

Important Changes To Your Retiree Health Insurance Benefits

Action Required

Effective **May 1, 2014**, CenturyLink will no longer provide group medical coverage to Post-1990 Occupational retirees/dependents who are Medicare eligible.

This mailing provides you with important details about the upcoming changes that will allow you to enroll in ***individual Medicare supplemental and prescription drug*** insurance policies of your choice through a variety of insurance carriers such as UnitedHealthcare, Blue Cross Blue Shield, Aetna and many others. It also includes a schedule of informational meetings that will be held in some retiree locations, as well as an enclosed brochure and cover letter, from Extend Health (a Towers Watson company). Extend Health can assist you with the upcoming enrollment process, including enrolling in a vision and/or dental policy (as you can waive your group dental coverage).

In addition, retirees/dependents currently pay a monthly premium to participate in group coverage under the CenturyLink Retiree and Inactive Health Plan and the Company also contributes an amount (the "cap") towards that group coverage. Beginning **May 1, 2014**, the Company will contribute that cap amount to a Health Reimbursement Account (HRA) that you can use to help pay the premiums for an *individual* Medicare medical and prescription drug policy of your choice. You will pay your premium(s) directly to your insurance provider(s) and then receive reimbursement from your HRA. You do not pay any premiums to CenturyLink or Extend Health. *See the HRA section later in this letter for HRA amounts.*

**PLEASE READ THIS LETTER CAREFULLY.
ACTION IS REQUIRED.**

NOTE: If you or a dependent are not yet Medicare eligible, that person may continue to receive group coverage under the CenturyLink Retiree and Inactive Health Plan until becoming Medicare eligible. Subsequently the information in this letter will also apply to them (provided they are still an eligible dependent or retiree who is eligible for CenturyLink retiree benefits).

NEXT STEPS — WHAT YOU NEED TO KNOW

Early January Enclosed with this letter is a “**Getting Started Guide**”. Review and complete/gather the information that you will need for your call with a licensed advisor at Extend Health. This should help you in the process of selecting the policy that best meets your medical and prescription drug needs.

Early February You will receive the Extend Health “**Enrollment Guide**”. This will contain additional instructions on how to enroll and what to expect before and after the enrollment process. It will also provide information and tools to help understand the *types* of Medicare policies that are available. Each specific carrier’s benefits and cost will be available online or reviewed with the advisor on the enrollment call.

Early February CenturyLink/Extend Health informational meetings will be held in some locations where the larger populations of retirees reside. See the schedule at the end of this letter.

NOTE: These are not enrollment meetings.

February 1 – April 30 **This is the Medicare Special Enrollment period.** February 1 is the earliest that Medicare allows enrollment for the May 1 effective date. You can begin scheduling your appointments per the instructions in the “**Getting Started Guide**”. ***If you do not enroll for Medicare supplemental coverage by April 30, 2013, you will no longer have Medicare supplemental insurance coverage through CenturyLink and you will be individually responsible for your health expenses.***

You may also waive your CenturyLink group dental coverage and enroll in an individual dental policy. Vision policies are also available.

Late April Your Health Reimbursement Account information will be sent to you by the HRA administrator, “**Your Spending Account**” (YSA) . This will advise you on how to access your HRA information online and instructions on how to submit claims for reimbursement.

May 1, 2014 Your group coverage under the CenturyLink Retiree and Inactive Health Plan will be terminated and your individual Medicare coverage should become effective. You must enroll before the end of April and make your premium payment directly to the insurance carrier you select.

ADDITIONAL INFORMATION

› Enrollment Process

- Your enrollment process through Extend Health will take place over the phone — **no paperwork is required.**
- The person enrolling in the coverage must be the one on the phone making the election.
- Each Medicare person enrolling must make their own election.
- You must maintain your Medicare Parts A and B to enroll in a Medicare type policy.

You may enroll during your initial enrollment appointment, or you may need more than one call to make your enrollment decision. Extend Health has helped more than 500,000 retirees choose an individual Medicare supplemental insurance policy, including retirees from companies such as IBM, Time Warner, Ericsson, Eastman Chemical, and Dole. We encourage you to discuss your individual health insurance needs with an Extend Health benefit advisor by mid-April to ensure a May 1 effective date.

› Enrollment Process *(continued...)*

If you purchase supplemental insurance coverage through Extend Health, you will be able to use Extend Health's automatic HRA reimbursement program and *ongoing* support services to assist you with claims, billing, and other Medicare-related questions after you enroll.

However, using Extend Health is optional. You may enroll directly through an insurance carrier or with a local broker of your choice. For instance, not all HMOs are offered through Extend Health. The HRA dollars are available regardless of who you use to enroll.

› Transitional Support

Extend Health, a leading coordinator of Medicare supplemental insurance, will be available to assist you through the enrollment process and beyond.

Your Spending Account (YSA) will work with you regarding HRA reimbursements once your account is established for May 1, 2014. *See the HRA section below for more HRA information.*

HOW WILL THE HRA WORK?

› **HRA Funding** — The annual HRA company contribution for Medicare eligible individuals will be \$2,570 for single, \$2,570 for a spouse and \$2,070 for dependent child(ren). However, you will receive a **prorated** annual contribution for 2014 because your effective date is May 1, 2014. When other family members become Medicare eligible during a plan year, their HRA amount will also be prorated for the first year. The HRA funds are combined at YSA into one account per family, even though you are enrolled as individuals. For example, if you and your spouse are both Medicare eligible, your annual HRA company contribution will be \$5,140. This allows all of the HRA dollars to be used in any combination to fit your needs. HRA balances will roll over from year to year if you have HRA dollars left in your account.

› **HRA Expenses** — The HRA funds can be used to help you pay the cost of individual Medicare supplemental insurance premiums, dental and vision premiums and other qualified out-of-pocket health care expenses, such as copays and deductibles.

NOTE: Medicare Part B premiums are not eligible for reimbursement.

› **HRA Reimbursements** — If you enroll through Extend Health, depending on which carrier you choose, you may have access to Automatic Reimbursement of your **medical** premiums. If not, you will need to submit for manual reimbursement to YSA. All other premiums and out-of-pocket expenses will also need to be submitted for manual reimbursement.

NOTE: Automatic Reimbursement may take up to two months to process as it has to come through from the carrier.

INFORMATION SESSIONS

The information meeting schedule is on the following page. Although we could not hold meetings in all locations, we have tried to schedule in the cities with the largest retiree populations. If you are not able to attend one of the information sessions in person, please review the enrollment information in both of the Extend Health guides

and contact Extend Health to arrange for an enrollment call. Please identify yourself as a CenturyLink retiree who will lose group coverage at the end of April. Extend Health's licensed representatives are available to answer your questions Monday through Friday between the hours of 6 a.m. and 7 p.m., Mountain Time.

Sincerely,
CenturyLink Benefits

INFORMATION SESSIONS

Date of Meeting	Hotel Location	Address	Times
Monday & Tuesday Feb 3 & 4, 2014	Denver Marriott Tech Center	4900 S Syracuse Street Denver, CO 80237	9-11 a.m. 1-3 p.m.
Monday & Tuesday Feb 3 & 4, 2014	Hilton Bellevue Washington	300 112th Avenue SE Bellevue, WA 98004	9-11 a.m. 1-3 p.m.
Wednesday Feb 5, 2014	Colorado Springs Marriott	5580 Tech Center Dr. Colorado Springs, CO 80919	9-11 a.m. 1-3 p.m.
Thursday & Friday Feb 6 & 7, 2014	Minneapolis Airport Marriott	2020 American Blvd. East Bloomington, MN 55425	9-11 a.m. 1-3 p.m.
Friday Feb 7, 2014	Embassy Suites Albuquerque	1000 Woodward PL NE Albuquerque, NM 87102	9-11 a.m. 1-3 p.m.
Monday Feb 10, 2014	Sheraton Portland Airport Hotel	8235 NE Airport Way Portland, OR 97220	9-11 a.m. 1-3 p.m.
Monday Feb 10, 2014	Omaha Marriott	10220 Regency Circle Omaha, NE 68114	9-11 a.m. 1-3 p.m.
Tuesday Feb 11, 2014	Hilton Eugene & Conference Center	66 East 6th Avenue Eugene, OR 97401	9-11 a.m. 1-3 p.m.
Tuesday Feb 11, 2014	Holiday Inn Airport Conference Center	6111 Fleur Drive Des Moines, IA 50321	9-11 a.m. 1-3 p.m.
Thursday Feb 13, 2014	Marriott Salt Lake City Center	220 South State Street Salt Lake City, UT 84111	9-11 a.m. 1-3 p.m.
Thursday Feb 13, 2014	Hilton Garden Inn Boise Spectrum Conference Center	7699 W Spectrum St Boise, ID 83709	9-11 a.m. 1-3 p.m.
Monday–Wednesday Feb 17–19, 2014	Phoenix Marriott Mesa	200 North Centennial Way Mesa, AZ 84201	9-11 a.m. 1-3 p.m.