

IMPORTANT NOTICE REGARDING LEMOYNE COLLEGE RETIREE BENEFITS

Date: May 26, 2011

This Notice informs you of recent changes that have been made to the retiree benefits offered by Le Moyne College (“College”). The information provided in this Notice supersedes certain information that was previously provided to you regarding the College’s retiree benefits. Please keep this Notice with the other employee benefit documents provided by the College.

1. Employees Hired On or After January 1, 2011

Employees hired on or after January 1, 2011 are not eligible for College subsidy for the retiree health plan benefits or the retiree group life insurance plan benefits offered by the College.

2. Employees Who Retire On or After July 1, 2012

Employees who retire on or after July 1, 2012 (and who were hired prior to January 1, 2011) are eligible to participate in the College’s retiree benefits provided they satisfy the applicable plan eligibility requirements. For this group of employees the eligibility requirement for retiree healthcare is the same as it is today: an employee must obtain at least age 59 ½ with at least 75 points (which is determined by adding your age plus service). The highest level of College subsidy is available for eligible employees with at least 85 points.

The benefits for eligible retirees who retire on or after July 1, 2012 will be modified as follows:

- Elimination of Spousal Premium Subsidy For Eligible Pre-age 65 Retirees. Currently, the College provides a subsidy toward the applicable premium for an eligible pre-age 65 retiree’s spouse. For employees who retire on or after July 1, 2012 and who are eligible for pre-age 65 retiree medical benefits, this premium subsidy will be discontinued. An eligible pre-age 65 retiree’s spouse will remain eligible to participate in the retiree medical insurance plan, but will be required to pay the full premium for such coverage.
- The College’s Monthly Premium Contribution for Eligible Retirees Age 65 or Older Will Change to a Flat Dollar Amount. Currently, eligible retirees who are age 65 or older pay a retiree medical premium based on a percentage of the overall cost of the coverage and the College pays the remaining portion. Employees who retire on or after July 1, 2012 and who are eligible for age 65 or older retiree benefits will receive a maximum reimbursement subject to a flat dollar maximum monthly/annual contribution from the College. Eligible retirees will be responsible for the applicable premium charge in excess of the College’s contribution, which may be paid from the Health Reimbursement Account established for the retiree.

The College's contribution will be made in accordance with the following schedule:

- Eligible retirees with at least 75 points up to 84 points (age plus years of service) will receive a maximum premium contribution from the College of \$125 per month and \$1,500 per year.
- Eligible retirees with 85 points or more will receive a premium contribution of \$167 per month and \$2,000 per year. This amount is equivalent to the amount that the College is currently subsidizing.
- Retiree Group Life Insurance Benefits. Employees who retire on or after July 1, 2012 are not eligible for retiree group life insurance benefits.

Retirees who are currently receiving benefits are not affected by any of the changes described in this Notice.

Additional information will be available on the HR website: www.lemoyne.edu/hr

As is the case with all benefits offered by the College, (1) participants in an applicable College program or policy are bound by the terms of the governing plan, program or policy documents, (2) the College administrator of the applicable benefit plan, program or policy has the discretionary authority to interpret the terms of the plan, program or policy, and (3) the College reserves the right to modify or terminate its benefit plans, programs and/or policies from time to time.