



GE
3135 Easton Turnpike
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July 20, 2015

I am writing to let you know about upcoming changes to GE's post-65 retiree health care benefits. These changes will create an efficient and flexible way to access Medicare supplemental and/or prescription drug coverage. This letter highlights what's changing and how GE will support you along the way.

What's changing?

Starting January 1, 2016, GE will no longer offer its current post-65 retiree health care plans to former production employees or those who were paid on an hourly or non-exempt basis, or their spouses or same-sex domestic partners. Instead, these retirees will be able to purchase Medicare supplemental and/or prescription drug plans through a service called OneExchange. GE will also provide financial assistance to retirees, eligible spouses and same-sex domestic partners, who purchase a plan through OneExchange and who meet certain other requirements. Today, more and more companies are using services like OneExchange to offer their retirees access to coverage.

This change is more fully explained in the enclosed Fact Sheet and Frequently Asked Questions, but here are important points to note:

- OneExchange offers a wide array of competitively priced plans and is staffed by licensed, non-commissioned experts who can help retirees choose the plans best-suited to their individual needs.
- Many retirees will be able to find plans through OneExchange that are a better fit for their current needs than their current GE-sponsored plans.
- GE will provide eligible retirees, spouses and same-sex domestic partners who enroll in a Medicare supplemental and/or prescription drug plan through OneExchange for the year a \$1,000 Retiree Reimbursement Account (RRA), per person, to help pay for new plan premiums and other eligible medical expenses. GE will also provide a benefit to eligible individuals to reimburse eligible prescription drug costs that exceed the Medicare catastrophic coverage threshold.

Why is a private Medicare marketplace effective?

There are about 40 million retirees in the U.S. today who purchase coverage directly from an insurance company. With this kind of purchasing power, OneExchange can offer a wide range of coverage options no single company can match (not even GE). This means that many retirees will be able to find more suitable coverage through OneExchange.

Next steps

You do not need to take action now. In early August, OneExchange will send additional information including a schedule of informational meetings and teleconferences. If you have questions, contact the GE Pension Benefit Inquiry Center at 1-800-432-3450, weekdays from 9 a.m. to 5 p.m., Eastern time.

As in the past, GE reserves the right and discretion to amend or terminate its benefit plans at any time, for any reason.

Sincerely,

Susan Peters
Senior Vice President, Human Resources

FACT SHEET

Who do these changes apply to?

Starting January 1, 2016, GE's current post-65 retiree health care plans will be closed to former production employees or those who were paid on an hourly or non-exempt basis, or their spouses or same-sex domestic partners. All of these retirees and their eligible dependents will have free access to OneExchange to help them find individual Medicare supplemental and/or prescription drug plans that best fit their needs.

In addition, the financial support described below will be available to former production employees or those who were paid on an hourly or non-exempt basis, or their spouses or same-sex domestic partners who:

- Retired from GE at age 60 or older with at least 10 years of service, and
- Turn age 65 before January 1, 2018, and
- Enroll in GE's subsidized post-65 retiree health care plans by January 1, 2016 or their 65th birthday, whichever is later.
- Note that if you previously decided not to enroll in GE's subsidized post-65 retiree health care benefits, you will be eligible for the Retiree Reimbursement Account (RRA) and the GE Pharmacy Assistance Fund (GEPAF) only if you (1) demonstrate that you have disenrolled from another employer's group health plan, and (2) enroll within 60 days after disenrollment and no later than the deadlines noted above.

If you are the spouse or same-sex domestic partner of a retiree who meets the above criteria, you will also be eligible for this financial support if you turn age 65 before January 1, 2018, and you enroll in GE's subsidized post-65 retiree health care plans by January 1, 2016 or your 65th birthday, whichever is later. (As noted above, if you previously decided not to enroll in GE's subsidized post-65 retiree health care benefits, you will be eligible for the Retiree Reimbursement Account (RRA) and the GE Pharmacy Assistance Fund (GEPAF) only if you (1) demonstrate that you have disenrolled from another employer's group health plan, and (2) enroll within 60 days after disenrollment and no later than the deadlines set forth above.)

If both the retiree and spouse or same-sex domestic partner are eligible for the \$1,000 Retiree Reimbursement Account (RRA) for a year, they would have an RRA with \$2,000 (\$1,000 per person). That joint account may be used to pay for either or both of your eligible premiums and expenses.

How will GE support eligible retirees and their eligible dependents?

OneExchange. OneExchange, a Towers Watson company, is a private Medicare marketplace. It is staffed by licensed, non-commissioned benefit experts who know the health plans in your area and who will provide one-on-one counseling to help you understand, select and enroll in an individual plan that best fits your needs. Access to OneExchange will be free for all retirees and their eligible spouse or same-sex domestic partner.

In addition, if you purchase coverage through OneExchange, and you meet the criteria outlined above, the Company will provide the following financial support:

A \$1,000 annual Company contribution to a Retiree Reimbursement Account (RRA). The RRA can be used to help pay for new Medicare supplemental and/or prescription drug plan premiums and other eligible medical expenses. Per Medicare guidelines, the RRA cannot be used to pay for out-of-pocket prescription drug expenses (such as co-pays). Unused amounts can carry over from year to year.

Protection against catastrophic prescription drug expenses. Medicare covers eligible prescription drug costs until yearly out-of-pocket prescription expenses exceed a government-set threshold (\$4,850 for 2016). However, even after you reach that threshold, Medicare requires you to pick up some of the costs for your prescriptions (the greater of (1) \$2.95 for generic drugs and \$7.40 for brand-named drugs, or (2) 5% coinsurance). The GE Pharmacy Assistance Fund (GEPAF) will reimburse you for these eligible additional expenses for the remainder of the calendar year, at no cost to eligible participants.

Remember, this financial support is available for a given year only if you meet the requirements described above, and you purchase a Medicare supplemental and/or prescription drug plan through OneExchange for that year.

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