

Important Information About the Notice on Health Insurance Marketplace Coverage Options

Why Am I Receiving This Notice?

Caterpillar is legally required to provide each employee at the time of hire the enclosed notice on Health Insurance Marketplace Coverage Options to comply with rules under the federal Patient Protection and Affordable Care Act.

This notice provides you with instructions on how to access information about the Health Insurance Marketplace. The Marketplace is comprised of health plans offered to you by either your state or the U.S. Department of Health and Human Services.

What Do I Need to Know?

If healthcare coverage offered by your employer meets the affordability and minimum value standards described in the enclosed notice, you may be eligible for a tax credit through the Marketplace.

You're eligible to participate in a Caterpillar group health plan. At least one of the healthcare plan options offered to you by Caterpillar is intended to be affordable and meets the minimum value standards.

What Do I Need to Do?

Please review the materials carefully. Decide on the options that are right for you and enroll before your enrollment deadline.

What If I'm Interested in Marketplace Coverage?

- Go to www.HealthCare.gov to review the plans available in your state.
- Keep the enclosed notice because it has information you'll need to enroll in Marketplace coverage.
- Compare Caterpillar coverage costs to those of the Marketplace during enrollment. Once your enrollment begins for Caterpillar, you'll be able to confirm the cost of your coverage at CatBenefitsCenter.com. Please do not contact the Caterpillar Benefits Center for costs prior to the start of your benefit enrollment period.

Questions?

Call 1-800-318-2596 (TTY: 1-855-889-4325) or visit www.HealthCare.gov.

Health Insurance Marketplace Coverage Options

General Information

There is a new way to buy health insurance: The Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the Marketplace and employment-based health coverage offered by Caterpillar.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you'll not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan.

However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing, if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards.

If the cost of a plan from your employer that would cover you (and not other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provider does not meet the “minimum value” standard set by the Affordable Care Act, you may be eligible for a tax credit.

If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution, as well as your employee contribution to employer-offered coverage, is often excluded from income for Federal and State income tax purposes.

Your payments for coverage through the Marketplace are made on an after-tax basis.

Note: An employer-sponsored health plan meets the “minimum value standard” if the plan’s share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs (Section 36B(c)(2)(C)(ii) of the Internal Revenue Code of 1986).

How Can I Get More Information About the Marketplace?

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage and its cost. Please visit www.HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

Information About Health Coverage Offered by Caterpillar

Here is some basic information about health coverage offered by Caterpillar:

The coverage Caterpillar offers to eligible employees meets the minimum value standard, and the cost of this coverage is intended to be affordable, based on employee wages.

Even if Caterpillar intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount.

If, for example, your wages vary from week to week (perhaps you’re an hourly employee or your work on a commission basis), if you’re newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, www.HealthCare.gov will guide you through the process.

For more information about:

- The Marketplace and Marketplace coverage options, visit www.HealthCare.gov or contact the Help Center at 1-800-318-2596. TTY users should call 1-855-889-4325.
- Coverage offered by Caterpillar including eligibility and pricing information, visit UPoint™ at CatBenefitsCenter.com or call 1-877-228-4010, Monday through Friday, 8:00 a.m. to 6:00 p.m. Central Time.

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