

2017 Koch Enrollment Guide

for Interns and Co-ops

Welcome

As an intern or co-op student working at a Koch company, we want to make it simple and convenient for you to obtain medical coverage for yourself and your dependents. The Affordable Care Act (ACA) has specific mandates in place requiring individuals to have medical coverage, or pay a penalty. Koch offers the Bronze medical plan option to you and your eligible dependents. This plan option meets the ACA requirements for medical coverage.

Enrolling in the Bronze medical plan option is not required, and there may be other options available to you to meet the ACA medical coverage requirement and provide the level of medical coverage you need (e.g. parent's or spouse's coverage; certain government provided coverage).

It's important to know that being covered by more than one medical plan doesn't mean you get twice the coverage. Most medical coverage, including Koch's, utilizes coordination of benefits rules where one plan becomes your primary plan. It pays your claims first. Then, the second plan pays toward the remaining covered claim expenses – if any. If you have other coverage, you should review the benefits in each plan to determine whether you will receive any additional benefit from being covered by two plans.

Eligibility for Medical Coverage

You are eligible for the Bronze medical plan option if you are defined as an "Intern or Co-op" and work 30 or more hours per week.

The following dependents are eligible for coverage:

- Your spouse
- Your children under age 26
- Your children over age 26 who were incapacitated prior to age 26

You have 31 days from your eligibility date to enroll in benefits via Employee Self Service (ESS). Find more detail under the "How to Enroll" section of this guide.

Your effective date of coverage will be the first of the month after your hire date. For example, if you were hired on January 7, 2017, and you enrolled in the Medical plan, your effective date of coverage would be February 1, 2017.

Qualified Status Changes

If you elect to be covered under the plan, your election for the year is irrevocable unless you experience a qualifying change in status. You have within 31 days of such qualifying status change event to notify the HR Service Center. If you miss this deadline, you must wait until the next open enrollment period to make changes to your benefits.

A qualifying change in status event includes marriage, divorce, addition or loss of a dependent, a change of work status for you or your spouse, and/or a loss of other coverage.

Medical Plan Summary

Tier	Monthly Rates – Tobacco Free	
Employee Only	\$7	
Spouse (additional cost)	+ \$10	
Child (additional cost, per child)	+ \$3	
Annual Deductible	Network	Out-of-Network
Employee Only	\$6,000	\$8,000
Employee + Dependents	\$12,000	\$16,000
Annual Out-of-Pocket Maximum	Network	Out-of-Network
Employee Only	\$6,000	\$8,000
Employee + Dependents	\$12,000 ¹	\$16,000
Plan Pays	Network / Out-of-Network	
Inpatient Hospital	100% after deductible	
Most Other Covered Services	100% after deductible	
Prescription Drugs Retail	100% after deductible	
Preventive Medications (a 90-day prescription filled by Mail Order or CVS retail location, including Target)	100% after copay: Generic - \$5 Brand with no generic alternative - \$40 Brand with a generic alternative - \$60 OR \$5 + cost difference between the brand drug and generic drug alternative ²	
Preventive Care	100%, no deductible	

¹ The network Annual Out-of-Pocket Maximum amount for any individual enrolled in a plan with family coverage is capped at \$7,150 for 2017.

² The "pay the difference" provision applies for brands with a generic alternative. In order for the "pay the difference" provision to not apply, you must obtain an approval of your physician's request for an exception with CVS/Caremark.

Tobacco-Free Medical Premium Savings - Save \$75 each month

You are eligible for the tobacco-free premium for medical insurance if you confirm that you and your covered dependents (age 18 or older at the time your coverage begins) will not use any tobacco products through 2017. In order to be considered tobacco-free, you and your dependents may not use e-cigarettes or any other forms of tobacco or nicotine vaporizers. The tobacco-free medical premium is considered a wellness program. If you think you might be unable to meet a standard for receiving the tobacco-free medical premium savings under this wellness program, you might qualify for an opportunity to earn the same reward by different means. Contact the HR Service Center at (800) 700-3365 and we will work with you (and, if you wish, with your doctor) to provide a reasonable alternative to receive the same savings that is right for you in light of your health status.

Medical and Pharmacy Services

If you enroll in the plan, your medical benefits will be administered by Anthem Blue Cross Blue Shield ("Anthem") and your prescription drug benefits will be administered by Caremark. Shortly after your enrollment has been processed, you will receive separate ID cards from Anthem and Caremark to use in obtaining medical services and prescriptions, respectively. Anthem has a broad national network of medical providers and you will also have access to Caremark's national network of retail pharmacies, mail-order pharmacy and specialty pharmacy.

Health Savings Account

If you elect the Bronze medical plan option, you may be eligible to open a Health Savings Account (HSA) to be used for eligible expenses. An HSA is not an employer-sponsored plan through Koch, but does provide a pre-tax payroll deduction option and can help pay for eligible medical, dental, prescription and vision expenses, including expenses that apply to your Annual Deductible.

- Unused HSA balances remain in your account for future eligible expenses
- HSAs are used to reduce the out-of-pocket expenses employees face
- HSAs also can be used to cover expenses applied to Annual Deductibles

If you elect an HSA contribution for 2017, KBS will initiate the opening of your Health Savings Account with Bank of America on your behalf. If you do not want to open an HSA with Bank of America, you must WAIVE your HSA contribution for 2017.

For more information about an HSA, visit the U.S. Department of the Treasury website at www.treasury.gov.

Employee Assistance Program (EAP)

Whether you want to resolve a stressful situation, find child or elder care resources, or get advice about a financial concern, your EAP can help. The EAP is available to you at no cost. You have 24/7 access to confidential, in-person support to help you get through life's challenges, such as:

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| • Workplace effectiveness | • Parenting | • Depression |
| • Time management skills | • Child or elder care | • Alcohol or drug dependency |
| • Communicating effectively | • Overcoming anxiety | • Physical abuse |
| • Managing stress | • Strengthening personal relationships | • Financial planning |
| • Compulsive gambling | • Legal questions | • Coping with grief and loss |

Eligible members, including you and your family members, receive up to six free outpatient counseling sessions, per problem, per year. For more information, visit www.magellanassist.com, or call (800) 523-5668.

How to Enroll

From the Internet: Go to https://myhr.kochind.com/selfservice	From the Intranet: go to Koch myHR from your company's homepage
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- Enter your e-mail address and network password, if necessary
- Go to **"my Benefits"** and click the **"Expand"** icon
- Click on your enrollment link in the **"My Enrollment"** section
- Select the **"Enroll Now"** button to begin the enrollment process
- Make Your Benefit Choices
- To confirm your elections, click the **"Save"** button
- Click the **"Print Benefit Confirmation Statement"** link at the top of the page to get your Confirmation Statement

Note: Carefully review your Confirmation Statement online to make sure your benefit choices are accurate. **Your Confirmation Statement is your verification of the benefits that have been submitted.**

Assistance During Enrollment

Contact the KBS HR Service Center with any questions about your enrollment or plans:
(800) 700-3365, Monday – Friday, 8:00 am to 6:00 pm (Eastern)

For technical issues with ESS, please call the KBS Service Desk: **(888) 999-5827**

2017 BENEFITS VENDOR CONTACT INFORMATION			
Vendor	Benefit	Phone Number	Website
Anthem Blue Cross Blue Shield	Medical	(866) 485-1805	Anthem.com
Anthem 24/7 Nurse-line	Medical – Nurse-line	(877) 875-9093	
CVS/Caremark	Prescription Drug	(800) 521-3203	Caremark.com
Bank of America	Health Savings Account	(800) 718-6709	Healthaccounts.bankofamerica.com
Magellan Health	Employee Assistance Program	(800) 523-5668	magellanassist.com

ANNUAL NOTICE A COMPANY SPONSORED MEDICAL PLAN IMPORTANT NOTICE REQUIREMENT BY FEDERAL LAW

Your Medical Benefits Program, as required by the Women's Health and Cancer Rights Act of 1998, provides benefits for mastectomy-related services, including all stages of reconstruction and surgery to achieve symmetry between the breasts, prostheses, and complications resulting from a mastectomy (including lymphedemas). You may contact the claims administrator for your medical plan to receive additional information.

Koch Industries, Inc. reserves the right to make changes at any time to the benefits, costs, and other provisions relative to benefits. This 2017 Enrollment Guide is designed to explain generally how the enrollment process works. If there appears to be a conflict between this

guide and the plan document, or contracts and certificates, the terms of the plan document or contracts and certificates will control. In the event you have questions concerning your benefits during enrollment, it is advisable to review the Summary Plan Description ("SPD").