



Human Resources

Benefits Office

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An Update on Your Retiree Health and Welfare Benefits

As you may know, the management of Los Alamos National Laboratory changed on June 1, 2006 to Los Alamos National Security, LLC (LANS). LANS is a limited liability corporation made up of Bechtel, UC, BWX Technologies, and Washington Group, International.

This transition means that you, as a retiree, are now covered by LANS-sponsored health and welfare benefits. In addition, LANS has selected Hewitt Associates, a global human resources services company, to assume health and welfare benefits administration services from UCOP for LANL retirees.

Inside This Mailing

Take the time to read this letter. It includes a description of changes, how they affect you, and how you can learn more.

Along with this letter, we have also included:

- A personalized *Confirmation of Coverage* statement that reflects your current benefits coverage (for your records);
- A handy magnet to remind you of how to access your benefits information year-round; and
- A notice regarding privacy of your personal health information.

Scheduled Presentations

UC, LANS, and Hewitt have already conducted two presentations in Los Alamos and Santa Fe for retirees on these changes. As a result of feedback from those presentations, two additional presentations have been scheduled in New Mexico. Consider participating in one of these forums to learn more or to ask questions about recent changes:

Espanola

Tuesday, June 27

3 p.m. to 5 p.m.

Carlos F. Vigil Middle School

1260 Johnny Roybal/Industrial Park Road

Albuquerque

Wednesday, June 28

10 a.m. to 12 p.m.

Bank of America Theatre

The National Hispanic Cultural Center

1701 4th Street SW

If you are unable to attend either of these presentations, the information in this letter outlines key points. In addition, the slides from the presentations and frequently asked questions from the meetings have been posted at the LANL Benefits Web page at <http://www.lanl.gov/worklife/benefits/>.

What's Changing

On June 1, Hewitt assumed health care insurance administration responsibilities for LANL retirees, which include:

- Processing mid-year status changes;
- Tracking overall Medicare eligibility;
- Providing utilization data for future health insurance negotiations on behalf of LANS; and
- Managing the annual open enrollment process in the fall.

What You Need to Know

Most retirees will experience **minimal changes** with the transition of 2006 benefits to Hewitt's system, known as *Your Benefits Resources*[™]. That's why we have included a *Confirmation of Coverage* statement, a summary of 2006 benefits, for your records. **NO action is necessary unless you discover an inaccuracy in the statement.** (Note: Group Legal Insurance, which is *not* reflected, will remain unchanged for the remainder of 2006.)

The most visible change during this transition is *how you will view and access your benefits differently in the future.* You will still be able to view your benefits and perform transactions online at your convenience, or if you need one-on-one personal assistance, you may speak to a Customer Care Specialist. Only now, you will access your benefits information in two new ways:

- **The *Your Benefits Resources* Web Site at www.ybr.com/benefits/lanl** —The Web site is your primary resource for personalized health and welfare benefits information. It provides information and online tools to help you make informed decisions during open enrollment and get the most from your benefits throughout the year. The site is available any time and from anywhere with Internet access. Prior to open enrollment, it is recommended that retirees visit this Web site to set up their user ID and password and begin familiarizing themselves with the site features. Hewitt will be working with the New Mexico retirees' group in the coming months to conduct a Web site orientation.
- **The *Your Benefits Resources* Customer Care Center at 1-866-934-1200** —Customer Care Specialists are available to provide assistance between 8:00 a.m. and 9:00 p.m. Eastern time, Monday through Friday.

Next Steps

As mentioned, you **do not** need to take action right now. However, here are a few things you should be aware of for the remainder of the year and in preparation for the 2007 plan year:

1. Set up an online account. You'll need to go online to enroll in the fall if you have changes to coverage, so consider beating the rush and setting up your account now. It's a good idea to familiarize yourself with the *Your Benefits Resources* Web site at www.ybr.com/benefits/lanl prior to open enrollment.

For your security, you'll be asked to enter some personal information the first time you log on to the *Your Benefits Resources* Web site. You will then be prompted to create a user ID and choose a password. You will also be able to enter a password hint and will need to answer a few security questions (for example, the name of the street you grew up on).

If you ever forget your password, you can use your hint. If you still can't remember it, the site will prompt you to answer a few of the security questions. If you answer correctly, you'll be able to create a new password and proceed immediately. Keep your user ID and password in a secure place. You'll need them each time you log on to *Your Benefits Resources*.

2. Look for new insurance ID cards in the mail in June. These will replace your existing card(s). Blue Cross members will be assigned a new member number. UHC members will not experience changes to member numbers. In either case, you will not experience any disruption in services.

3. Watch for updated Summary Plan Descriptions to arrive by mail in July. These documents itemize the specific insurance coverage in which you are enrolled.

4. Stay tuned for more information on the open enrollment process in November. From **November 6 through November 17, 2006**, your open enrollment period, you will have an opportunity to make changes to your 2007 benefits coverage. More information about open enrollment will be sent from Hewitt in the fall.

Frequently Asked Questions

We realize that during this transition, you may have some questions. Below are answers to the most frequently asked questions. Additional questions and answers can be found at the LANL Benefits web page at <http://www.lanl.gov/worklife/benefits/>.

- **Does this transition affect the level of coverage for benefits or eligibility?** In general, there are no changes to the level of health and welfare benefits coverage or eligibility. LANS could not replicate the UC HMO plans for 2007, so a handful of retirees are being converted from the HMOs to a similar plan under UHC. The LANL Benefits Office has contacted these retirees. There will be no premium rate changes for the remainder of 2006. Any changes to premium rates in 2007 will be communicated prior to open enrollment. You will receive more information in the fall on this topic.
- **What do I need to know about my pension benefits?** There are no changes in your monthly pension benefit, which will continue to be paid by UC, or by PERS. However, beginning in January 2007, billing for retiree medical insurance will shift from UCRP or PERS pension deduction to mail invoice or direct pay. At the same time, Medicare Part B reimbursement will shift from UCRP or PERS pension credit to payment from LANL. Even though both actions do not directly affect your pension, they do affect the amount of the pension payment. Please contact **UC Customer Service at 1-800-888-8267** with any UC pension questions and **PERS Customer Service at 1-888-225-7377** with PERS questions.
- **How will Medicare reimbursements be affected?** As a part of the transition, the University of California will be collecting retiree premiums and processing Medicare Part B reimbursements through retirees' pension checks until December 2006. Starting in January, retiree premiums can be mailed or direct deposited to *Your Benefits Resources*. Medicare Part B reimbursement checks will be sent to retirees quarterly from LANL.

- **Whom do I contact about AD&D and Auto/Home Owners insurance?** You will continue to pay AD&D and Auto/Home Owners Insurance premiums, if you're enrolled, directly to the insurance company. You will also continue to call the carriers with your questions.
- **When should I contact *Your Benefits Resources*?** If you have a change in covered family members, have questions on insurance premiums, are moving out of a medical plan service area, have become Medicare eligible, or have general questions about medical or dental or legal insurance, your primary contact is *Your Benefits Resources*. However, UC, LANS, and *Your Benefits Resources* have set up internal protocols to make sure you are referred to the correct source of information, no matter whom you call first. If you have a change of address, you will want to contact both UC or PERS and *Your Benefits Resources*.

In Closing

To help make this transition as smooth as possible for you, we have enclosed a helpful magnet to remind you of where you can go for more information.

We appreciate your taking the time to review this information and will continue to keep you informed as we move forward.

Thank you.

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