

**Benefits Choices 2007**

# Open Enrollment is Oct. 20-Nov. 9

**What's new for employees in 2007**

We want to point out a few items that are important for you to take note of during this Open Enrollment.

**First**, to save on costs and to take full advantage of web-based technology, employees will be sent, via internal mail, a newsletter containing an overview of their Open Enrollment options. Look for this newsletter to arrive at your mail stop mid-October. For detailed information about Open Enrollment options/plans, refer to the OE website at the URL listed in the box at bottom left of this page. Because all information is available via the web, employees will not receive an Open Enrollment booklet and Medical Plan Comparison Grid, as they have in the past.

**Second**, to make changes to your benefit elections during Open Enrollment this year, you must use the web-based Open Enrollment system. (Because the web system

is in place, the Open Enrollment phone system is not required or available this year.) All changes to your Open Enrollment elections, including enrollment or disenrollment, must be made on the web through Human Resources (HR) Self-Service Open Enrollment Online. This year, you will not receive a hard-copy confirmation of your Open Enrollment elections in the mail. Instead, electronic, printable confirmations recounting your Open Enrollment elections for 2007 will be available online soon after the Open Enrollment period ends.

**Third**, due to previously announced changes to Sandia's Group Term Life Insurance plans effective Jan. 1, 2007, Prudential is offering a special one-time opportunity to increase or initiate Voluntary Term Life insurance coverage during 2007 Benefits Choices Open Enrollment.

**Finally**, for the current small number of participants, HBE can no longer support premium share processing on

**More benefits information**

- Retiree information . . . . . Page 7
- Important information about life insurance benefits changes . . . . . Page 12
- Dental plan information . . . . . Page 12
- Benefits fairs/presentations . . . . . Page 12

**Retiree information begins on page 7**

an after-tax basis. Effective Jan. 1, 2007, all employee monthly premium shares will be paid on a pre-tax basis. Imputed income will still apply where applicable. Refer to the employee medical premium sharing section on page 7 for information on the monthly premiums for medical for 2007 as well as information about qualified dependents under the Internal Revenue Code Section 152. Refer to the employee dental plan options section on page 12 for information on the monthly premiums for dental for 2007.

## Steps to take during Open Enrollment:

- 1) Review your current benefits under "Benefits Summary" on the HR Self-Service web internal home page.
- 2) Review the Open Enrollment newsletter and view the Open Enrollment information on the website (<http://www.sandia.gov/resources/emp-ret/emp-oe>) at work or home, and evaluate how you want to coordinate benefits with your spouse's benefits (received through his/her employer). Employees will find on the web a wealth of information and tools to assist with benefit selections available this coming year.
- 3) Attend a benefits fair to speak with the vendors and/or Sandia staff (the benefits fair/presentations schedule is on page 12).
- 4) Determine whether you need to use the web-based Open Enrollment application according to the table at right.

**Helpful tip:** Remember to print your elections page right after you make your changes.

**Plan ahead: some questions to ask**

- Do I want to open up a Day Care Reimbursement Spending Account (RSA) for my child's day care next year? Review the Payflex Tax Wizard ([www.mypayflex.com](http://www.mypayflex.com)) or RSA Summary Plan Description worksheet to determine whether an account or the tax credit is best for you. Remember that these accounts require an election each year.
- Do I expect to have health plan expenses (medical, dental, and vision) that will exceed \$100 during the next calendar year? Does my child need orthodontic treatment next year? Am I getting LASIK surgery? If so, should I open up a Health Care Reimbursement Spending account? Remember that these accounts require an election each year.
- Am I satisfied with my medical plan? Is my physician still in the network? If you are thinking about changing medical plans, you should visit the vendor's website to review the list of network providers.

For many people, cost is one of the key factors in choosing a medical plan. The Medical Plan Estimator Tool is specifically designed to help you estimate that cost — looking at both:

- What you are likely to pay for the services and supplies you need during the year.
  - The amount that comes out of your paycheck when you enroll in the Sandia Medical Plan.
  - You can find the Medical Plan Estimator Tool online at the following website: <http://www.active.sandia-estimator.com> (fully functional as of Oct. 2).
- Am I satisfied with my current dental plan? Do I have too much coverage or not enough? Remember that current Dental Deluxe Plan (DDP) participants will automatically be reenrolled as participants in DDP for 2007 unless the participants change their dental coverage to the Dental Expense Plan (DEP) through the HR Self-Service web Open Enrollment System during the open enrollment period.

• Do I need to add or drop any dependents? Detailed information about eligibility is available on the OE website. Remember changes made during Open Enrollment are effective Jan. 1, 2007.

• (If married to another Sandian) — Am I satisfied with the current coverage arrangement? Remember that both Sandians must make these changes through the web-based Open Enrollment system. **Note:** If an active employee is covered as a dependent of a Sandia retiree, the employee will be enrolled in the applicable retiree plan.

- Do I have enough Voluntary Group Accident insurance, or do I have too much?
- Given the life insurance changes effective Jan. 1, 2007, do I need to enroll in or change my Voluntary Term Life insurance coverage?
- Am I interested in purchasing vacation under the Vacation Buy Plan? Remember that this plan requires an election each year.
- Am I retiring next year, and if so, how does this affect my choices?

**Retiring next year?**

If you are retiring next year, you might want to visit the Open Enrollment website for retirees at <http://www.sandia.gov/resources/emp-ret/ret-oe> to become familiar with the plan options and premium-sharing provisions for retirees.

Make your choices early, so that you don't forget to enroll if you need to!		
	Action Required	NO ACTION
Medical Coverage	<ul style="list-style-type: none"> <li>• To enroll if not currently enrolled</li> <li>• To enroll if you are currently covered under a medical plan on an after-tax basis.</li> <li>• To change your current medical plan</li> <li>• To add or disenroll a dependent</li> <li>• To waive coverage</li> </ul>	<ul style="list-style-type: none"> <li>• To continue coverage under current plan</li> <li>• If you waived coverage previously and wish to remain in this status</li> </ul>
Dental Coverage	<ul style="list-style-type: none"> <li>• To enroll if not currently enrolled</li> <li>• To change your current dental plan</li> <li>• To add or disenroll a dependent</li> <li>• To waive coverage</li> </ul>	<ul style="list-style-type: none"> <li>• To continue coverage under current plan</li> <li>• If you waived coverage previously and wish to remain in this status</li> </ul>
Vision Coverage	<ul style="list-style-type: none"> <li>• To enroll if not currently enrolled</li> <li>• To add or disenroll a dependent</li> <li>• To waive coverage</li> </ul>	<ul style="list-style-type: none"> <li>• To continue coverage under current plan</li> <li>• If you waived coverage previously and wish to remain in this status</li> </ul>
Reimbursement Spending Accounts (RSA)	<ul style="list-style-type: none"> <li>• To enroll for 2007 even if you participated in 2006</li> </ul>	<ul style="list-style-type: none"> <li>• To not be enrolled for 2007</li> </ul>
Vacation Buy Plan	<ul style="list-style-type: none"> <li>• To enroll for 2007 even if you participated in 2006</li> </ul>	<ul style="list-style-type: none"> <li>• To not be enrolled for 2007</li> </ul>
Voluntary Group Accident Insurance (VGA)	<ul style="list-style-type: none"> <li>• To enroll, disenroll or change coverage</li> </ul>	<ul style="list-style-type: none"> <li>• No change in your Voluntary Group Accident Insurance Coverage</li> </ul>
Voluntary Term Life (VTL) Special Enrollment	<ul style="list-style-type: none"> <li>• To enroll in the special <i>one-time</i> enrollment (up to 1X your salary without proof of insurability)</li> <li>• To increase your coverage (<i>one-time opportunity</i>) by 1X your salary without proof of insurability</li> </ul>	<ul style="list-style-type: none"> <li>• No change in your current Voluntary Term Life Coverage</li> <li>• Not interested in electing VTL during this one-time special enrollment</li> </ul>

To elect or change plans or to verify your current coverage, go to HR Self Service Benefits Enrollment Application.  
**Note:** A printable summary of your elections will be available online soon after Open Enrollment ends. Hard-copy confirmation of your Open Enrollment elections will no longer be mailed to your home.

## 2007 employee medical plan options

The chart at right outlines the medical plan choices for 2007 for employees, which are the same choices that were offered for 2006. To view detailed plan information see the Medical Plan Comparison Grid and/or applicable Summary Plan Description at the Open Enrollment website at the URL below. It outlines specific plan designs/features of the various options.

**Important CIGNA HealthCare news for New Mexico:**

**Hospital operations** will move in early 2007 from the Lovelace Medical Center—Gibson to the Lovelace Medical Center—Downtown. The Lovelace Medical Center—Gibson will operate an urgent-care center, and approximately 100 outpatient specialists and 400 support staff will continue to reside at this center, along with diagnostics, radiology, laboratory services, and a pharmacy.

Employee	UnitedHealthcare Premier PPO	CIGNA Premier PPO	UnitedHealthcare Standard PPO	CIGNA In-Network	Kaiser HMO (CA only)
Type of Plan	Preferred Provider Organization (PPO)	Preferred Provider Organization (PPO)	Preferred Provider Organization (PPO)	Health Maintenance Organization Look-Alike	Health Maintenance Organization (HMO)
Provider Network in New Mexico	Presbyterian UNMH Independent providers	Sandia/Lovelace Health Systems UNMH Independent providers	Presbyterian UNMH Independent providers	Sandia/Lovelace Health Systems UNMH Independent providers	Not applicable
In/Out of Network Coverage	Both	Both	Both	In-network only	In-network only
Referrals to specialists required	No	No	No	No	For some services
Plan Design	Primarily coinsurance	Primarily coinsurance	Primarily coinsurance	Copays	Copays
	Out-of-network deductible	Out-of-network deductible	In- and out-of-network deductible	No deductible	No deductible
Plan Changes for 2007	None	None	None	None	None

**More information**

**Open Enrollment website:**

Employees: <http://www.sandia.gov/resources/emp-ret/emp-oe>  
 Retirees: <http://www.sandia.gov/resources/emp-ret/ret-oe>

Websites will be fully active as of Oct. 2

Sandia Labs Customer Service (NM) Benefits Customer Service Center, Hours: 8 a.m.-4:30 p.m. 505-844-HBES (4237) or 1-800-417-2634, ext. 844-HBES (4237)

(CA) Benefits Helpline — 925-294-2254

## Employee medical premium sharing — Effective Jan. 1, 2007

All employees pay a monthly premium for coverage in Sandia's medical plans. Nonrepresented employees' monthly premiums will depend on the employee's base salary and plan choice. Sandia partners with the consulting firm Mercer Health and Benefits to develop the monthly premium share structure for nonrepresented Sandia employees.

**Note:** Represented employee premium shares are established according to the provisions in the applicable bargaining agreements. The process involves initially setting the monthly premium share rates based on both a review of historical and projected claims experience. Individual plan rates are then adjusted to reflect the relative richness (or "value") of the plans (e.g., plan design, in/out-of-network benefits, etc.). Finally, they are adjusted to reflect the overall premium share amount required.

The analysis this year concluded that both the CIGNA In-Network Plan and the UnitedHealthcare (UHC) Standard PPO Plan required a rate adjustment, as the value of the benefits of each of these plans is actually closer to the Premier plans than past premiums have reflected. Therefore, the premium share rates for the CIGNA In-Network Plan were adjusted (anywhere from 14-24 percent based on coverage and tier) and are now the same as the CIGNA and UHC Premier PPO plans.

While the UHC Standard PPO Plan contributions increased significantly (in some cases almost doubling), you will notice that they are still considerably lower than the other plans, reflecting the higher deductibles, etc., of that plan. Although our underlying trend for health care costs is anticipated to be in the low double digits for 2007, due to the moderation of recent claims experience and the adjustment of the CIGNA In-Network and UHC Standard PPO Plan premiums, the UHC and CIGNA Premier PPO Plan premiums are rising only slightly. **Note:** Kaiser insured rates increased by the percentage increase in the full premium rates received from Kaiser.

The monthly premium share amount (for both represented and nonrepresented employees) will be deducted from your biweekly pay-

check in two equal installments each month. The impact of premium costs on take-home pay for all levels is decreased by the tax savings received through the pretax premium plan.

**Important:** Employees are required to determine if their dependent qualifies as a qualified dependent under Internal Revenue Code Section 152 guidelines for purposes of health care coverage (seek advice from your tax adviser). If your dependent is not a qualified dependent under the tax code, you are required to contact the Benefits Department to determine whether any imputed income may apply for that non-qualified dependent. This also applies to any premiums you may pay for dental coverage.

### Represented employees

The table below provides the monthly premium-share amounts for represented employees for each of the plans.

Medical plan and coverage	
<b>UnitedHealthcare Standard PPO plan</b>	
Employee only	\$51
Employee and child(ren)	\$92
Employee and spouse	\$104
Employee, spouse, and child(ren)	\$148
<b>CIGNA In-Network plan</b>	
Employee only	\$60
Employee and child(ren)	\$108
Employee and spouse	\$123
Employee, spouse, and child(ren)	\$174
<b>CIGNA Premier PPO plan</b>	
Employee only	\$60
Employee and child(ren)	\$108
Employee and spouse	\$123
Employee, spouse, and child(ren)	\$174
<b>UnitedHealthcare Premier PPO plan</b>	
Employee only	\$60
Employee and child(ren)	\$108
Employee and spouse	\$123
Employee, spouse, and child(ren)	\$174

**For more information** about monthly premium share (Class II, Retiree, Domestic Partner etc.), visit the HR Self-Service Open Enrollment website at <http://www.sandia.gov/resources/emp-ret/emp-oe>.

### Nonrepresented employees

The table below provides the monthly premium-share amounts for nonrepresented employees for each of the plans.

Medical plan and coverage	Tier 1*	Tier 2**	Tier 3†
<b>CIGNA In-Network plan</b>			
Employee only	\$65	\$81	\$97
Employee and child(ren)	\$117	\$146	\$175
Employee and spouse	\$133	\$166	\$199
Employee, spouse, and child(ren)	\$189	\$235	\$281
<b>CIGNA Premier PPO plan</b>			
Employee only	\$65	\$81	\$97
Employee and child(ren)	\$117	\$146	\$175
Employee and spouse	\$133	\$166	\$199
Employee, spouse, and child(ren)	\$189	\$235	\$281
<b>UnitedHealthcare Standard PPO plan</b>			
Employee only	\$7	\$23	\$39
Employee and child(ren)	\$12	\$41	\$70
Employee and spouse	\$14	\$47	\$80
Employee, spouse, and child(ren)	\$21	\$67	\$113
<b>UnitedHealthcare Premier PPO plan</b>			
Employee only	\$65	\$81	\$97
Employee and child(ren)	\$117	\$146	\$175
Employee and spouse	\$133	\$166	\$199
Employee, spouse, and child(ren)	\$189	\$235	\$281
<b>Kaiser Permanente HMO plan (CA)</b>			
Employee only	\$38	\$54	\$70
Employee and child(ren)	\$79	\$108	\$137
Employee and spouse	\$85	\$118	\$151
Employee, spouse, and child(ren)	\$119	\$165	\$211

\* Tier 1: Base salary of up to \$75,000 as of January 1, 2007  
 \*\*Tier 2: Base salary of \$75,001 to \$150,000 as of January 1, 2007  
 † Tier 3: Base salary of over \$150,000 as of January 1, 2007



## Retiree Open Enrollment information for 2007

### What's new for retirees for 2007?

Retirees will continue to receive an Open Enrollment booklet as well as a Medical Plan Comparison Grid. However, new this year, retirees will also receive a Benefit Verification Letter, which will outline current benefit selections, as well as any premium-share amounts (if required), for 2007.

Since the Open Enrollment Phone System is no longer available, to make changes for 2007, you will need to complete the Open Enrollment Change Form included in your Open Enrollment packet, and mail it to the Sandia Benefits Department (postmarked by midnight Nov. 9).

Look for your Benefits Choices Open Enrollment packet to arrive at your home address (for retirees and survivors) the week of Oct. 23.

**Important note:** If you make a change during Open Enrollment, you will receive a confirmation mailed to your home; **otherwise you will not receive a confirmation after Open Enrollment ends.**

For medical plan information/changes, refer to "2007 retiree medical plan options" on page 10. Also, refer to "Retiree medical plan premium sharing" on pages 10 and 11 for information on 2007 monthly premiums.

### Steps for retirees to take during Open Enrollment

- 1) Review your Benefit Verification Letter to verify your coverage(s) for 2007.
- 2) Review the Open Enrollment booklet carefully to learn of any changes in your benefits and/or to identify any changes in benefits you want to make.
- 3) Attend an Open Enrollment presentation to learn more about the plans and/or to talk to a medical plan representative (where available; there is a benefits fair/presentation schedule on page 12).
- 4) Determine whether you need to complete the Open Enrollment Benefit Change form located in your Open Enrollment booklet according to the table at right. **IMPORTANT:** If you do not want to make any changes, you do not need to do anything. Your coverage(s) and dependent selections will continue into 2007.

#### Plan ahead — some questions to ask

• Am I satisfied with my medical plan? Is my physician still in the network? If you are thinking about changing medical plans, you should review the vendor's website to review the list of network providers.

For many people, cost is one of the key factors in choosing a medical plan. The Medical Plan Estimator Tool is specifically designed to help you estimate that cost and is available to non-Medicare retirees. The tool can assist you in looking at both:

- What you are likely to pay for the services and supplies you need during the year.
- The amount that comes out of your paycheck when you enroll in the Sandia Medical Plan.

You can find the Medical Plan Estimator Tool online at the following website, which will be fully functional as of Oct. 2: <http://www.retiree.sandia-estimator.com>.

• Do I need to add or drop any dependents? Detailed information about eligibility is included in the Retiree Open Enrollment booklet. Remember changes made during Open Enrollment are effective Jan. 1, 2007.

• (If married to another Sandian) — Am I satisfied with the current coverage arrangement? Remember that both Sandians must make these changes through the paper based Open Enrollment Benefit Change Form and/or web-based open enrollment system. **Note:** If a retiree is a dependent of an employee, the retiree will be enrolled in the applicable

employee plan.

• Am I or my spouse turning 65 next year? How does this affect my medical coverage under the different plans? Do I want to switch medical plans based on changes in coverage?

**Make your choices early, so that you don't forget and miss the deadline!**

**See retiree plan options on page 10**

**Make your choices early, so that you don't forget to enroll if you need to!**

	Action Required	NO ACTION
• Medical Coverage	<ul style="list-style-type: none"> <li>• To enroll if not currently enrolled</li> <li>• To change your current medical plan</li> <li>• To add or disenroll a dependent</li> <li>• To waive coverage</li> </ul>	<ul style="list-style-type: none"> <li>• To continue coverage under current plan</li> <li>• If you waived coverage previously and wish to remain in this status</li> </ul>
• Dental Coverage	<ul style="list-style-type: none"> <li>• To enroll if not currently enrolled</li> <li>• To add or disenroll a dependent</li> <li>• To waive coverage</li> </ul>	<ul style="list-style-type: none"> <li>• If you waived coverage previously and wish to remain in this status</li> </ul>

## 2007 retiree medical plan options: Medicare and non-Medicare

This section outlines the medical plan choices for 2007 for retirees; they are the same choices that were offered for 2006. To view detailed plan information see the Medical Plan Comparison Grid, the Retiree Open Enrollment booklet, and/or applicable Summary Plan Description at the OE website outlining specific plan designs/features of the various options.

Medicare	UnitedHealthcare Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO (NM only)	Lovelace Senior Plan (NM only)	Kaiser Senior Advantage (CA only)
Type of Plan	Preferred Provider Organization (PPO)	Preferred Provider Organization (PPO)	Medicare Advantage Preferred Provider Organization (PPO)	Medicare Advantage Health Maintenance Organization (HMO)	Medicare Advantage Health Maintenance Organization (HMO)
Provider Network in New Mexico	Presbyterian UNMH Independent providers	Sandia/Lovelace Health Systems UNMH Independent providers	Presbyterian	Sandia/Lovelace Health Systems	Not applicable
In/Out of Network Coverage	Both	Both	Both	In-Network only	In-Network only
Referrals to specialists required	No	No	No	No	For some services
Plan Design	Primarily coinsurance	Primarily coinsurance	Copays	Copays	Copays
Plan Changes for 2007	None	None	In-Network: Specialist office visit from \$20 to \$25 Chiropractic office visit from \$10 to \$25 DME from \$0 to \$10 No out-of-network changes	Outpatient surgery from \$50 to \$75 Rx drug changed from \$4/\$40 at retail to \$10/\$20/\$40. Mail order copays are triple retail copays.	None

Non-Medicare	UnitedHealthcare Premier PPO	CIGNA Premier PPO	UHC High Deductible Health Plan	CIGNA In-Network	Kaiser HMO (CA only)
Type of Plan	Preferred Provider Organization (PPO)	Preferred Provider Organization (PPO)	Preferred Provider Organization (PPO)	Exclusive Provider Organization (EPO)	Health Maintenance Organization (HMO)
Provider Network in New Mexico	Presbyterian UNMH Independent providers	Sandia/Lovelace Health Systems UNMH Independent providers	Presbyterian UNMH Independent providers	Sandia/Lovelace Health Systems UNMH Independent providers	Not applicable
In/Out of Network Coverage	Both	Both	Both	In-Network only	In-Network only
Referrals to specialists required	No	No	No	No	For some services
Plan Design	Primarily coinsurance In and Out-of-network deductible	Primarily coinsurance In and Out-of-network deductible	Primarily coinsurance In- and out-of-network deductible	Copays No deductible	Copays No deductible
Plan Changes for 2007	None	None	None	None	None

**Important CIGNA HealthCare news for New Mexico:** Hospital operations will move in early 2007 from the Lovelace Medical Center–Gibson to the Lovelace Medical Center–Downtown. The Lovelace Medical Center–Gibson

will operate an urgent-care center, and approximately 100 outpatient specialists and 400 support staff will continue to reside at this Center, along with diagnostics, radiology, laboratory services, and a pharmacy.

## Retiree medical plan premium sharing — effective Jan. 1, 2007

Retiree premiums vary based on when you retired, your years of service at the time you retired, as well as the plan and the level of coverage you choose.

Premiums for non-Medicare retirees are increasing 13-14 percent, on average, for 2007.

Premiums for Medicare retirees are staying the same for the Presbyterian MediCare PPO Plan, increasing 11 percent, on average, for the UHC and CIGNA Senior Premier PPOs, increasing 32 percent for the Kaiser Senior Advantage HMO, and increasing 50 percent for the Lovelace Senior Plan.

**Important:** Retirees are required to determine if their dependent qualifies as a qualified dependent under Internal Revenue Code Section 152 guidelines for purposes of health care coverage (seek advice from your tax adviser). If your dependent is not a qualified dependent under the tax code, you are required to contact the Benefits Department to determine whether any imputed income may apply for that nonqualified dependent.

### Employees who retired prior to Jan. 1, 1995

Employees who retired prior to Jan. 1, 1995 will not be required to pay a premium share for themselves or any eligible Class I dependents at this time.

(Exception: Retirees who retired prior to Jan. 1, 1995, but who currently pay a portion of their medical coverage will continue to do so).

### Employees who retired after Dec. 31, 1994, and before Jan. 1, 2003

Employees who retired after Dec. 31, 1994, pay a monthly premium for coverage in Sandia's medical plans. The monthly premium share amount will be deducted from your pension check. Use Table A to find your rate for your selected plans.

### Employees who retired after Dec. 31, 2002

Employees who retired after Dec. 31, 2002, pay a percentage of the full premium based on their term of employment. The monthly premium share amount will be deducted from your pension check.

### The tables:

- Use Table A if you retired with 30+ years
- Use Table B if you retired with 25-29 years
- Use Table C if you retired with 20-24 years
- Use Table D if you retired with 15-19 years
- Use Table E if you retired with 10-14 years

**See below and next page for retiree medical plan premium sharing tables**

## Retiree medical plan premium sharing tables for 2007

Retirees should use the tables here (Tables B-E are on the next page) to calculate their monthly premium sharing cost for medical insurance in

calendar year 2007. The applicable monthly premium share amount will be deducted from your pension check.

Medicare Family (everyone in your family is Medicare-primary)									
Number of Medicare	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Kaiser Permanente Senior Advantage				
1	\$20	\$20	\$11	\$6	\$25				
2	\$40	\$40	\$23	\$11	\$50				
Non-Medicare Family (no one in your family is Medicare-primary)									
Number of Non-Medicare	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO				
1	\$73	\$61	\$72	\$72	\$56				
2	\$145	\$122	\$144	\$144	\$112				
Mixed Medicare and Non-Medicare Family (your family has both Medicare-primary and non-Medicare-primary members)									
Medicare Plan:		UHC Senior Premier PPO	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Lovelace Senior Plan	Kaiser Permanente Senior Advantage
Non-Medicare Plan:		UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO
Number of Medicare	Number of Non-Medicare								
1	1	\$93	\$81	\$92	\$84	\$72	\$78	\$78	\$81
2	1	\$113	\$101	\$112	\$95	\$84	\$83	\$83	\$97
1	2	\$165	\$142	\$164	\$157	\$133	\$150	\$150	\$127

### Table A

#### Who should use this table?

Employees who retired after Dec. 31, 1994, and before Jan. 1, 2003

Employees who retired after Dec. 31, 1994,+ pay a monthly premium for coverage in Sandia's medical plans. The monthly premium share amount will be deducted from your pension check. Use Table A to find your rate for your selected plans.

Also . . .

Employees who retired after Dec. 31, 2002, and retired with 30+ years of service

# Retiree medical plan premium sharing tables for 2007

Retirees should use the tables here (Table A is on the preceding page) to calculate their monthly premium sharing cost for medical insurance in calendar year 2007. The applicable monthly premium share amount will be deducted from your pension check.

**Table B**

**Who should use this table?**

Employees who retired after Dec. 31, 2002,  
and retired with 25-29 years of service

**Table B (includes the 3 tables below)**  
Employees who retired after 12/31/2002 with 25-29 years

Medicare Family (everyone in your family is Medicare-primary)									
Number of Medicare	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Kaiser Permanente Senior Advantage				
1	\$30	\$30	\$17	\$8	\$38				
2	\$60	\$60	\$34	\$17	\$75				
Non-Medicare Family (no one in your family is Medicare-primary)									
Number of Non-Medicare	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO				
1	\$109	\$91	\$108	\$108	\$84				
2	\$218	\$183	\$216	\$216	\$168				
Mixed Medicare and Non-Medicare Family (your family has both Medicare-primary and non-Medicare-primary members)									
Medicare Plan:		UHC Senior Premier PPO	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Lovelace Senior Plan	Kaiser Permanente Senior Advantage
Non-Medicare Plan:		UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO
Number of Medicare	Number of Non-Medicare								
1	1	\$139	\$122	\$138	\$126	\$108	\$117	\$116	\$122
2	1	\$169	\$152	\$168	\$143	\$126	\$125	\$125	\$145
1	2	\$248	\$213	\$246	\$235	\$200	\$225	\$225	\$191

**Table B**

**Table C**

**Table C (includes the 3 tables below)**  
Employees who retired after 12/31/2002 with 20-24 years

Medicare Family (everyone in your family is Medicare-primary)					
Number of Medicare	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Kaiser Permanente Senior Advantage
1	\$50	\$50	\$29	\$14	\$63
2	\$101	\$100	\$57	\$28	\$126
Non-Medicare Family (no one in your family is Medicare-primary)					
Number of Non-Medicare	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO
1	\$182	\$152	\$180	\$180	\$140
2	\$363	\$305	\$361	\$360	\$279

Mixed Medicare and Non-Medicare Family (your family has both Medicare-primary and non-Medicare-primary members)									
Medicare Plan:		UHC Senior Premier PPO	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Lovelace Senior Plan	Kaiser Permanente Senior Advantage
Non-Medicare Plan:		UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO
Number of Medicare	Number of Non-Medicare								
1	1	\$232	\$203	\$230	\$210	\$181	\$194	\$194	\$203
2	1	\$282	\$253	\$280	\$239	\$209	\$209	\$208	\$242
1	2	\$413	\$355	\$411	\$392	\$333	\$375	\$374	\$319

**Table C**

**Who should use this table?**

Employees who retired after Dec. 31, 2002,  
and retired with 20-24 years of service

**Table D**

**Who should use this table?**

Employees who retired after Dec. 31, 2002,  
and retired with 15-19 years of service

**Table D (includes the 3 tables below)**  
Employees who retired after 12/31/2002 with 15-19 years

Medicare Family (everyone in your family is Medicare-primary)									
Number of Medicare	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Kaiser Permanente Senior Advantage				
1	\$70	\$70	\$40	\$20	\$88				
2	\$141	\$140	\$80	\$40	\$176				
Non-Medicare Family (no one in your family is Medicare-primary)									
Number of Non-Medicare	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO				
1	\$254	\$213	\$252	\$252	\$196				
2	\$508	\$426	\$505	\$504	\$391				
Mixed Medicare and Non-Medicare Family (your family has both Medicare-primary and non-Medicare-primary members)									
Medicare Plan:		UHC Senior Premier PPO	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Lovelace Senior Plan	Kaiser Permanente Senior Advantage
Non-Medicare Plan:		UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO
Number of Medicare	Number of Non-Medicare								
1	1	\$324	\$284	\$322	\$294	\$253	\$272	\$272	\$284
2	1	\$395	\$354	\$392	\$334	\$293	\$292	\$292	\$338
1	2	\$579	\$497	\$575	\$548	\$466	\$525	\$524	\$446

**Table D**

**Table E**

**Table E (includes the 3 tables below)**  
Employees who retired after 12/31/2002 with 10-14 years

Medicare Family (everyone in your family is Medicare-primary)					
Number of Medicare	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Kaiser Permanente Senior Advantage
1	\$90	\$90	\$51	\$25	\$113
2	\$181	\$180	\$103	\$51	\$226
Non-Medicare Family (no one in your family is Medicare-primary)					
Number of Non-Medicare	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO
1	\$327	\$274	\$324	\$324	\$251
2	\$653	\$548	\$649	\$648	\$503

Mixed Medicare and Non-Medicare Family (your family has both Medicare-primary and non-Medicare-primary members)									
Medicare Plan:		UHC Senior Premier PPO	UHC Senior Premier PPO	CIGNA Senior Premier PPO	Presbyterian MediCare PPO	Presbyterian MediCare PPO	Lovelace Senior Plan	Lovelace Senior Plan	Kaiser Permanente Senior Advantage
Non-Medicare Plan:		UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	UHC Premier PPO	UHC High Deductible Health Plan	CIGNA Premier PPO	CIGNA In-Network Plan	Kaiser Permanente HMO
Number of Medicare	Number of Non-Medicare								
1	1	\$417	\$365	\$414	\$378	\$325	\$350	\$349	\$365
2	1	\$508	\$455	\$504	\$429	\$377	\$375	\$375	\$435
1	2	\$744	\$639	\$739	\$705	\$599	\$675	\$674	\$573

**Table E**

**Who should use this table?**

Employees who retired after Dec. 31, 2002,  
and retired with 10-14 years of service

## Life insurance benefits changes effective Jan. 1, 2007

As previously announced, Sandia's Board of Directors and DOE recently approved changes to the life insurance benefits available to Sandia employees and future retirees, effective Jan. 1, 2007. These changes are necessary in order for Sandia to manage growing benefits costs and align life insurance benefits with those offered by other employers. This article will cover the basics of the life insurance changes, the impact on employees and future retirees, and actions that may be taken to mitigate some of the impact of these changes.

### What are the changes?

As of Jan. 1, 2007, the Primary Group Term Life Insurance Plan will replace the Basic and Basic Supplemental Group Term Life Insurance plans. In addition, the Voluntary Term Life (VTL) benefit will be enhanced. The changes apply to current employees and those retiring after Dec. 31, 2006.

### What coverage does the new plan provide?

Employees will be provided with less life insurance coverage by Sandia under the new plan. The Basic and Basic Supplemental Group Term Life Insurance plans provided employees with combined life insurance coverage equal to roughly two times annual pay, plus an accidental death and dismemberment benefit of up to one times annual pay. The new Primary Group Term Life Insurance Plan will provide eligible employees with a single level of coverage equal to one times annual pay. This coverage will be paid for by Sandia.

### What are the VTL enhancements for employees?

- Employees have a one-time opportunity to increase or initiate VTL coverage during this year's Open Enrollment, without proof of good health.
- Employees not previously enrolled in the VTL program can buy coverage of one time annual base pay.
- Employees currently participating in this plan will also have a chance to purchase an additional amount of insurance equal to one times pay.
- The maximum coverage will increase from five to six times annual base pay.
- The VTL plan is paid for by the employee through payroll deduction.

### How can Voluntary Group Accident (VGA) coverage help?

The VGA plan provides an alternative way to acquire accident insurance. VGA is insurance that you may purchase for a monthly premium rate. Coverage is available in amounts ranging from \$10,000 to \$300,000, in units of \$5,000 (maximum \$300,000 combined total among three plan options). The three plan options are Employee Only, Family Plan, and employee-only Common Carrier coverage. The VGA plan is paid for by the employee through payroll deductions.

### What will life insurance benefits look like for future retirees?

#### Life insurance benefits for those retiring with a service or disability pension:

- Employees retiring after Dec. 31, 2006, and before Jan. 1, 2009, will receive a Primary Group Term Life Insurance benefit equal to one times annual base pay. This benefit is reduced by 10% of the original amount for five years beginning at age 66. At age 70 and thereafter, the benefit equals 50% of the original amount.
- Employees retiring after Dec. 31, 2008, who were on roll prior to Jan. 1, 2007, will receive a Primary Group Term Life Insurance benefit equal to the lesser of: 1) annual base pay, or 2) \$50,000. This benefit is reduced by 10% of the original amount for five years beginning at age 66, not to exceed \$25,000 at age 70 and thereafter.
- Employees hired or rehired after Dec. 31, 2006, are not eligible for post-retirement Primary Group Term Life insurance.
- As before, employees retiring after Dec. 31, 2006, can carry the full amount of their VTL coverage (now up to six times salary) until age 65. In addition, those retirees will now be able to continue VTL coverage of up to two times annual base pay beyond age 65 for as long as they continue to pay the required premiums.

## Benefits fairs/presentations

### Employee Benefit Fairs

This year, the Health, Benefits, and Employee Services Center will be hosting several benefit fairs for employees. Come and ask your benefit questions of the Sandia health plan vendors and/or the benefits staff. Have your blood pressure checked by Sandia's Preventive Health staff. Please note that due to limited attendance at recent Open Enrollment meetings it was felt that time was better served through having benefits staff available at benefit fairs to answer individual questions. As such, there will be no Open Enrollment meetings for employees.

New Mexico — Steve Schiff Auditorium (Bldg. 825) Lobby from 9 a.m.-4 p.m.  
Oct. 24 • Oct. 26 • Nov. 6

California — Bldg. 904/905 Area, 1 p.m.- 4:30 p.m.  
Oct. 30

### Retiree/Survivor Open Enrollment Presentations

This year, the Health, Benefits, and Employee Services Center will be hosting several Open Enrollment presentations for retirees/survivors.

#### Albuquerque

All presentations will be held at the Winrock Theatre, 201 Winrock Center

#### Non-Medicare-Primary Presentations

Oct. 25, 8-9:30 a.m. • Oct. 31, 10:30 a.m.-noon  
Nov. 1, 8-9:30 a.m. • Nov. 2, 10:30 a.m.-noon

#### Medicare-Primary Presentations

Oct. 25, 10:30 a.m.-noon • Oct. 31, 8-9:30 a.m.  
Nov. 1, 10:30 a.m.-noon • Nov. 2, 8-9:30 a.m.

#### Livermore

All presentations will be held at the Doubletree Club Hotel, 720 Las Flores Road

#### Non-Medicare-Primary Presentations

Oct. 30 8:30-10 a.m.

#### Medicare-Primary Presentations

Oct. 30, 10-11:30 a.m.

How does the new coverage compare to current coverage?		
Comparison of current life insurance benefits and new Primary Group Term Life Insurance for employees:		
	Current	Effective 01/01/07
Basic life insurance	annual base pay	N/A
Basic Supplemental life insurance	annual base pay, rounded to next \$1,000	N/A
Basic Supplemental AD&D	up to 100% of Basic Supplemental benefit	N/A
Primary life insurance	N/A	annual base pay
Voluntary Term Life insurance	1-5x pay	1-6x pay

  

Comparison of current life insurance benefits and new Primary Group Term Life Insurance for future retirees:		
	Current	Effective 01/01/07
Basic life insurance		
• retires < 01/01/09	annual base pay, or \$500 if no spouse	N/A
• retires > 12/31/08	N/A	N/A
Basic Supplemental life insurance		
• retires < 01/01/09		
- through age 65	annual base pay, rounded to next \$1,000	N/A
- ages 66 - 70	10% reduction each year	N/A
- ages 70 and above	50% of the initial amount	N/A
• retires > 12/31/08		
- through age 65	lesser of annual base pay, or \$100,000	N/A
- ages 66 - 70	10% reduction each year	N/A
- ages 70 and above	50% of the initial amount	N/A
Primary life insurance		
• retires > 12/31/06 and < 1/1/09:		
- through age 65	N/A	annual base pay
- ages 66 - 70	N/A	10% reduction each year
- ages 70 and above	N/A	50% of annual base pay
• retires > 12/31/08:		
- through age 65	N/A	lesser of annual base pay, or \$50,000
- ages 66 - 70	N/A	10% reduction each year
- ages 70 and above	N/A	50% of the initial amount
Voluntary Term Life insurance		
• until age 65	1-5x pay	1-6x pay
• after age 65	N/A	1-2x pay

## Regarding those life insurance benefits changes

### What actions can you take?

There is a chance to mitigate some of the impact of this change by taking advantage of the existing VGA coverage and the one-time opportunity to initiate or increase VTL coverage.

- If interested in replacing the AD&D coverage that will terminate after Dec. 31, 2006, consider enrolling in the VGA plan.
- If interested in increasing VTL coverage, consider taking advantage of the one-time special period to initiate or increase life insurance coverage without providing proof of good health.
  - Employees not enrolled in VTL may purchase a life benefit equal to one times their annual base pay.
  - Employees already enrolled in VTL may increase coverage by an additional one times annual base pay.

### All insurance elections made during Open Enrollment will be effective Jan. 1, 2007.

This special VTL enrollment/buy-up option will not be offered again. Visit the 2007 Benefits Choices Open Enrollment website to take advantage of this limited one-time opportunity.

### Where can you find more information?

To find more information about how to initiate or increase your insurance coverage, to review frequently asked questions, to view insurance rates, or to designate beneficiaries (first-time VTL participants for these plans), visit the 2007 Benefits Choices Open Enrollment website at:  
<http://www.sandia.gov/resources/emp-ret/emp-oe>.

## Employee Dental Plan Options

The Dental Expense Plan (DEP) is the company-paid dental plan for employees and their eligible dependents. DEP covers certain preventive and diagnostic services in full and offers basic reimbursement of covered restorative services with annual and lifetime maximums.

The Dental Deluxe Plan is a voluntary, employee-paid option that covers certain preventive and diagnostic services in full and offers an increased (approximately 25%) reimbursement of covered restorative services, as well as increased annual and lifetime maximums.

Dental Plan	Monthly Premium Charge – effective 1/1/07
Dental Expense Plan	No charge – Company-paid
Dental Deluxe Plan	Employee \$20 Employee plus one Class I dependent \$30 Employee plus two or more Class I dependents \$38

Plan changes effective Jan. 1, 2007 — None

### Helpful tip

You can benefit by staying in-network when seeking dental service. By seeing a Delta Dental PPO provider, you can reduce your out-of-pocket costs by taking advantage of Delta's lower negotiated rates. Delta Dental Premier USA provider rates are also negotiated, but they are slightly higher. Regardless of the provider you choose, you will receive the same reimbursement from Sandia because the dental plans reimbursement is based on a scheduled benefit. For more information about your dental benefits and to locate an in-network provider, visit <http://www.consumertoolkit.com>.