

# **IBM CANADA LTD.**

## **2023 RETIREE FLEXIBLE BENEFITS PLAN**

### **Terms and Conditions**

This guide is intended to provide an overview of certain plans and programs in which you may participate. Complete details are found in formal plan documents, which are the complete and exclusive statement of the Company's obligations under the plan. The official plan documents shall govern in the event of a conflict between information contained in these or other documents and statements.

The plan administrator retains exclusive authority and discretion to interpret the terms of the benefits plans and programs described herein. The Company reserves the right, in its sole discretion, to amend, change, suspend, or terminate any benefit or other plan, program, practice or policy of the Company at any time. The Company does not have an obligation to, and nothing contained in this guide shall be construed as creating an express implied obligation or promise on the part of the Company to, maintain, continue to offer, or make available such plans, programs, practices or policies.

# Introduction & Contacts

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This document is an overview of IBM’s Post-Retirement Benefits (PRB) plan called the IBM Retiree Flexible Benefits Plan (the “Plan”).

When it comes to health care coverage, individual needs vary dramatically. The IBM Retiree Flexible Benefits Plan is designed to give you flexibility in how you spend your company provided health care dollars.

If you meet the PRB eligibility requirements at the time of your retirement, you and your eligible dependents listed on your profile automatically receive coverage from the IBM Retiree Flexible Benefits Plan starting on the first day of your retirement.

The length of time PRB will be available to you as a retiree will be determined by the rules outlined in the *Duration of Post-Retirement Benefits* section.

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<p align="center"><b>Sun Life Financial</b>          1-877-786-2244          Mon-Fri 8:00 am to 8:00 pm EST          Policy # 23540</p>	<p align="center"><b>IBM Canada Health Benefits Centre</b>          1-855-614-0190 (English)          1-855-544-0189 (French)          Mon-Fri 8:00 am to 6:00 pm EST</p>
<b>Call For:</b>	<b>Call For:</b>
Claims for health, dental & drugs	Plan questions on Flex Retirement Benefits
Your HCSA balance	Change your home address
Your catastrophic balance/contributions	Update dependent & beneficiary info
Current copy of the Flex Retirement Benefits Booklet	Current copy of the Flex Retirement Benefits Booklet

### Direct Deposit

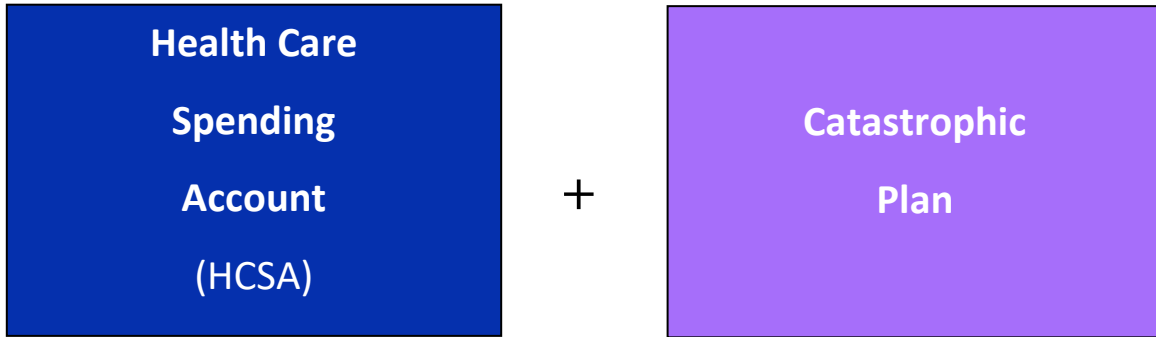
Receive your claim payments within 48 hours by signing up for direct deposit. Select “Direct deposit and online claim statements” under the “Take me to...” drop down menu in the Benefits Center to update your bank information.



# How the Plan Works

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IBM’s Retiree Flexible Benefits Plan provides an important supplement to your provincial health care benefits. The Plan is comprised of 2 components:



Annually, you will be charged a plan premium which will be automatically deducted from your HCSA. This mandatory premium provides you access to the Retiree Flexible Benefits Plan and is primarily intended to pay for Catastrophic Coverage (see *Annual Premium* for details).

Catastrophic Coverage provides 90% reimbursement for eligible medical services or expenses not covered by your provincial health plan once you reach an Annual Deductible (see *Catastrophic Coverage* for details).

## HEALTH CARE SPENDING ACCOUNT

Each year, IBM allocates a set amount to your HCSA, regardless of your coverage category. You may use these funds to pay for a wide range of health-related expenses and/or to purchase private health insurance. Your mandatory annual premium will be automatically deducted from your HCSA.

### HCSA Annual Deposit

- If you were hired or rehired by IBM on or after April 17, 2000, and have 15 or more years of service at retirement, your annual HCSA deposit is \$2,100, less your annual premium. The \$2,100 HCSA annual deposit will not increase in the future.
- If you were hired or rehired by IBM before April 17, 2000 (or are a former ISM employee who transitioned to IBM on January 1, 2001), and have 10 or more years of service at retirement, your annual HCSA deposit is based on your length of service at retirement, as follows:

Complete Years of Service at Retirement	Annual HCSA deposit*
10 years	\$1,600, less annual premium
11 years	\$1,700, less annual premium

12 years	\$1,800, less annual premium
13 years	\$1,900, less annual premium
14 years	\$2,000, less annual premium
15 years or more	\$2,100, less annual premium

\*For retirees who were regular part-time employees, your HCSA contribution is pro-rated based on your full-time equivalent percentage.

## HCSA Rules

- The HCSA annual deposit is made to your account on January 1 of each year. If you retire mid-year, your HCSA deposit will be pro-rated based on the number of months remaining in the plan year (calendar year) based on your retirement date.
- The HCSA annual deposit will be reduced by the annual premium for the catastrophic plan (pro-rated if you retire mid-year).
- If you have an eligible family status change (Life Event), your annual premium will change at the beginning of the next benefit plan year. This new premium will be automatically deducted from your HCSA annual deposit for the next plan year (calendar year).
- Once the money is deposited into your HCSA, it cannot be withdrawn except to reimburse eligible medical and dental expenses for you and your eligible dependents.
- You must use each year's HCSA contributions within two plan years or you will forfeit the balance.
- You must submit all claims within 90 days following the end of each plan year (calendar year).
- You may submit claims for your spouse and other eligible dependents as per the Income Tax Act.
- When you incur an expense that isn't covered by your catastrophic plan, you can file a claim against your HCSA on the same claim form. You are reimbursed for the eligible expense up to the remaining balance of the available amount in your HCSA.
- HCSA reimburses out-of-pocket health care expenses that would qualify as a medical expense tax credit under the Income Tax Act. Expenses that are reimbursed through your HCSA cannot also be claimed on your annual income tax form.
- To maximize the value from your HCSA, you must seek reimbursement from your provincial plan or other medical and dental plans before you use your HCSA balance.
- Premiums for private health insurance coverage may be submitted to the HCSA in the same manner as any other claim (see Claims Procedure for details). However, this expense will not apply toward your Annual Deductible or be an eligible expense for reimbursement under Catastrophic Coverage.

## Eligible Expenses under HCSA

Eligible HCSA expenses	Ineligible HCSA expenses
<p>Eligible expenses as outlined in the Income Tax Act include:</p> <ul style="list-style-type: none"> <li>• Prescription drugs prescribed by a medical practitioner or dentist.</li> <li>• Dental expenses, including preventive, diagnostic, restorative, orthodontic and therapeutic care.</li> <li>• Hospital expenses, including semi-private, preferred, or private accommodation.</li> <li>• Vision expenses, including eyeglasses and contact lenses.</li> <li>• Hearing expenses, including hearing aids, and batteries.</li> <li>• Licensed practitioners, including a nurse, chiropractor, massage therapist, occupational therapist, physiotherapist, psychologist, speech therapist and naturopath.</li> <li>• Facilities, such as a nursing home, private hospital, alcohol, or drug addiction treatment center.</li> <li>• Medical devices and supplies, including crutches, needles, syringes, insulin, walker, hospital bed, wheelchair, orthopedic shoes or boots.</li> <li>• Insurance premiums for private health care insurance, including semi-private hospital, out-of-country medical and dental insurance.</li> </ul>	<p>Examples of expenses not eligible for HCSA reimbursement include:</p> <ul style="list-style-type: none"> <li>• Exercise equipment.</li> <li>• Health or fitness club dues.</li> <li>• Funeral or burial expenses.</li> <li>• Vaccinations for travel, even when taken for general health purposes.</li> <li>• Non-prescription drugs or vitamins not prescribed by a doctor.</li> </ul>

This is not a complete list of eligible expenses. Refer to section 118.2(2) of the Income Tax Act for a current and complete list or call Sun Life Financial if you have questions regarding eligibility of expenses.

## ANNUAL PREMIUM

You are required to pay an Annual Premium for Catastrophic Coverage under the Plan, based on your coverage category\*. Your required premium is primarily intended to pay for Catastrophic Coverage and will be deducted at the beginning of each calendar year from your HCSA. If you retire part way through the year, your annual premium will be prorated based on your month of retirement for the first year.

As of January 1, 2023:

Coverage Category	Annual Premium
You Only	\$ 263
You Plus One Dependent	\$ 527
You Plus Two or More Dependents	\$ 736

**Note:** If you live in Quebec, there may be an additional premium payable at age 65 or older based on the coverage provided through the Quebec Prescription Drug Insurance Plan (administered by RAMQ). Annual premiums are subject to change in the future to reflect plan experience and the impact of future changes to Provincial Health Care Plans, as appropriate.

\* You will be assigned a coverage category (You Only, You Plus One, or You Plus Two or More) for the Catastrophic Coverage based on the eligible dependents you have on file at the time of your retirement.

## CATASTROPHIC COVERAGE

Catastrophic Coverage provides a safety net if you or an eligible dependent incurs significant medical expenses not covered elsewhere. It covers 90% of a defined list of selected and eligible expenses, after you reach your annual deductible. In all cases, the expenses must be medically necessary, reasonable, and customary, and recommended by a physician. The Catastrophic Coverage requires that you pay the expense directly and then to file a claim for reimbursement (see *Claims* section below).

### Reasonable and Customary Limits of Catastrophic Coverage

The Catastrophic Coverage sets reasonable and customary (R&C) limits on fees charged by hospitals, licensed paramedical practitioners, and other providers for medically necessary treatment. These limits are based on the amounts that most providers typically charge in your geographic area. The plan covers expenses up to the R&C limit for covered services. You will be responsible for paying the portion of any expense over the limit.

## Eligible Expenses under the Catastrophic Coverage

Sample Eligible catastrophic expenses	Ineligible catastrophic expenses
<ul style="list-style-type: none"> <li>• Drugs prescribed by a medical practitioner or a dentist and dispensed by a licensed pharmacist, including insulin, allergy serums and other injectable drugs, when administered by a physician.</li> <li>• In-home professional nursing care and services, to a calendar year maximum of \$25,000 per employee or eligible dependent -- <i>claims must be pre-approved by Sun Life Financial</i> -- please provide a letter to Sun Life Financial from your doctor indicating: nature of the condition; medical necessity of the service to be provided; nature of nursing duties provided, and minimum level of nursing expertise required (i.e., R.N. or R.N.A.).</li> <li>• Local ambulance to and from nearest hospital equipped to provide treatment.</li> <li>• Treatment by x-ray, radium and radioactive isotopes.</li> <li>• Medicated surgical dressings, cases, splints, trusses, crutches, braces.</li> <li>• Rental of wheelchairs or hospital beds -- <i>subject to pre-approval by Sun Life</i>.</li> <li>• Artificial limbs and eyes (purchased in Canada).</li> <li>• Physiotherapy by a licensed physiotherapist, to a calendar year maximum of \$1,000 per person.</li> <li>• Supplies for insulin dependent diabetics, including blood glucose monitoring machines and blood-letting devices.</li> <li>• Oxygen and its administration.</li> <li>• Pacemakers.</li> </ul>	<ul style="list-style-type: none"> <li>• Dental Expenses</li> <li>• Nursing home</li> <li>• Semi-private Hospital bed</li> <li>• Vision Care Expenses</li> <li>• Expenses de-listed by your provincial health plan</li> <li>• Expenses paid by your provincial health plan</li> <li>• Expenses for products or procedures that aren't medically necessary or are considered experimental</li> <li>• Cosmetic expenses or treatment, unless associated with an accident</li> <li>• Expenses required due to a war, declared or undeclared</li> <li>• Expenses for over-the-counter drugs, medicines or products (even when prescribed by a doctor)</li> <li>• Expenses for the cost of insurance</li> <li>• Any single purchase of drugs which would not reasonably be consumed within 90 days</li> <li>• Any drug which does not have a drug identification number as defined by the Canadian federal legislation</li> <li>• Any drug which is registered under Division 10 of the Regulation to the Food and Drugs Act, Canada</li> <li>• Vitamins</li> <li>• Vaccines</li> </ul> <p><b>For questions on whether a specific expense is eligible for reimbursement or to obtain pre-approval, contact Sun Life Financial at 1-877-SUN-2244 (1-877-786-2244).</b></p>

## ANNUAL DEDUCTIBLE

The Annual Deductible is the portion of your eligible catastrophic expenses that you pay out-of-pocket each year before you can receive reimbursement. Claims submitted towards the annual deductible, but declined for reimbursement (i.e. because the deductible has not yet been satisfied or it is an ineligible catastrophic expense), can subsequently be reimbursed through your HCSA, if they are an eligible medical expense.

Only selected and eligible catastrophic expenses (see eligible expenses above) can be applied toward the Annual Deductible. For example, semi-private hospital room, dental and vision care expenses, out of country medical expenses, and the annual premium do not qualify as eligible expenses toward your Annual Deductible.

The Annual Deductible is reset each January 1. It is not pro-rated based on your retirement date. The Annual Deductible may change over time to reflect Plan experience and the future impact of changes to Provincial Health Care Plans, as appropriate. The Annual Deductible varies by the number of eligible dependents as follows:

Coverage Category	Annual Deductible (January 1, 2023)
You Only	\$3,500
You Plus One Dependent	\$4,550
You Plus Two or More Dependents	\$5,500

If your coverage category is You Plus One or You Plus Two or More, your Annual Deductible may be reached with the combined eligible expenses of all family members.

If any one family member's eligible expenses reach \$3,500 in a calendar year, the Catastrophic Coverage will begin to reimburse 90% of additional eligible expenses for that person for the balance of the year. The remaining 10% unpaid balance will be used towards any outstanding deductible amounts for you and/or other dependents. Benefits will begin for you or other covered family members as soon as the remaining balance of the Annual Deductible for your coverage category has been reached.



## DURATION OF POST RETIREMENT BENEFITS

The following rules are applied to determine the duration of IBM's PRB:

<b>You Met PRB Eligibility On or Before December 31, 2007</b>	<b>You Met PRB Eligibility On or After January 1, 2008</b>
If you meet the eligibility criteria for PRB on or before December 31, 2007, you and your eligible dependents on your profile will continue to receive PRB throughout your retirement, regardless of your age or when you retire.	If you meet the eligibility criteria for PRB on or after January 1, 2008, you and your eligible dependents on your profile will continue to receive PRBs until the end of the calendar year in which you reach age 65. If you retire at age 65 (or older), you will not be eligible for PRB. When you reach age 65, any unused balance on your HCSA, if applicable, will not roll-over into the next calendar year. All eligible claims must be received at Sun Life Financial within 60 days of December 31 of that year.

<b>Retiree Life Insurance</b>	All retirees eligible for PRB will continue to receive the Retiree Life Insurance Plan benefit beyond age 65.
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### Survivors' Coverage

If, at the time of your death, you were a retiree who was eligible for PRB throughout retirement, eligible dependents on your profile will continue to receive the same benefits coverage under the Plan. This coverage will continue for your surviving spouse's lifetime, and/or your eligible dependent children. Children that no longer meet the eligibility requirements under the terms and conditions of the Plan will not receive coverage.

If, at the time of your death, you were a retiree who was eligible for PRBs until age 65 only, the eligible dependents on your profile will continue to receive the same benefits coverage under the Plan until the end of the calendar year in which you would have reached age 65. Coverage for your eligible dependent children will cease the earlier of when they no longer meet the eligibility requirements under the terms and conditions of IBM's policy or when you would have reached age 65.

## Family Lifetime Maximum

<b>RETIRED WITH PRBS ON/AFTER JANUARY 1, 2010</b>	<b>RETIRED WITH PRBS ON/BEFORE DECEMBER 31, 2009 WITH PRBS</b>
Your family lifetime maximum limit under the Plan will be \$250,000. This lifetime maximum limit will not include the employee active claims history.	Retired on/before December 31, 2009 with PRBs - your family lifetime coverage limit increased from \$250,000 to \$500,000 but all your active claims history were included with your retiree claims under this higher limit.
When a member reaches their family lifetime maximum the catastrophic plan will no longer be eligible. In subsequent years following, in which you are still eligible for the retirement benefits plan, you will continue to receive your HCSA dollars, but they will no longer be reduced by the annual premium.	

## ELIGIBLE DEPENDENTS

Your eligible dependents listed on your profile the day you retire from IBM will automatically receive coverage under the Plan. At time of retirement the system doesn't just look at who you had covered under your active plan, but who on your profile would be eligible and carries all eligible members into your retirement plan. You can remove dependents from your plan, but you may not add dependents for coverage after your date of retirement. Removing dependents may reduce your coverage category and thus reduce your premium. A midyear coverage change to remove a dependent will not change your annual premium or deductible until the following year.

Your eligible dependents include:

<b>Spouse</b>	<b>Child</b> (Natural, legally adopted, unmarried children)
<ul style="list-style-type: none"> <li>• A person to whom you are legally married;</li> <li>• A person to whom you are not married but has been residing with you for at least one year in a conjugal relationship and you publicly represent as your common law spouse or same sex partner; or</li> <li>• A person who is the parent of your child and to whom you are not married but resides with you in a conjugal relationship and you publicly represent as your common law spouse or same sex partner.</li> </ul>	<ul style="list-style-type: none"> <li>• Under age 19, or</li> <li>• Age 19 but not yet age 25 (26 in Quebec), if they are not employed full-time and are principally dependent on you for support; or</li> <li>• Other unmarried children, including step-children, brothers or sisters who are under age 19, principally dependent on you for support and, when not attending school, permanently reside in your household in a parent/child relationship; or</li> <li>• Age 19 but not yet age 25 (26 in Quebec), if they are not employed full-time, are principally dependent on you for support and, when not attending school, permanently reside in your household in a parent/child relationship.</li> </ul>

Once the person registered on your profile as spouse no longer meets any of the above definitions, you are required to remove him/her from your profile.

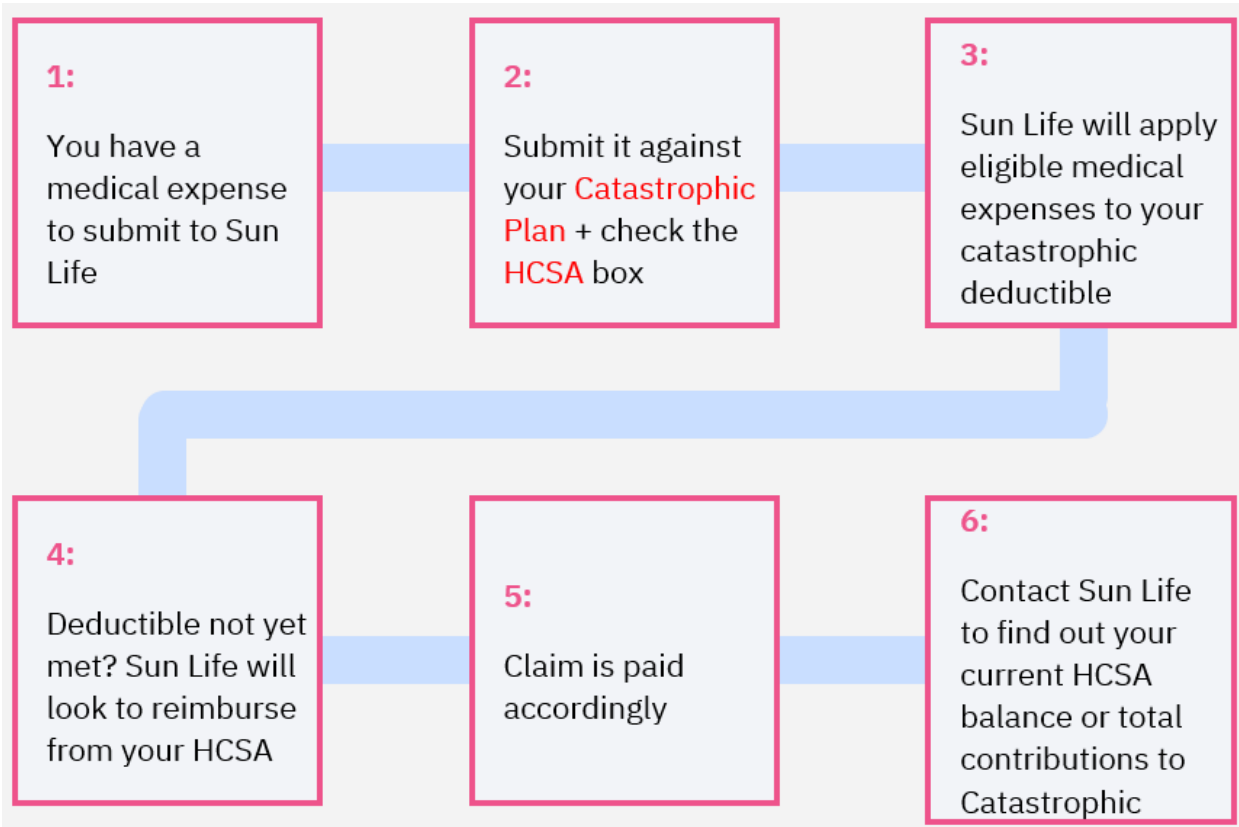
An eligible child may remain covered after age 25 if he or she is mentally or physically incapable of earning a living, unmarried and principally dependent on you for support and maintenance at the time of reaching 25, 26 in Quebec (subject to approval by Sun Life prior to the child reaching age 25, 26 in Quebec).

# Claims

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## CLAIMS PROCESS WITH SUNLIFE

Make sure you submit medical expenses against your Catastrophic plan 1<sup>st</sup> before your HCSA. This ensures eligible medical expenses go towards your annual catastrophic deductible. Dental claims can be submitted directly to your HCSA account.



## METHODS TO SUBMIT CLAIMS

- 1. Pay Direct Drug Card** – Using your Sun Life drug card you can purchase drugs electronically directly at the pharmacy. Your card will reimburse using the lowed priced equivalent (usually the generic) version of that drug. The drug card will allow you to coordinate your claim with our provincial drug plan, and/or another benefits plan.
- 2. Online Claim Submission** – Visit [www.mysunlife.ca](http://www.mysunlife.ca) and sign on using your Sun Life Access ID and password. Enter “Benefits Center” and then select “Submit a Claim”.
- 3. Photo Submission** – Download the Sun Life mobile app. Within the app you can snap a photo of your benefits receipt(s) and submit the claim quickly.
- 4. Hardcopy Claim Form** – Hard copy claim forms can also be submitted via mail. You can contact Sun Life for blank forms in the contacts section of this document. The hardcopy claim form method takes longer for reimbursement.

## CLAIMS DEADLINE

You have 90 days into a new calendar year to submit any HCSA or Catastrophic plan expenses for services that occurred in the previous year. Once the 90-day grace period is over, only current year expenses are eligible for payment in your current year. Sun Life Financial considers all charges to be incurred on the date you receive services, product, supplies or treatment.

## HCSA ROLLOVER RULES

HCSA governance falls under Canada Revenue Agency (CRA) rules. Sun Life automatically applies your previous year's HCSA dollars (if applicable) first for claims reimbursement.

HCSA	Deposit Date	Expiry Date
2023 HCSA	Jan 1, 2023	Dec 31, 2024
2022 HCSA	Jan 1, 2022	Dec 31, 2023
<b>90 Day Claim Grace Period:</b> Any 2022 expenses must be submitted and received by Sun Life no later than 90 days into 2023.		

## COORDINATION OF BENEFITS

If you are covered by two employers' health care plans, insurance industry coordination of benefits rules applies to the IBM's Retiree Flexible Benefits Plan. For all eligible catastrophic coverage claims, coverage under any external plan will be coordinated with IBM's Plan, based on the following guidelines:

Plan Member Expenses	Spouse's Expenses	Children's Expenses
IBM = 1 <sup>st</sup> Payer	IBM = 2 <sup>nd</sup> Payer	IBM = 1 <sup>st</sup> or 2 <sup>nd</sup> Payer (depends)
IBM is first payer. Submit claims for your own expenses to IBM's Retiree Flexible Benefits Plan first. You may then claim any unpaid portion of your expenses under your spouse's plan or any external plan you may have.	IBM is second payer. Submit your spouse's claims to their plan first. You may then submit any unpaid portion of the expenses under IBM's Retiree Flexible Benefits Plan. Note, however, that the maximum benefit payment you can receive from both plans is limited to what the IBM plan would have paid on its own.	Insurance industry guidelines require the spouse whose birthday is earlier in the calendar year to submit claims for the dependent children to his or her plan first. For example, if you were born in April and your spouse was born in July, then you submit all claims for your children under IBM's Retiree Flexible Benefits Plan first. If you are separated or divorced, claims for your dependents should be sent first to the plan of the custodial parent.

<b>Spouse who's Also an IBM Retiree in Flex Plan</b>	<b>Spouse is an Active IBMer</b>
<p>If your spouse is also an IBM retiree under the IBM Retiree Flexible Benefits Plan, your spouse will have his or her own HCSA and Catastrophic Coverage under the Plan. Your spouse must submit claims under his or her IBM Retiree Flexible Benefits Plan first, and may then claim any unpaid portion under your plan. Note, however, that the <b>maximum</b> benefit payment you can receive from <b>both</b> plans is limited to what the IBM plan would have paid on its own had it been the only source of coverage for you and your spouse.</p>	<p>If your spouse is an active IBMer, your spouse must submit claims to his or her IBM Flexible Benefits Plan first, and then claim any unpaid portion under your Retiree Flexible Benefits Plan. Note, however, that the <b>maximum</b> benefit payment you can receive from <b>both</b> plans is limited to what the IBM Retiree Flexible Benefits Plan would have paid on its own.</p>

# Retiree Life Insurance

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The Retiree Life Insurance Plan pays tax-free benefits to your beneficiary if you pass away while covered by the IBM Retiree Flexible Benefits Plan. Claims must be made within 6 years of the date of death. In the event of your death, your beneficiary or your next of kin should notify the IBM Canada Benefits Centre. See *Contact Information*.

IBM pays the full cost of your retiree life insurance plan coverage. The coverage amount you receive is as follows:

Plan Eligibility	Age	Coverage Amount
Full-time	Under age 65	\$12,500
Full-time	Age 65 or older	\$10,000
80% Part-time	Under age 65	\$10,000
80% Part-time	Age 65 or older	\$8,000
60% Part-time	Under age 65	\$7,500
60% Part-time	Age 65 or older	\$6,000
50% Part-time	Under age 65	\$6,250
50% Part-time	Age 65 or older	\$5,000

Your coverage will automatically be reduced on your 65th birthday.

## **LIFE INSURANCE CONVERSION**

Upon retirement, you may convert your current employee life insurance coverage and/or your spousal life insurance up to a maximum of \$1,000,000 by contacting Sun Life and answering a few simple health questions over the phone. Alternatively, if your preference is not to provide Proof of Insurability, you can convert your current employee life insurance coverage and/or your spousal life insurance up to a maximum of \$200,000. If you wish to take advantage of the life insurance conversion option, you must apply for this life insurance coverage within 30 days from your retirement date. To convert your insurance, please contact Sun Life Financial Customer Solution Center at 1-877 893-9893 between 8:00 am and 8:00 pm EST.

**Important:** In the event of your death within 30 days of the date your IBM employee life insurance coverage ceases, the amount you could have converted will be paid as a death benefit under this plan, even if you did not apply for conversion.

## **DESIGNATING A BENEFICIARY**

Your beneficiary information registered in Your Benefits Resources™ Website (<http://digital.alight.com/portfolio/>) under your IBM employee life insurance coverage at the time of your retirement will automatically continue for your IBM retiree life insurance plan. You can choose or change your beneficiary in accordance with insurance regulations at any time (except where restricted by provincial legislation) on the YBR Website.

### **To complete your beneficiary designation via YBR:**

- Log on to YBR Alight's website <http://digital.alight.com/portfolio/>
- Click on "Beneficiaries" under the "Health and Insurance" menu.
- Select from your current listed dependents your desired beneficiary(ies) and/or add a new beneficiary. This can be your Estate, a Trust, an Organization, or a person.
- Confirm your selections and percentages (for multiple beneficiaries).
- Once you have confirmed your beneficiary elections, a form will be sent to you.

Based on your selected "Preferred Form of Correspondence", the form will be posted onto Alight's YBR website under the "Your Secure Mailbox" link or mailed to your address on file via Canada Post. Complete this form as requested and mail all pages to Alight by the deadline date indicated on the front of the form.

If you do not have access to the internet please contact the IBM Canada Benefits Centre. See *Contact Information* section.

## **TAXABLE BENEFITS & TAX FORMS**

**Retiree Life Insurance** (All Provinces): The value of your retiree life insurance coverage is taxable federally in all provinces. As the life insurance premium is paid for by IBM Canada it creates a taxable benefit. You will receive the applicable tax form annually based on the cost of your coverage. If you do not receive a tax slip, but feel you should have please contact the IBM Canada Benefits Centre listed in the contacts section.

**HCSA** (Quebec Only): In the province of Quebec, Health Care Spending Accounts paid by an employer are a taxable benefit and subject to income tax. You will receive the applicable tax form annually and this is to be included in your income tax return to the Minister of Revenue of Quebec. If you do not receive a tax slip, but feel you should have please contact the IBM Canada Benefits Centre listed in the contacts section.



## **PROVINCIAL HEALTH CARE AND DRUG BENEFITS**

Provincial drug programs provide you with coverage for drugs included on an approved provincial formulary. In most of the provinces, provincial coverage for prescription drugs starts at age 65. Provincial drug coverage is either automatic or by an application which is sent by the government approximately 3 to 6 months prior to reaching age 65. In some provinces you are required to pay part of the cost of your drugs (either a percentage of the cost or a flat dollar deductible). In many provinces, you must pay a set amount in order to be covered. In some provinces, coverage is only available for low-income families.

If you are eligible for provincial drug coverage, your provincial Medicare plan will be the first payer (in some instances, the only payer) for your prescription drug claims.

## **REGIE DE L'ASSURANCE MALADIE QUEBEC (RAMQ)**

The Quebec Prescription Drug Insurance Plan specifies a minimum level of drug coverage for Quebec residents. Coverage under this plan is provided by RAMQ (Régie de l'assurance maladie du Québec) or by administrators of private employee benefit plans, such as IBM.

- **Prescription drug reimbursement for IBM retirees in Quebec under age 65**

Eligible IBM retirees under age 65 are not eligible for RAMQ and are therefore covered by the IBM Plan instead. As a result, all RAMQ-eligible prescription drugs must be submitted for reimbursement under the IBM Plan. The Plan will reimburse these expenses by the amount prescribed by the Quebec government. Any amount left over can be submitted for reimbursement under the catastrophic coverage (subject to meeting the deductible) and your HCSA.

- **Prescription drug reimbursement for IBM retirees in Quebec age 65 or older**

Eligible IBM retirees age 65 and over are automatically enrolled for RAMQ coverage. Upon reaching age 65, retirees will have the choice to obtain RAMQ-eligible prescription drug coverage from either RAMQ or IBM. The cost of RAMQ coverage is subsidized by the provincial government.

IBM is required to offer drug coverage to IBM retirees in Quebec who are age 65 or older, as an alternative to provincial drug coverage (RAMQ). If you choose to retain drug coverage through IBM after age 65, you will be required to pay the cost of this coverage to IBM.

The IBM RAMQ-compliant plan coverage is not subsidized and the current annual premium is \$3,150 /person/year.

As a result, most retirees elect RAMQ coverage as the first payer for all their RAMQ-eligible prescriptions drugs. Under this arrangement you must submit all your RAMQ-eligible prescription drugs claims to RAMQ first, then, you can submit any unpaid amount to the IBM Plan for reimbursement under the catastrophic coverage (subject to meeting the deductible) and your HCSA.

# Your Benefits Resource Website

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## **PURPOSE OF Upoint**

The Your Benefits Resource (YBR) Website is managed by an outside vendor called Alight who has been our benefits administration vendor for nearly 20 years. You would access the Your Benefits Resource website to:

YBR Website Uses
<ul style="list-style-type: none"><li>• View your retirement plan</li><li>• View/print a copy of your current Flexible Retirement Plan booklet</li><li>• View/update/change your beneficiary for retiree life insurance</li><li>• View/update dependents on your plan. Note to remove you must call the IBM Canada Benefits Centre as listed in contacts</li><li>• Manage your communications – update your address, email, and phone number</li><li>• Use the chat feature to speak with a representative about policy questions, access, etc.</li></ul>



## **ACCESS YBR**

Your Benefits Resource (YBR) website is an external website that can be accessed from any internet connection. Your YBR **Access ID** and **Password** are required.

**Website:** <http://digital.alight.com/portfolio/>

**Forgot your password?** Click on “Forgot User ID or Password?” or call the IBM Canada Benefits Centre Option listed in the contacts section above.

# Sun Life Financial Website

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## **PURPOSE OF SUN LIFE FINANCIAL WEBSITE**

Sun Life financial continues to be your insurance provider for your retirement plan. As you move from an active plan to a retirement benefits plan your coverage will change from the active plan policy number **23000** to the retirement benefits plan policy **23540**. When you log into Sun Life using your existing client ID and password (the same one you used as an active employee) head to the Benefits Center for your post-retirement benefits plan:

<b>Sun Life Financial Website Uses</b>
<ul style="list-style-type: none"><li>• Submit claims against your catastrophic and HCSA plan</li><li>• Check the balance of your HCSA at any time along with expiry</li><li>• View/print a copy of your current Flexible Retirement Plan booklet</li><li>• Perform a drug or DIN lookup</li><li>• Obtain a copy of your drug card for best reimbursement with pharmaceutical purchases</li><li>• Look up service providers in your area including ratings and price ranges</li><li>• View delisted practitioners the plan will not cover</li></ul>

## **ACCESS Sun Life**

Sun Life Financial is an external website that can be accessed from any internet connection. Use your existing **Client ID** and **Password** that you used as an active member.

**Website:** [www.sunlife.ca/](http://www.sunlife.ca/)

**Forgot your password?** Click on “Sign-on help” or call Sun Life listed in the contacts section above.

# Additional Programs

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## **EMPLOYEE AND FAMILY ASSISTANCE PROGRAM (EFAP)**

The Employee and Family Assistance Program is a confidential, voluntary counselling and referral service. The program is designed to assist with personal or work-related issues before they become more serious. Issues include personal stress, grief and loss, relationship issues, communication, separation/divorce, family issues, addictions, etc. Contact the IBM Canada Benefits Centre for more information.

## **EMPLOYEE PURCHASE PROGRAM (EPP)**

Under the Employee Purchase Program, retirees may purchase selected IBM products suited for home use at a reduced price. Such products may not be used in any manner that conflicts with IBM's business interests. In addition, products purchased under the program may not be sold, donated, or otherwise transferred for six months. Contact the IBM Canada Benefits Centre for more information.

## **LIFEPLAN**

The Lifeplan program is designed to assist IBM employees and their families in maintaining a healthy lifestyle and work/life balance including smoking cessation, weight management, stress management, first aid, and CPR just to name a few. Contact the IBM Canada Benefits Centre for more information.

## **Discounts for IBMers**

Discounts for IBMers is a third party website that provides employees and retirees access to discount services and products that are not normally available to the general public. Visit the Discount for IBMers website to see what's available at [www.beneplace.com/IBMCA](http://www.beneplace.com/IBMCA)

# Frequently Asked Questions

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## **Will IBM increase the annual Health Care Spending Account (HCSA or Spending Account) allowance in the future?**

No. The amount of the HCSA was established considering the average retiree health care benefit costs, competitive data and the design of the Retiree Flexible Benefits Plan. IBM will not be increasing the annual Health Care Spending Account in future.

## **Will the Annual Premium and Annual Catastrophic Coverage Deductible increase in future?**

IBM will review the cost of the IBM Retiree Flexible Benefits Plan periodically and, based on plan experience, may need to increase the premiums and/or deductibles in the future.

## **What is my health coverage if I travel out of the country?**

If a retiree incurs emergency health care costs while traveling outside Canada, they will be required to pay the bill and then submit their expenses directly to their provincial health insurance plan for reimbursement. The retiree may then submit a claim utilizing their HCSA as the second payer for any portion of their expenses not reimbursed by their provincial plan, and be reimbursed up to their available HCSA balance. Out of country expenses are not eligible expenses toward the Annual Deductible. If you selected the Personal Emergency Travel Assistance Plan as a regular active employee, enrolment in this plan will automatically terminate upon your retirement. Depending on the individual circumstance, a retiree's portion of out of country health care costs could be quite substantial. Since IBM's Catastrophic Coverage does not cover out of country expenses, retirees should consider purchasing private health insurance if they travel outside Canada.

## **What's my health coverage if I live outside Canada and no longer qualify for provincial health care coverage?**

If you are a non-resident of Canada and no longer qualify or are no longer covered under your provincial health care plan, you may continue to submit **eligible** expenses utilizing your HCSA up to your available Spending Account allowance through the regular claims process. Out of country expenses are not eligible for reimbursement under Catastrophic Coverage and do not apply towards the Annual Deductible.

Contact your provincial health care office to notify them of your residency outside Canada and to understand the implications of your extended absence on your provincial health care coverage. You should also consider purchasing alternate health care coverage particularly if you no longer have provincial health care coverage.

## **Can I opt out of the Retiree Flexible Benefits Plan and then rejoin the plan at a later date?**

No, you cannot opt out of the Retiree Flexible Benefits Plan.

### **How do I obtain Retiree Flexible Benefits Plan claim forms?**

You may obtain additional claim forms by accessing Sun Life Financial Website or by calling the IBM Canada Benefits Centre (see *Contact Information* for details).

### **What if my family status changes after I retire?**

If you marry or increase the number of dependent children in your family after retirement, you cannot add your new spouse or dependent children to your profile as eligible dependents under the Retiree Flexible Benefits Plan. Only eligible dependents listed on your profile the day you retired from IBM were automatically added to your coverage under the IBM Retiree Flexible Benefits Plan. You can remove dependents from your plan coverage if they no longer meet the requirements under IBM's eligibility guidelines ('ineligible') for benefits coverage. You may not add new dependents for coverage after your date of retirement. If you want to remove a dependent from your information on file, please contact the IBM Canada Benefits Centre. A midyear coverage change to remove a dependent will not change your annual premium and annual catastrophic deductible until the following year.

### **How do I Change my Address or Phone Number?**

To ensure we can communicate important benefit plan information to you, please make sure you contact the IBM Canada Benefits Centre and advise them of your address change for benefits purposes. If you have a pension, you separately will need to contact your pension provider.

### **What happens to my health coverage if I die?**

In the event of your death, an appropriate person (your spouse, or relative, or friend) will need to notify the IBM Canada Benefits Centre as soon as possible. Any eligible dependents covered at the time of your retirement will continue to qualify for benefits under the Retiree Flexible Benefits Plan, as per the terms and conditions of the Plan.

### **Does IBM provide any other retiree benefits or services?**

As an IBM retiree, you will receive company paid life insurance coverage. The amount of your coverage is \$12,500 if you are under age 65 or \$10,000 if you are age 65 or older.

In addition, you are eligible for a number of other company sponsored plans, including the Employee Purchase Plan, Discounts for IBMers, and the Employee and Family Assistance Program (EFAP).