



DISCOVER
your WORLD of benefits

INTRODUCING YOUR NEW BENEFITS CHOICES FOR 2013



2013 OPEN ENROLLMENT BENEFITS GUIDE FOR SALARIED EMPLOYEES

Open Enrollment is October 8 – October 31, 2012

Real Life. Real Benefits. Real Choices.



Welcome

To: *All Salaried Employees*

At Oak Ridge National Laboratory, we know that choice, value and quality in health care coverage are important to you. In addition, we approach employee benefits with the belief in shared responsibility. That means ORNL has a role, and so do you. For our part, we are committed to helping you lead a healthy lifestyle by providing a quality benefits package that offers a variety of preventive care and wellness programs.

As we announced in January, we are making changes to our benefit plans for 2013. While companies nation-wide have significantly changed cost sharing structures over the last decade, ORNL has maintained benefits that are above average in cost and value for the market in which we compete. The upcoming changes are similar to those that are already in place at other national laboratories and at a majority of companies throughout the U.S. These changes provide different options to help you manage rising health care costs and encourage you to become better educated health care consumers.

Your role is to maximize your benefits and to fully understand the options for you and your family. It's not just about choosing your benefits – it's also about making smart decisions about how you spend your health care dollars and using the various programs available to improve your health, wealth and well-being. Remember, ORNL and you, not an insurance company, pay the cost of medical claims, so reducing the cost of those claims helps control the increase in premiums over time.

This booklet explains the changes to the benefits program in detail. I encourage you to take the time to review this guide, attend one of the upcoming informational meetings and view the webinar to help you thoroughly understand the options available to you. Your Open Enrollment kit will arrive the first week in October.

As always, ORNL remains committed to providing you with a competitive, valuable benefits program that can help you enhance and enrich your life.

In good health,

Thom Mason
Laboratory Director



2013 Open Enrollment is October 8 – October 31, 2012

Open Enrollment is your once-a-year opportunity to review your current coverage, consider the benefit options available and select those most appropriate for you and your family. While ORNL continues to pay the majority of your medical costs, there are a number of changes taking place for salaried employees effective January 1, 2013. It's important for you to review these materials and enroll online to ensure you are in the plan that best meets your needs and those of your family.

Details are explained within this booklet.



Watch your mail for your Open Enrollment Kit to arrive the first week in October.

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What's New for 2013



Medical Plan Changes

Plan options for salaried employees are changing for 2013. The Point of Service Plan is changing to the new Open Access Plus plan (OAP). The current Open Access plan is being replaced by a new Consumer Driven Health Plan (CDHP) called Choice Fund that includes a Health Savings Account (HSA). Preventive care continues to be covered at 100% in the new plans.

- **National Network of Providers** – A national network of providers will replace the current Tennessee Seamless network, expanding your options throughout the country. Guesting for dependents in college or for staff working out of state will no longer be necessary.
- **Bariatric surgery** – Subject to medical necessity and clinical guidelines, and within certain restrictions, bariatric surgery is now covered under the new Open Access Plus and Choice Fund plans.
- **Medical Plan Choices**

Important! If you make no election during the Open Enrollment period, you will be defaulted into the Open Access Plus plan. You will not be able to change plans until the next Open Enrollment period for the following January.

Open Access Plus – Cigna's Open Access Plus (OAP) replaces the current Cigna POS plan. The covered benefits remain the same as in the current POS plan. Although it's still recommended, you are no longer required to have a Primary Care Physician, and you may see anyone in the new national network with no referral required by the plan for specialist care. Copays for office visits will increase to \$20 for a primary care visit and \$35 for a specialist visit. A \$250 copay will apply to inpatient care, and the copay for an emergency room visit will increase to \$75.

Choice Fund with Health Savings Account (Choice Fund) – The Cigna Choice Fund provides a health care plan with a tax-free savings account that you can use to pay for eligible medical expenses. The plan offers the same covered benefits as in the current Open Access plan, although the cost structure is very different. This new Consumer Driven Health Plan (CDHP) has a high deductible but lower premium to give you more choice and control over how you spend your health care dollars. Enrolling in this plan allows you to contribute to an HSA, an account you own and can use to pay for eligible medical expenses. ORNL will make an initial contribution to your HSA, and you can put money aside (up to federal maximums) on a tax-free basis to pay for medical costs now and through retirement. It works like a 401(k) plan for eligible health care expenses.

- **Prescription drug program** – The cost structure for both plans is changing, and now includes coinsurance for all prescriptions, except generics under the OAP plan. The member cost share is outlined on page 8. Both plans include a minimum and maximum payment for each tier of the drug plans.

Flexible Spending Accounts (FSA) Changes

The maximum contribution for Health Care FSA has decreased to \$2,500 for 2013. The Dependent Care FSA maximum remains at \$5,000.

Coverage for Domestic Partners

You may now cover your same-sex domestic partner under the medical and/or dental plans.



Medical Plan Choices

Comprehensive medical coverage is an important part of your ORNL benefits package. When you enroll in a medical plan, you and your family members will be protected from the costs of illness or injury. During this Open Enrollment period, you can choose from two new medical plan choices, **Open Access Plus and Choice Fund**, which will become effective January 1, 2013. These new plans give you different options to help manage rising health care costs.

Remember, both plans provide coverage to protect you from the expense of a possible illness for you or a covered dependent. Each plan is outlined below to help you choose the one that best meets the needs of you and your family. Review the Medical Plan Comparison Chart on pages 6 and 7 for copayment and coinsurance information.

In addition, a number of resources are available for you to obtain even more information about these new plans. See page 17 for a list of on-site meetings, online tools and resources available to you.

ID Cards

If you are enrolled in a medical plan for January 1, 2013, you will receive a new Cigna ID card for you and each enrolled family member. You will also receive up to 2 Express Scripts Rx cards before the end of the year. ID cards will be mailed to your home. Be sure to have your cards with you when receiving services or filling a prescription.

Medical Plan Enhancements



- Cigna's national network is now available through both of the ORNL medical plans. Guesting is no longer required. Visit www.mycignaplans.com to see if your provider is part of this expanded network.
- Both plans operate on an Open Access platform, which means no referrals are required by the plan to see a specialist, and you are not required to have a primary care physician (PCP). However, it is recommended that you select one physician who will coordinate your medical care. By having a PCP, you gain a trusted partner in your health care. Also, in case of non-life-threatening emergencies, an office visit costs significantly less and takes less time than a trip to the local emergency room. Having a PCP is one way you can manage your medical expenses.
- Medical (and dental) coverage is now extended to same-sex domestic partners who meet eligibility requirements.
- Bariatric surgery is now covered under the medical plans in response to staff feedback and the improved long-term success of this procedure. Additional information:
 - The procedure is subject to medical necessity and clinical guidelines.
 - Treatment of clinically severe obesity, as defined by the body mass index (BMI) is covered only at approved centers.
 - The following are excluded: Medical and surgical services to alter appearances or physical changes that are the result of any surgery performed for the management of obesity or clinically severe (morbid) obesity; Weight loss programs or treatments, whether prescribed or recommended by a physician or under medical supervision.



Medical Plan Choices (CONTINUED)

Important reminder: If you make no election during the Open Enrollment period, you will be defaulted into the Open Access Plus plan. You will not be able to change plans until the next Open Enrollment period for changes effective January 2014.

Premiums

Here are the per pay period contributions for 2013.

	Weekly Paid		Monthly Paid	
Open Access Plus	Premium	With Wellness Incentive	Premium	With Wellness Incentive
Employee	\$38.15	\$30.65	\$152.60	\$122.60
Employee + one	\$68.50	\$61.00	\$274.00	\$244.00
Employee + 2 or more	\$98.90	\$91.40	\$395.60	\$365.60
Choice Fund w/HSA				
Employee	\$23.25	\$15.75	\$93.00	\$63.00
Employee + one	\$47.45	\$39.95	\$189.80	\$159.80
Employee + 2 or more	\$63.00	\$55.50	\$252.00	\$222.00

See page 13 to learn more about earning the Wellness Incentive.

Open Access Plus (OAP)

The new Open Access Plus medical plan, available through Cigna, replaces the current POS plan. Under the OAP plan, you can use any doctor or health care provider that you like within Cigna's nationwide network of providers or even a provider outside of the network. However, using in-network providers means paying lower out-of-pocket costs. When you use the doctors, hospitals and other health care providers that are part of Cigna's national network, you won't pay a deductible for your office visits — just a flat copayment.

Open Access Plus Plan Key Features

- Preventive care, such as annual physicals and age-appropriate screenings, are provided at **no cost** to you when you use an in-network provider.
- Other eligible **in-network** services, including doctor's visits, are covered at 100% after a fixed copayment.
- No referrals are required by the plan to see a specialist.
- A deductible and then coinsurance apply for **out-of-network** services up to an annual out-of-pocket maximum before the plan pays 100% for eligible, covered medical expenses.
- In-network copays and prescription drug costs do not count toward your annual out-of-pocket maximum.

Choice Fund with HSA (Choice Fund)

The new Choice Fund plan, a Consumer Driven Health Plan with Health Savings Account, or CDHP with HSA, is available through Cigna. The Choice Fund plan is designed to give you choice and control over how you spend your health care dollars and encourage you to budget and manage your health care expenses carefully.

CDHPs have high deductibles, but lower employee premiums. In fact, premiums for the Choice Fund plan are **approximately 45% lower** than those for the Open Access Plus plan. Like OAP, Choice Fund covers preventive care services at 100% with no

coinsurance when you see an in-network physician, and also gives you the freedom to receive care from in- or out-of-network providers. No referrals are required by the plan to see a specialist. **Please note that Choice Fund enrollees will not be able to use ORNL Health Services for casual medical care.**

A second, important component of the Choice Fund plan is the ability to contribute to a Health Savings Account (HSA). An HSA is like a bank account you own and use to offset the cost of your out-of-pocket costs to pay for eligible current and future medical expenses for you and your eligible dependents. Use it instead of a Health Care Flexible Spending Account. See page 14 to learn more about using this tax-saving vehicle.

Key Medical Plan Terms

Deductible - The amount you must pay each benefit year (not including copays) toward your medical care before the Plan begins to pay.

Coinsurance - The cost sharing between you and the plan. The plan pays a percentage of your expenses, and you will pay the remaining percentage after the deductible has been met.

Copay - The fixed dollar amount required to be paid by you for certain covered services or products. The plan pays the remainder of the covered cost.

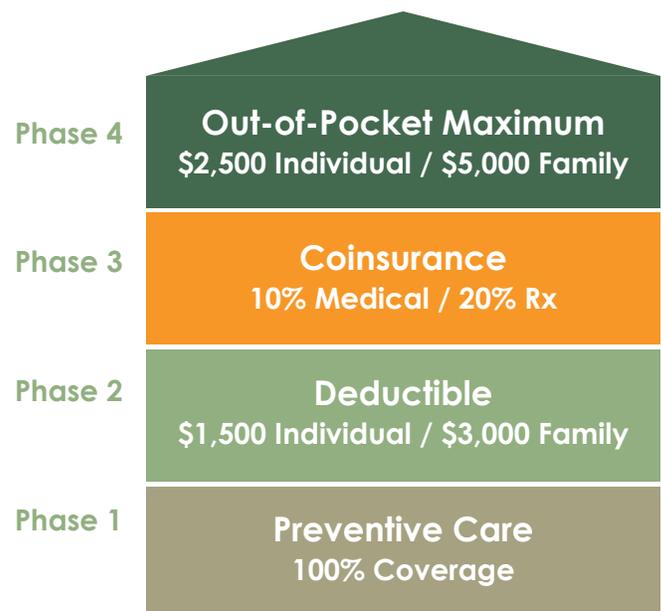
Out-of-Pocket Maximum - The most you will pay out of your pocket for eligible health care expenses before the plan begins to pay at 100% for eligible expenses in a plan year. **Note: For OAP, this limit does not include copays, deductibles or prescription drug costs.**

Understanding the Choice Fund Plan



The Choice Fund plan is made up of several connected levels, or phases, including preventive care, an annual deductible, coinsurance and an out-of-pocket maximum.

- **Phase 1** includes 100% coverage for preventive care, such as annual physicals and age-appropriate screenings. These services are provided at no cost to you when you use an in-network provider. Preventive care sets the foundation for all of your health care, and is the first step to staying healthy.
- **Phase 2** includes all other services, including doctor's visits and prescription drugs, which are subject to the deductible. This means that you are responsible for 100% of the cost until you reach the plan deductible.
- **Phase 3** is the cost-sharing phase. Once you meet the deductible, you share in the cost of services by paying coinsurance until you reach the annual out-of-pocket maximum.
- **Phase 4** is reached after you meet the out-of-pocket maximum for the year. Once the out-of-pocket maximum is met, the plan pays 100% for eligible, covered medical and prescription drug expenses.





Medical Plan Comparison Chart*

	Open Access Plus		Choice Fund	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible	Employee: \$0 All other coverage levels: \$0	Employee: \$200 All other coverage levels: \$400	Employee: \$1,500 All other coverage levels: \$3,000	Employee: \$2,500 All other coverage levels: \$5,000
Coinsurance <i>(All coinsurance amounts are payable after annual deductible has been met.)</i>	Plans pays 100%	You pay 20% Plan pays 80%	You pay 10% Plan pays 90%	You pay 30% Plan pays 70%
Annual Out-of-Pocket Maximum	\$1,000 per individual \$2,000 per family	\$3,000 per individual \$6,000 per family	Employee: \$2,500 All other coverage levels: \$5,000	Employee: \$5,000 All other coverage levels: \$10,000
Office Visit	PCP: \$20 Specialist: \$35	You pay 20% Plan pays 80% after the plan deductible is met	You pay 10% Plan pays 90% after the plan deductible is met	You pay 30% Plan pays 70% after the plan deductible is met
Inpatient Hospital Services	Plan pays 100% after \$250 copay per admission	You pay 20% Plan pays 80% after the plan deductible is met	You pay 10% Plan pays 90% after the plan deductible is met	You pay 30% Plan pays 70% after the plan deductible is met
Hospital Emergency Room	You pay a \$75 copay, then Plan pays 100%		You pay 10% Plans pays 90% after the in-network plan deductible is met	
Preventive Care	Plan pays 100%	Not covered	Plan pays 100%	Not covered
Preventive Screenings <i>(Mammogram, PSA, & Pap Smear)</i>	Plan pays 100%	You pay 20% Plan pays 80% after the plan deductible is met	Plan pays 100%	You pay 30% Plan pays 70% after the plan deductible is met
Lab and X-ray <i>(Physician's office, Outpatient hospital facility, and Independent X-ray and/or lab facility)</i>	Plan pays 100%	You pay 20% Plan pays 80% after the plan deductible is met	You pay 10% Plan pays 90% after the plan deductible is met	You pay 30% Plan pays 70% after the plan deductible is met
Maternity <i>(includes routine prenatal & postnatal visits and delivery)</i>	You pay an initial office visit copay then Plan pays 100%	You pay 20% Plan pays 80% after the plan deductible is met	You pay 10% Plan pays 90% after the plan deductible is met	You pay 30% Plan pays 70% after the plan deductible is met



Medical Plan Comparison Chart*

	Open Access Plus		Choice Fund	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Outpatient Surgery	Plan pays 100%	You pay 20% Plan pays 80% after the plan deductible is met	You pay 10% Plan pays 90% after the plan deductible is met	You pay 30% Plan pays 70% after the plan deductible is met
Short-term Rehabilitation <i>(physical, speech, occupational, cardiac, pulmonary, cognitive therapy)</i>	PCP: \$20 Specialist: \$35 20 day limit per calendar year, in- and out-of-network combined	You pay 20% Plan pays 80% after the plan deductible is met 20 day limit per calendar year, in- and out-of network combined	You pay 10% Plan pays 90% after the plan deductible is met 180 day limit per calendar year, in- and out-of-network combined	You pay 30% Plan pays 70% after the plan deductible is met 180 day limit per calendar year, in- and out-of-network combined
Chiropractic Care <i>Limited to 25 visits per calendar year</i>	PCP: \$20 Specialist: \$35	Not Covered	You pay 10% Plan pays 90% after the plan deductible is met	Not Covered
Mental Health	Outpatient: \$35 copay per visit Inpatient: \$250 copay per admission, then plan pays 100%	You pay 20% Plan pays 80% after the plan deductible is met	You pay 10% Plan pays 90% after the plan deductible is met	You pay 30% Plan pays 70% after the plan deductible is met
Infertility Treatment <i>(\$20,000 lifetime max)</i>	Not Covered	Not Covered	You pay 10% Plan pays 90% after the plan deductible is met	You pay 30% Plan pays 70% after the plan deductible is met
Hearing Aids	Not Covered	Not Covered	You pay 10% Plan pays 90% after the plan deductible is met \$750 maximum every 36 months	Not Covered
Bariatric Surgery <i>(subject to medical necessity & clinical guidelines)</i>	Office visits: PCP: \$20 Specialist: \$35 Inpatient facility: \$250 copay per admission, then plan pays 100% Outpatient: Plan pays 100%	You pay 20% Plan pays 80% after the plan deductible is met	You pay 10% Plan pays 90% after the plan deductible is met	You pay 30% Plan pays 70% after the plan deductible is met
Vision Care	Services Provided by VSP Coverage is the same in both plans Any copayments or coinsurance do not count toward plan deductibles or out-of-pocket maximums			

*The above chart provides a high-level overview of certain coverage levels. For a complete listing of coverage, see the ORNL Comparison of Medical Plans available on the ORNL intranet at <http://benefits.ornl.gov/2012>. You can also log on to www.mycignaplans.com.



Prescription Drug Coverage

Both medical plan options include prescription drug benefits, which are managed through Express Scripts. Your out-of-pocket costs are based on one of three tiers: generic, brand preferred and brand non-preferred. The preferred drug formulary includes over 1,800 drugs that may cost less than the non-preferred drugs that are not included in the formulary.

Open Access Plus

Under the OAP plan, you will pay a copayment for generic drugs and coinsurance for preferred and non-preferred brand drugs. The following schedule outlines the prescription drug cost structure for the OAP plan:



Express Scripts and Medco Are Now One Company

Express Scripts and Medco have come together as one company to manage your prescription benefit. The combined company is in the process of changing the name on all its communications to Express Scripts. Until the renaming process is complete, you'll sometimes see the Medco name in pharmacy communications and on the Web.

Open Access Plus Prescription Drug Plan				
	Retail <i>(up to a 30-day supply)</i>		Mail Order <i>(up to 90-day supply)</i>	
Generic drugs* (Tier 1)	\$5 copay		\$12 copay	
	30% coinsurance for brand name drugs Minimums and maximums noted below			
	Minimum	Maximum	Minimum	Maximum
Brand name drugs (Tier 2) (preferred)	\$20	\$100	\$50	\$200
Brand name drugs (Tier 3) (non-preferred)	\$40	\$200	\$100	\$400

*You will pay the actual cost if that cost is less than the copay.

Here are some examples of the prescription drug cost sharing structure under the OAP:

Mail Order Brand (Tier 2) Coinsurance examples - OAP			
Drug cost	30% coinsurance	Member pays	ORNL pays
\$160	\$48	\$50 (minimum payment)	\$110
\$400	\$120	\$120 (30% of covered cost)	\$280
\$1,600	\$480	\$200 (maximum payment)	\$1,400

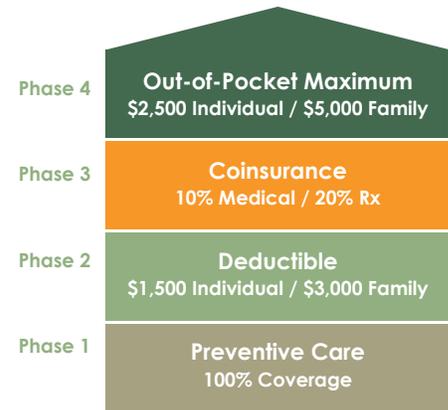


Prescription Drug Coverage (CONTINUED)

Choice Fund

Under Choice Fund, your cost for prescription drugs follows the same “phase” structure as other out-of-pocket costs.

- **Phases 1 & 2** - You will pay 100% of your prescription drug cost until your deductible is met.
- **Phase 3** - Once the deductible is met, you will pay a 20% coinsurance, as outlined in the schedule below.
- **Phase 4** - Prescription drug costs are covered 100%, after you’ve reached your out-of-pocket maximum.



Choice Fund Prescription Drug Plan				
	Retail <i>(up to a 30-day supply)</i>		Mail Order <i>(up to 90-day supply)</i>	
	20% coinsurance after deductible is met Deductible is \$1,500 individual/\$3,000 family			
	Minimum	Maximum	Minimum	Maximum
Generic drugs* (Tier 1)	\$10	\$75	\$20	\$150
Brand name drugs (Tier 2) <i>(preferred)</i>	\$25	\$150	\$60	\$300
Brand name drugs (Tier 3) <i>(non-preferred)</i>	\$40	\$250	\$100	\$500

*You will pay the actual cost if that cost is less than the minimum.

Below are some examples of the prescription drug cost sharing structure under Choice Fund, once the annual deductible is met:

Mail Order Brand (Tier 2) Coinsurance examples – Choice Fund			
Drug cost	20% coinsurance	Member pays	ORNL pays
\$160	\$32	\$60 (minimum payment)	\$100
\$400	\$80	\$80 (20% of covered cost)	\$320
\$1,600	\$320	\$300 (maximum payment)	\$1,300



Prescription Drug Coverage (CONTINUED)

Drug Management Programs remain in place

The programs that were implemented in 2012 will continue in 2013. Any additional costs incurred through these programs do not apply to plan out-of-pocket maximums.

Retail Refill Allowance (RRA) encourages members to use the mail order pharmacy for maintenance drugs. The program allows you to receive up to three fills of the same maintenance drug at retail before having to move to the mail order pharmacy. If you continue to purchase the maintenance drug at retail, you will pay the total cost of the drug. **Note that your RRA count does not reset or start over each year.**

Member Pays the Difference encourages members to select less expensive generic equivalents when available. If you choose to stay on a brand name drug when a generic equivalent is available, you will pay for the difference between the cost of the brand drug and the generic. If there is a clinical reason why you cannot take the generic drug, there is an Express Scripts appeal process for approval to pay only the brand drug coinsurance.





Health Savings Account (HSA)

You are eligible to open a Health Savings Account only if you are enrolled in Choice Fund. HSAs are accounts you own, and can be used to meet the cost of your annual deductible or to pay for qualifying current **and** future medical expenses for you and your eligible dependents, using tax-advantaged savings.

The HSA has a triple tax advantage:

- Money goes in tax free, which reduces your taxable income.
- The funds in the account grow tax deferred.
- The money is tax free when used to pay for eligible medical expenses.

Plus, you also earn interest on your account balance.

An additional benefit to an HSA is that, unlike a Flexible Spending Account, you do not “use it or lose it.” If you don’t need to use the money immediately, you can maintain your account for years to come. Contributions to your HSA may be made only while you are enrolled in Choice Fund. You decide how much you want to contribute, and you control which expenses are reimbursed using HSA funds.

More about the HSA:

- ORNL will make an initial contribution to your HSA — \$250 for Employee Only coverage and \$500 for all other coverage levels.
- Any unused HSA funds will roll over every year, earning interest.
- Your account will be managed by JPMorgan Chase (JPMC). You will be directed to the JPMC website to open your HSA account once you complete your online benefits enrollment.
- You can open an investment account once your balance reaches \$2,000.
- For 2013 the total maximum amount you can contribute into this account is \$3,250 for Employee Only and \$6,450 for all other coverage levels. This maximum includes ORNL’s contribution.
- An HSA is like your own bank account – you own it. If you leave ORNL, your HSA goes with you. Once the money is in the account it is yours to keep or use toward qualified medical, dental and vision expenses. When you retire you can use your HSA for qualified health expenses, including Medicare Parts B and D and long-term care insurance premiums.

Getting the Most from Your Health Care Dollars

The face of health care has changed over the last decade and, most likely, will continue to do so. The overriding theme of these changes is that we are all health care “consumers.” Any time you go to the doctor or fill a prescription, you are essentially making a purchase. As with any purchase, you choose how and what you spend. You can, and should, even shop around. Here are a few tips to help you manage your out-of-pocket costs.

- **Get a PCP** – Having a doctor you see regularly can help you manage your out-of-pocket costs because it gives you a place to go when you’re sick or injured. Many non-life threatening trips to the emergency room can be treated in a doctor’s office, with a significant savings to your wallet.
- **Use in-network providers** – Using doctors and hospitals inside the network significantly reduces your out-of-pocket costs since those in the network provide services at reduced, negotiated rates. The same applies to the prescription drug program where you can see savings by using an Express Scripts pharmacy or even better, the mail order program.
- **Get routine and age-appropriate screenings** – Preventive care is covered under both plans at 100% through an in-network provider. Screenings can diagnose disease early on, at a more treatable stage, therefore reducing the need for more expensive care.
- **Reinvest your savings** – By enrolling in Choice Fund, you save 45% of the cost of premiums vs. the OAP plan. Consider putting that savings into your HSA to cover eligible health care expenses and watch it grow.



Health Savings Account (HSA) (CONTINUED)

Important HSA Rules:



- You can be reimbursed only up to the current balance in your HSA.
- You may change your HSA pre-tax contribution amount at any time during the year.
- You cannot be enrolled in the Health Care FSA if you are enrolled in Choice Fund.
- Choice Fund enrollees who are age 65 or older will not be able to contribute to an HSA, although they can use any account balance for qualified health expenses.
- If you are between 55 and 65, you may make additional catch-up contributions up to \$1,000 to your HSA. This is in addition to the annual limit that applies to employees under age 65.
- Visit the IRS website at <http://www.irs.gov/pub/irs-pdf/p502.pdf> for a complete list of eligible health care expenses.

Here's a simple example of how an HSA works:

Jim is a salaried employee who's paid weekly, and he enrolled in Choice Fund with Employee + One coverage. The maximum HSA annual election amount is \$6,450. Jim has elected \$3,000. Here is how it works:

- Weekly paycheck deductions for the HSA will be \$57.69.
- Contributions are made on a pre-tax basis and transferred to his HSA account at JPMorgan Chase.
- ORNL contributes an initial \$500 at the start of the plan year.
- With ORNL's contributions, a total of \$3,500 will be contributed to his account throughout the year.
- Funds may be used for qualified medical and prescription expenses.
- At the end of the year, Jim has only spent \$1,500 of his \$3,500. The remaining \$2,000 remains in his account for future medical expenses.
- If Jim leaves the company, the account still belongs to him for future qualified health care expenses, helping him accumulate savings for retirement health care costs.

Is the Choice Fund with HSA right for you?

The decision is yours but here are some things to consider about the Choice Fund plan:

- Can you benefit from ORNL's contribution to your HSA?
- Your contributions to an HSA are tax deductible.
- Your HSA can earn income – either interest, or in some cases, investment income.
- Review your health care expenses from prior years, along with anticipated medical needs for you and your family members for the upcoming year. How frequently will you and your family members visit the doctor?
- Look at your medical expenses on a longer term basis. The employee premium you pay for the OAP plan may cost you more over the course of a calendar year than you might pay in out-of-pocket costs with Choice Fund. Plus, tax savings can add up over many years.
- Include your pharmacy purchases in this estimate along with any anticipated qualified dental and/or vision expenses.



Please note: In order for your HSA to be established on January 1, 2013, your Health Care FSA balance for 2012 must be exhausted. Health Care FSA claims must be submitted with all required documentation by **December 15, 2012** to ensure your payments are processed before the end of the year. If you have a balance remaining in January, you can enroll in Choice Fund; however, your HSA account will open on April 1, 2013. In that case, only expenses incurred after March 31, 2013 can be reimbursed from the HSA.



Wellness Program

ORNL has made a commitment to you by providing competitive benefits and tools to help you better manage your own health by living well. Whether you're maintaining good health or working to improve your health, it's never too late to take advantage of the wellness activities available to you through the company.

Your participation comes with a double reward. Not only do you maximize your health, you also save money on your medical premiums.

Earn the Wellness Incentive

Don't forget! You have until October 31 to take part in the Reward Points and Health Assessment programs to receive a medical premium reduction for 2013.

ORNL Wellness Incentive

<p>Earn 750 Reward Points</p> <p><i>Nov. 1, 2011 thru Oct. 31, 2012</i></p>	+	<p>Complete the Health Assessment</p> <p><i>Sept. 17 - Oct. 31, 2012</i></p>	=	<p>Receive a \$30 Monthly Premium Reduction</p> <p><i>Begins Jan. 2013</i></p>
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That's a \$360 savings per year

Note to new hires: Employees who hire in from November 1 through October 31 do not have to complete the Reward Points program in their first year of hire to be eligible for the incentive. However, you must complete the Health Assessment by October 31. Then begin Reward Points in November to earn the incentive for the next year.

Don't delay! Visit the Mayo Clinic EmbodyHealth portal at www.ornlwellness.com to review your points total under the Reward Program section. Points earned by completing the Mayo Clinic web-based programs are tracked automatically. Self-report your ORNL-sponsored activities by clicking on **DID IT**.

Be sure to complete the annual **Mayo Clinic Health Assessment**, beginning September 17, to earn credits toward your medical premium reduction. The Health Assessment takes just 15 minutes and helps to identify your health risks, providing you with your results under the My Health section of the portal. Your personal information is completely confidential; Mayo Clinic provides only group data to ORNL. This data is used to guide the wellness and health care programs and activities for the coming year.

For more information about ORNL's comprehensive Wellness Program, visit <https://portal.ornl.gov/wellness>.

Dental Plan

There are no changes to the Dental offerings for 2013. ORNL provides two Dental options – MetLife and Delta Dental.

Both plans have a preferred provider network and an out-of-network benefit, and both cover two preventive care visits each year for cleaning.





Flexible Spending Accounts



Flexible Spending Accounts (“FSAs”) are tax-advantaged accounts that allow you to use pre-tax dollars to pay for qualified out-of-pocket medical and dependent care expenses. You choose how much money you want to contribute to your FSA each year during the Open Enrollment period for the following plan year. Your contributions are deducted from your pay in equal installments throughout the year before taxes are withheld, which lowers your taxable income. This means you can pay for eligible expenses with tax-free money.

Health Care FSA

The Health Care FSA is not available if you are enrolled in Choice Fund, in other words, those who have access to an HSA. If you are not enrolled in Choice Fund, you can use your Health Care FSA for eligible out-of-pocket expenses such as office visit copays, deductibles and coinsurances. You can also use it for dental and vision expenses for you and your eligible dependents. For 2013, the maximum you can contribute annually to the Health Care FSA is **\$2,500**.

Dependent Care FSA

You can use your Dependent Care FSA for eligible expenses, including day care and other expenses incurred for care of an eligible dependent -- dependent children under 13, your disabled spouse, or disabled IRS dependents of any age (including parents). For 2013, the annual maximum contribution to the Dependent Care FSA is **\$5,000**.

Important FSA Rules

FSAs are regulated by the IRS. Here are some tips to ensure you use the accounts effectively.

- Estimate your expenses carefully. Once you've made your FSA election, you cannot change your contributions to either account during the year unless you experience a qualifying life event.
- The Grace Period. IRS regulations provide for a 2½ month grace period for flexible spending accounts, which will allow you to file claims for expenses incurred through March 15, 2014.
- Use it or lose it. IRS rules prohibit the return of any unused funds. However, you have until March 31, 2014 to request reimbursement for your 2013 expenses. Any monies left in your account after March 31 will be forfeited.
- Don't mix and match. You can't transfer money between accounts or use money you contribute to the Health Care FSA for dependent day care expenses or vice versa.
- No double-dipping. You can only claim eligible expenses once. If you reimburse yourself for an eligible expense under one of the flexible spending accounts, you cannot claim that expense as a tax credit on your federal tax return.
- Always save your itemized receipts. IRS rules require them for verification.

For more detailed plan information and a list of eligible and ineligible expenses, visit the CYC web site at **www.connectyourcare.com**. In addition, IRS Publication 502 (“Medical and Dental Expenses”) provides general guidance regarding health care expenses eligible for reimbursement. IRS Publication 503 (“Child and Dependent Care Expenses”) contains a detailed explanation of eligible and ineligible dependent day care expenses. These publications are available online at **www.irs.gov** or by calling the IRS at **1-800-829-FORM (3676)**.

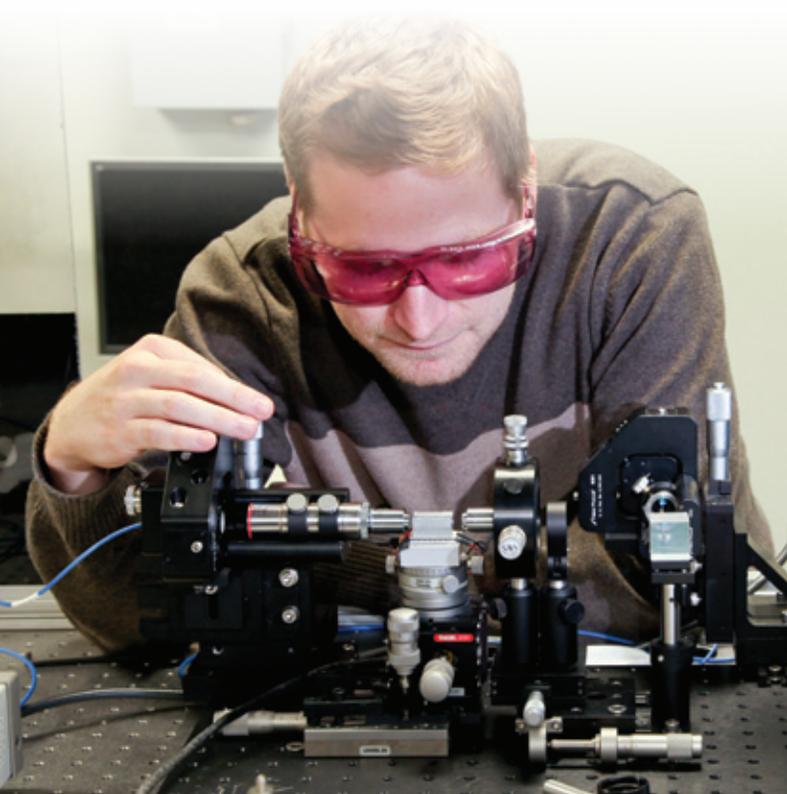


Who is Eligible

During Open Enrollment, as an active, salaried UT-Battelle employee, you are eligible to enroll or make changes in the benefits described in this guide.

You may add or drop your eligible dependents to your medical and/or dental coverage. All newly added dependents require verification as outlined below. Your eligible dependents include:

- Your legal spouse
- Your domestic partner
- Your children up to age 26 — this includes your birth child, legally adopted child or stepchild. An employee can cover their adult children until age 26 even if the young adult no longer lives with his or her parents, is not a dependent on a parent's tax return, or is no longer a student. Both married and unmarried children are eligible, although their own spouses and children do not qualify.
- A disabled child of any age who lives with you and is dependent on you for support due to a mental or physical handicap, provided you submit proof of the child's disability within 30 days of reaching the age 26 maximum.



Domestic Partner Benefits



Effective January 1, 2013, you can enroll your same-sex domestic partner in medical and/or dental coverage. A domestic partner must meet certain eligibility criteria; therefore, verification documentation is required.

To enroll a domestic partner in coverage:

- You must be of the same sex and be at least 18 years old.
- You cannot be related any closer than permitted by TN state law for marriage.
- Neither you nor your domestic partner can be married to anyone else or be in a domestic partnership with another individual.
- You must have resided together for a minimum of six months, and intend to do so permanently.
- You are mentally competent to enter into contracts.
- You must be financially interdependent (e.g., joint mortgage, rent, bank accounts, etc.).

Tax Implications

Domestic partners generally do not qualify as dependents for income tax purposes under Sections 105 and 152 of the Internal Revenue Code. The value of the company-paid coverage that relates to your domestic partner will be considered by the IRS as "imputed income," and will be listed as taxable income on your 2013 W-2 form (in January 2014).

Please note that marriage, civil union or registered domestic partnership in another state does not guarantee eligibility if the above requirements are not met.



Who is Eligible (CONTINUED)

Dependent Verification

If you add a new dependent(s) to the medical and/or dental plans, you must provide verification of the newly enrolled dependent within 30 days of enrollment. Dependents who are currently covered under the medical and/or dental plans do not require documentation during the Open Enrollment period. If you do not provide the required documentation for your newly enrolled dependent within 30 days of enrollment, your dependent will not have medical or dental coverage, and you must wait until the next annual Open Enrollment period to enroll your dependent for coverage effective the following January.

Approved documentation includes:

- **For your spouse:** a copy of your marriage certificate
- **For each child:** a copy of the birth certificate, or adoption or guardianship documents
- **For your domestic partner:** a signed ORNL Certificate of Domestic Partnership, available at <https://benefits.ornl.gov/2012>, in addition to proof of at least two of the following:
 - a state-issued certificate of marriage or civil union;
 - driver's licenses with common address;
 - common ownership of real property or a common leasehold interest in such property;
 - community ownership of a motor vehicle;
 - a joint bank account or a joint credit account;
 - designation as a beneficiary for life insurance or retirement benefits or under your partner's will;
 - assignment of a durable power of attorney or health care power of attorney; or
 - such other proof as is considered by the company to be sufficient to establish financial interdependency.

Copies of required documentation can be sent by email, fax or postal service to the ORNL Benefits Service Center (see page 17).

The Social Security Number (SSN) of each dependent over age one is also required. Under certain circumstances, dependents of foreign nationals who do not have SSNs may enroll without one.





Learn More About Your Options

A variety of onsite and online tools can help you make informed decisions.

1. Attend an on-site event:

New Medical & Drug Plans Seminar Schedule

Meetings are scheduled across campus to allow everyone an opportunity to attend. Sessions are estimated to be 1½ hours in length, to provide time for questions following each presentation. One session will be recorded and posted on the website.

For more information about employee meetings, your benefit choices, or Open Enrollment, visit <https://benefits.ornl.gov/2012> from work or home.

Date	Time	Location
September 18	9:00 am	HFIR, Room 108 A&B
	1:00 pm	Nelson Auditorium, Bldg. 1505
September 19	9:00 am	SNS, Iran Thomas Auditorium
	1:00 pm	Wigner Auditorium, Bldg. 4500
September 20	9:00 am	NTRC, Room CC01 A,B&C
	1:00 pm	1060 Commerce Park Auditorium
October 17	9:30 am	Wigner Auditorium, Bldg. 4500
	1:00 pm	Wigner Auditorium, Bldg. 4500

Benefits and Wellness Fair: October 18, 2012, Main Street
Attend the Fair to learn more about your benefits and the health related resources in our community. Benefits vendors, including Cigna and Express Scripts, will be on hand to answer your questions about the new plans for 2013.

2. Use the on-line resources:

- Videos, a detailed plan comparison, FAQs and other resources are available on the web from home or work, 24 hours a day/7 days a week.
- During Open Enrollment in October you and your family can view a webinar explaining the new plan features.
- Use the online calculator tools to help determine the best plan choice for you. Estimate what you're going to pay out-of-pocket in each plan. Don't forget to include your payroll contributions for your medical plan premiums. Or call the Cigna and Express Scripts customer support numbers for help in understanding the new plan features and your costs.

Cigna www.mycignaplans.com 1-800-401-4041	Express Scripts www.medco.com/ornl 866-749-0097	ORNL Benefits Service Center https://ornl.employee.com 1-800-211-3622
Use your personal information to estimate health coverage expenses.	<ul style="list-style-type: none"> • Review pharmacy benefit plan highlights • Find a local participating pharmacy • Compare prescription medication costs • Formulary - look up drugs by name • Savings advisor 	During the Open Enrollment period, click on Decision Support Center Send required documentation to: P.O. Box 190149 Boise, ID 83719-0149



Disclaimer: ORNL reserves the right to amend, modify, suspend or terminate any benefits in whole or in part at any time and for any reason. Nothing in this document creates a guarantee of current or future benefits or financial contributions/subsidies. In the event that the content of this document or any oral representations made by any person regarding the ORNL employee or retiree benefit plans and programs conflict with or are inconsistent with the provisions of the governing plan documents, the provisions of the plan documents are controlling.