

HOW WORKING PAST AGE 65 AFFECTS YOUR LSC BENEFITS

Read this piece to learn key things to know about your health and welfare benefits if you work past age 65 (i.e., if you continue working for LSC Communications after you are Medicare-eligible).

Medical and Prescription Drug Coverage



If you are Medicare eligible and continue working, you can either continue or drop your coverage under the Medical and Prescription Drug Program for active employees.

If You Continue Your Current LSC Coverage...

- **Your LSC coverage will be primary over any Medicare coverage you also may have.** This means your LSC coverage will pay covered claims first.
- **Your LSC coverage is considered “creditable coverage,”** and, as a result, you can decide *not* to enroll in Medicare Part B (“Medical”) or Part D (“Drug”) coverage and not incur a penalty for late enrollment.
 - **In this case, you will receive a notice each year (usually in October or November) confirming your coverage for the year has been creditable for purposes of Part D coverage.** You will also receive a HIPAA privacy notice on separation that can show continuous coverage for Part B.
 - **It is important to save these notices** because when you later choose to enroll in Medicare, you will need to provide proof that you have had creditable coverage since becoming Medicare eligible to avoid late enrollment penalties.
- **Visit www.medicare.gov to learn more about** these penalties and other important information if you delay your Medicare enrollment.
- **AND if you elect an HSA-eligible medical option,** please see page 2 regarding the impact of Medicare.

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If You Enroll in Medicare and Drop Your Current LSC Coverage...

- This would be considered a qualifying event, and you would need to have it processed through the LSC Benefits Center at **1-888-681-2241**. You need to **report your qualifying event within 30 days of the date your Medicare coverage becomes effective**.
- It is important to **start the Medicare enrollment process early** (at least 90 days in advance of your Medicare eligibility) because coverage is not retroactive, and it can take considerable time for your enrollment to be processed by the Centers for Medicare and Medicaid Services (CMS).
- **IMPORTANT:** You can't report a qualifying event prior to the effective date. You must wait until your Medicare coverage takes effect to drop your LSC coverage through a qualifying event, and you only have 30 days from your Medicare effective date to report this qualifying event.

LOOKING AHEAD: What Happens When You Retire from LSC Communications

- It is best to **start working with the LSC Benefits Center two to three months *before* you plan to retire**.
- Active medical coverage ends on the date in which you separate from your employment.
- You may continue coverage for a period of time by electing COBRA.
 - **Because you will be Medicare eligible at the time you retire and it is automatically assumed you have enrolled in Medicare, any COBRA coverage you elect will be secondary to Medicare** when processing claims.
Note: This applies to the medical portion of Medicare (Parts A & B), not Part D coverage. If you haven't yet enrolled in Medicare Part B and you wish to continue COBRA, understand that COBRA will assume you have enrolled in Part B and will only coordinate any additional payment assuming what Medicare would have paid had you been enrolled. If you don't enroll in Part B coverage, you may have additional out-of-pocket expenses.
 - **If you choose not to elect COBRA coverage for yourself because you have Medicare**, you can elect COBRA coverage for your dependents.
 - **Your COBRA coverage will continue until the end of your qualifying COBRA coverage period** as long as you make your required monthly premium payment. **Note:** If you enroll in COBRA and later become Medicare eligible, your COBRA coverage will terminate automatically as of your Medicare eligibility date.

Health Savings Account (HSA)



Once you enroll in Medicare, you are *no longer eligible to contribute to a Health Savings Account (HSA)*. This occurs even if just the automatic Medicare Part A (“Hospital”) coverage goes into effect. So unless you actively decline Part A coverage, you need to take steps to stop any HSA contributions you may be making as a participant in an HSA-eligible medical option. (If your business segment provides an employer seed regardless of if you choose to contribute or not, you will also need to opt out if you become Medicare-eligible or if you do not wish to receive the employer seed.) To do so, please go to **mylscbenefits.com** and click on “LSC Benefits Center,” or contact the LSC Benefits Center at **1-888-681-2241**. **Note:** You are responsible for any tax consequences if you do not take action to stop HSA contributions.

You can, however, continue to draw on your HSA funds tax-free for out-of-pocket qualified medical expenses, including certain premiums, deductibles, copays and coinsurance. For details on eligible expenses, consult IRS Publication 502 at **www.irs.gov**.



Long-term Disability (LTD) Benefits

The maximum duration for which benefits may be paid if you become disabled reduces annually if you become disabled after age 60. For more information, please visit **mylscbenefits.com**.

Maximum Duration of LTD Benefits

Age When Disabled	Benefits Payable
Before Age 60	To Age 65
At age 60, before age 61	60 months
At age 61, before age 62	48 months
At age 62, before age 63	42 months
At age 63, before age 64	36 months
At age 64, before age 65	30 months
At age 65, before age 66	24 months
At age 66, before age 67	21 months
At age 67, before age 68	18 months
At age 68, before age 69	15 months
Age 69 and over	12 months

Life and AD&D Insurance



The amount of life insurance for active employees age 65 and older is subject to annual age reductions in accordance with the Plan. For more information, please visit mylscbenefits.com.

Basic Life – Age Reduction Rules

If you are age:	Your insurance amount will be this percentage of your Basic Life amount*:
65	92%
66	85%
67	78%
68	72%
69	66%
70	63%
71	59%
72	57%
73	54%
74	51%
75	49%
76	48%
77	47%
78	45%
79	44%
80 and over	Coverage will reduce 1% per year

*Note: This is based on the amount of Basic Life insurance you would have been eligible for on the day prior to the first day of the month in which you attain age 65.

Accidental Death & Personal Loss – Age Reduction Rules

If you are age:	Your insurance amount will be this percentage of your Accidental Death & Personal Loss coverage amount**:
70	65%
75	45%
80	30%
85 and over	15%

**Note: This is based on the amount of coverage you would have been eligible for on the day prior to the first day of the month in which you attain age 65.

! More Information

- **If you have questions about your benefits and eligibility**, please call the LSC Benefits Center at **1-888-681-2241**, Monday through Friday from 7:00 a.m. to 7:00 p.m. CT.
- **For guidance on working past age 65**, contact the Social Security Administration at **1-800-772-1213**.
- **To learn about what happens if you start Social Security while still working**, go to <http://www.ssa.gov/pubs/EN-05-10069.pdf>.

IMPORTANT: The descriptions provided in this document are based on the official LSC Group Benefits Plan and LSC Flexible Benefits Plan (collectively, the “Plan”) documents. Every effort has been made to ensure the accuracy of this material. In the unlikely event there is a discrepancy between this document, the Summary Plan Description (SPD), Summaries of Material Modifications (SMMs), Summary of Benefits and Coverage (SBC) or any other materials summarizing the Plan and the official Plan documents, the official Plan documents will control. LSC Communications LLC reserves the right to amend, change or terminate any or all of the benefit plans it sponsors, including without limitation, the Plan and the LSC Separation Pay Plan, in whole or in part, at any time.