retiree informational meetings**

In addition to the informational meetings for retirees under age 65, we're also hosting meetings for retirees age 65 and older. If you'd like to learn more about the health reimbursement arrangement, you're welcome to attend one of those informational meetings. They'll be held immediately following the meetings for retirees under age 65 and are also listed on the enclosed schedule.

## **Questions?**

This notice and the enclosed information are intended to provide you with what you need to make an informed decision that is right for you.

If you have questions, call Caterpillar's UAW 2018 Healthcare hotline at **309-675-1700** and leave a message with your name, phone number and a brief description of your question. A Caterpillar benefits team member will return your call within three business days.