



**KOCH**  
TM

BUSINESS SOLUTIONS

# 2017 New Hire Guide

**The Decision is Yours!**

# Welcome to Koch

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## Welcome

Access to affordable, quality health care is something that is important to all of us. With health care costs constantly rising, we both play a role in managing those costs. Your employer and Koch Business Solutions (KBS) strive to come up with innovative ways to offer quality coverage while managing rising costs. We believe you will find our plan options allow you the opportunity to select coverage that is right for you and your family. There are many decisions you will make during your career. We are excited about the one you've made to join Koch Industries. Please take the time to review the materials and resources so that your next decision about benefits will cover your and your family's needs.

If you have questions contact the KBS Human Resources Service Center at (800) 700-3365.

## Tools to Help You Decide (see pgs. 22-23)

- [YourKochBenefits.com](#) – We have a site to help you understand your medical plan options. Access it any time, anywhere – which means your family can view the site, too!
- Plan Comparison and HSA Videos – available to help you better understand the plan options and the HSA.
- ALEX, your virtual benefits counselor – he's there 24/7 to help you and your family decide.

## Three Ways to Maximize Your Health Care Dollars in 2017!

### 1 Choose the Right Medical Plan Option

Use *ALEX®*, your virtual benefits counselor (page 22) to help you choose the Medical Plan Option that's right for you and your family and much more!



If you do not enroll for coverage within 31 days of your hire date, you will not have coverage and must wait until the next Open Enrollment period to enroll — unless you experience a qualified status change.

### 2 Tobacco-Free Savings

Pay lower monthly health care premiums if you and your covered dependents (age 18 or older at the time your coverage begins) are tobacco free during the Plan year.



### QUESTIONS

If you have questions about your benefits after reading this guide, contact the KBS HR Service Center at (800) 700-3365 or the plan's claims administrator.

### 3 Health Savings Account (HSA) Tax Savings

Save for your current AND future health care expenses. Koch offers a Health Savings Account (HSA) that makes it easy to pay for eligible health expenses (including deductibles) for yourself or a family member.

## UPON ENROLLMENT, NEW BENEFIT COVERAGE BEGINS

First day of the month following your date of hire or immediately if your hire date is the first day of the month.

# Koch Benefits at a Glance

Benefit Plan	Coverage Options	Who is Eligible for Coverage	Who Pays
<b>Medical</b> (Includes: Prescription Drug, Mental Health and Substance Abuse)	<ul style="list-style-type: none"> <li>No coverage</li> <li>Koch Gold Plan Option</li> <li>Koch Silver Plan Option</li> <li>Koch Bronze Plan Option</li> </ul>	Employee and eligible dependents	Koch and you
<b>Dental</b>	<ul style="list-style-type: none"> <li>No coverage</li> <li>Koch Dental – Base Option</li> <li>Koch Dental – Enhanced Option</li> </ul>	Employee and eligible dependents	Koch and you
<b>Vision</b>	<ul style="list-style-type: none"> <li>No coverage</li> <li>Vision Plan</li> </ul>	Employee and eligible dependents	You
<b>Basic Life Insurance</b>	<ul style="list-style-type: none"> <li>\$50,000</li> </ul>	Employee only	Koch
<b>Voluntary Life Insurance</b>	<ul style="list-style-type: none"> <li>No coverage</li> <li>Coverage in multiples of \$10,000, up to ten times your pay or \$2.5 million, whichever is less</li> </ul>	Employee only	You
<b>Accidental Death &amp; Dismemberment (AD&amp;D) Insurance</b>	<ul style="list-style-type: none"> <li>No coverage</li> <li>Coverage in multiples of \$10,000, up to ten times your pay or \$2 million, whichever is less</li> </ul>	Employee and eligible dependents	You
<b>Spouse Life Insurance</b>	<ul style="list-style-type: none"> <li>No coverage</li> <li>Coverage in multiples of \$25,000, up to \$250,000</li> </ul>	Spouse	You
<b>Dependent Child(ren) Life Insurance</b>	<ul style="list-style-type: none"> <li>No coverage</li> <li>Coverage of \$5,000, \$10,000 or \$20,000</li> </ul>	Dependent child(ren)	You
<b>Short-Term Disability</b>	<ul style="list-style-type: none"> <li>No coverage</li> <li>60% of weekly base salary</li> </ul>	Employee only	Koch and you
<b>Long-Term Disability</b>	<ul style="list-style-type: none"> <li>No coverage</li> <li>60% coverage of monthly pre-disability earnings (up to \$25,000 monthly)</li> </ul>	Employee only	Koch and you
<b>Employee Assistance Program (EAP)</b>	<ul style="list-style-type: none"> <li>Counseling, legal advice, financial advice and more</li> <li>No election required</li> </ul>	Employee and household members	Koch

# Eligibility

As a Koch employee, you are eligible for benefits coverage, including the medical and dental plans, if you:

- ✓ Are employed in the United States and
- ✓ Work 30 or more hours per week.

## Eligible Dependents

Before you select your medical, dental or vision benefits, determine who you need to cover. The following dependents are eligible for coverage:

Medical Plan Coverage	Dental & Vision Plan Coverage
✓ Your legal spouse,	✓ Your legal spouse,
✓ Your children under age 26, and	✓ Your unmarried children under age 19 and financially dependent on you,
✓ Your child who is incapacitated and financially dependent on you. <sup>1</sup>	✓ Your unmarried children under age 25 who are full-time students and are financially dependent on you, and
	✓ Your child who is incapacitated and financially dependent on you. <sup>1</sup>

In order for your dependents to receive medical, dental or vision coverage, you must be covered and you must elect medical, dental or vision coverage for each eligible dependent.



### What Is Incapacitated?

This means being severely mentally or physically disabled and the inability to be self-sufficient.

### What Is Financially Dependent?

A child is considered to be financially dependent on you if you can claim such child as a dependent on your federal income tax return.

<sup>1</sup> Your child must be deemed incapacitated (see definition above) in accordance with the terms of the Plan before age 26 to be eligible for medical coverage under this provision, and before age 19 (or age 25, if a full-time student) to be eligible for dental and vision coverage. In addition, periodic medical documentation that your child remains incapacitated is required to continue coverage.

## Dependent Eligibility Verification

You will be required to provide proof that any dependents you elect to cover for medical, vision and/or dental benefits meet the criteria for coverage as eligible dependents. If you enroll any dependents for medical, vision and/or dental benefits, you will receive a separate request to provide the appropriate documentation for your dependents. It is important to assemble and submit the required documents to our dependent verification vendor, Budco, in a timely manner for any dependents you elect to cover.

**All unverified dependents will be removed from coverage.**

## Who Pays the Cost of Your Health Care Claims?

Like many large employers, Koch is self-insured. That means Koch and its employees — *YOU* — pay 100% of medical costs. Koch pays the majority of these costs, and you, as an employee, pay your share through employee premiums and out-of-pocket costs, such as deductibles, coinsurance and, in some cases, copays. For example, if you have surgery, Koch pays any expenses beyond what you pay. If the allowed amount of surgery is \$10,000 and your out-of-pocket cost (deductible and coinsurance) is \$2,000, the remaining \$8,000 is paid directly by Koch — not Anthem, who is our health care claims administrator. As you can see from the math, we all win when we keep our costs down and our health and productivity up.

### Important!

Repeated attempts to add ineligible dependents may result in the loss of benefits eligibility for that employee and all covered dependents under the plan in which the ineligible dependent(s) were added.

Your request for proof of dependent eligibility will come via mail from BUDCO, the dependent verification vendor used by Koch.



# Paying for Coverage



**How do I pay my employee premiums?**

They are withheld from your paycheck through regular payroll deductions.



**Will the employee premiums change?**

They might during Open Enrollment for the next plan year. If the amount does change, you will be notified.



**How are the medical and dental premiums calculated?**

It depends on the how many people you choose to cover. There is a separate price for each person — employee, spouse and child.



**Why is there a different price for each person?**

Each employee has different needs for coverage and family sizes vary. Below are some examples of monthly premiums for employees and their covered dependents:

**Sue is covering herself, her husband and their daughter with the Silver medical plan option.**



Sue's monthly premium: **\$21**



Husband's monthly premium: **\$38**



Daughter's monthly premium: **\$18**

**Total monthly premium for Sue and her family: \$77**

**Joe is covering himself, his wife and five children with the Gold medical plan option.**



Joe's monthly premium: **\$44**



Wife's monthly premium: **\$71**



Child #1 monthly premium: **\$30**



Child #2 monthly premium: **\$30**



Child #3 monthly premium: **\$30**



Child #4 monthly premium: **\$30**



Child #5 monthly premium: **\$30**

**Total monthly premium for Joe and his family: \$265**



The monthly premiums shown above may not represent actual premiums.

# Changing Your Benefit Elections During The Year

You can change your benefit elections when you experience a qualifying change in status. You have within 31 days of such event to notify the KBS HR Service Center and make a change to your election. 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, legal separation or annulment
- Birth, adoption or placement for adoption
- Death of a dependent
- Change in employment status for your dependent
- Spouse's retirement
- Becoming eligible for Medicare
- Loss of eligibility for other health care coverage
- Child's loss of student status (dental and vision coverage only)



When you have a qualifying change in status, you must notify the KBS HR Service Center and make a change to your election within 31 days of such event. Go to ESS or call (800) 700-3365.



# Benefit Terms

## Monthly Premium

The amount you pay via paycheck deductions for your coverage.

## Copays

The flat dollar amount you pay for certain services. For some prescriptions, this is the only fee you pay.

## Annual Deductible

The amount of eligible covered expenses you pay each year before the plan begins to pay benefits, with the exception of certain preventive care services or medications which the plan pays for before the deductible.

## Coinsurance

The percentage of eligible covered expenses you pay after you meet your deductible. The plan pays any remaining charges.

## Annual Out-of-Pocket Maximum

The maximum you have to pay (out of your pocket) in a calendar year for eligible covered expenses. Once your share of covered expenses reaches the out-of-pocket maximum, the plan pays 100% of eligible expenses for the remainder of the calendar year. Your deductible and coinsurance count toward your out-of-pocket maximum.

## Maximum Allowed Amount

The Maximum Allowed Amount is the maximum amount of reimbursement the claims administrator will allow for services and supplies that meet the medical coverage's definition of Covered Service.

## Negotiated Fee

The amount charged for a covered service based on the contractual relationship between an insurance company and a provider.

## Explanation of Benefits (EOB)

Although an EOB may look like a medical bill, it actually gives you details regarding how your health plan processed your medical claim and outlines who owes what. The EOB includes the total amount billed, the amount paid to the health care provider, as well as any deductible or coinsurance you may owe on the claim.



## Tobacco-Free Premium Savings<sup>1</sup> for Medical and Dental Insurance

**Medical and Dental:** You are eligible for the tobacco-free premium for medical and/or dental 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 during the Plan year. 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.

<sup>1</sup> 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 KBS 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 Plan Features

This section provides an overview of the features for the Koch Gold, Silver and Bronze plan options. As you review this information, take a look at the features that may be important to you, such as premiums, annual deductibles and tax-free savings opportunities. Each situation is different, so be sure to take the time to decide which plan option is right for you and your family.

## How are the plan options the same?



Gold



Silver



Bronze

Preventive Care <sup>1</sup>	Koch pays 100% without you having to meet your deductible
Office, Hospital, Emergency Room and Prescription Drugs <sup>2</sup>	<p>Before you meet your deductible</p> <p>You pay 100%</p> <p>After you meet your out-of-pocket maximum</p> <p>Koch pays 100%</p>
Preventive Medications (a 90-day prescription filled at Mail Order or a CVS Retail pharmacy, including Target)	\$5 generic \$40 brand (no generic) Brand (generic available) \$5 copay + cost difference between the brand drug and generic drug alternative <sup>3</sup>
Covered Services	All three plan options cover the same medical services.
Provider Network	All three plan options use the same Anthem Blue Cross Blue Shield network.
Tobacco-Free Medical Premium Savings	Save \$75 each month for all three plan options.
Health Savings Account (HSA)	Eligible
Health Flexible Spending Account (FSA)	Eligible

<sup>1</sup> Subject to certain limits based on clinical guidelines used by the claims administrator.

<sup>2</sup> Applies to prescription drugs not considered preventive.

<sup>3</sup> The “pay the difference” provision described on page 11 applies. 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.



All three medical plan options offer out-of-network coverage, but you pay more when you use out-of-network providers.



## How are the plan options different?

	 Gold	 Silver	 Bronze			
	Employee Only	Family	Employee Only	Family	Employee Only	Family
<b>Deductible</b>	\$1,400	\$2,800	\$2,400	\$4,800	\$6,000	\$12,000
<b>Out-of-Pocket Maximum</b>	\$3,000	\$6,000	\$4,000	\$8,000 <sup>1</sup>	\$6,000	\$12,000 <sup>1</sup>
<b>Medical Services Coinsurance</b>	Koch pays 90% after deductible You pay 10% after deductible	Koch pays 80% after deductible You pay 20% after deductible	Koch pays 100% after deductible			
<b>Prescription Drugs</b>	See Pages 10-11					

**Note:** All coverage amounts above show in-network providers.

<sup>1</sup>Due to a new requirement under ACA, the Out-of-Pocket Maximum amount for any individual enrolled in a plan with family coverage is capped at \$7,150 for 2017.



## How much do the plan options cost per month?

	 Employee	 Spouse	 Per Child
 Gold	\$44	\$71	\$30
 Silver	\$21	\$38	\$18
 Bronze	\$7	\$10	\$3

**Note:** All premiums above reflect tobacco-free employees/families. Employees who select tobacco-user status will pay an additional \$75 per month.

# Prescription Drug Benefits

		
	Plan pays	Plan pays
<b>Generic Prescriptions</b>	<input checked="" type="checkbox"/> 80% after deductible	
<b>Brand on the PDL<sup>1,3</sup></b>	<input checked="" type="checkbox"/> 75% after deductible	<input checked="" type="checkbox"/> 100% after deductible
<b>Brand not on the PDL<sup>1,3</sup></b>	<input checked="" type="checkbox"/> 50% after deductible	
<b>Preventive Medications<sup>2</sup></b>		<input checked="" type="checkbox"/> 100% after copay
Generic		\$5 copay
Brand with no generic available		\$40 copay
Brand with generic available <sup>3</sup>	\$5 copay + cost difference between the brand drug and generic drug alternative	

<sup>1</sup> PDL = Performance Drug List, which is available on [www.caremark.com](http://www.caremark.com).

<sup>2</sup> The copay only applies if you purchase a 90-day supply of a preventive medication via mail order or at a CVS retail pharmacy (including Target). If not, you must purchase up to a 30-day supply and it will be subject to deductible and coinsurance.

<sup>3</sup> The “pay the difference” provision described on the following page applies. 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.

## Preventive vs. Maintenance Drugs: Know the Difference



*Preventive medications* can help prevent the onset of a disease or condition from occurring, making them a powerful tool for staying healthy. Those taking preventive medications have developed risk factors for a disease that has **not** yet become a health issue.

*Maintenance medications* help treat diagnosed long-term or chronic conditions that require daily doses of medication, such as ADHD (Intuniv, Straterra), Allergies (Clarinex) and Gout (Allopurinol, Uloric).

Refer to [YourKochBenefits.com](http://YourKochBenefits.com) for a detailed list of covered preventive medications. This list is subject to periodic modifications as dictated by the governing regulatory agencies.

# Prescription Drug Benefits

## SAVE MONEY AND TIME WITH MAIL ORDER DIRECT

You must use mail order or a CVS retail pharmacy (including Target) to purchase a 90-day supply of medication.



### Three Ways to Sign Up for Mail Orders



#### Online



Go to **Caremark.com** and sign in or register. Click on "Order Prescriptions," then click "Request a New Prescription" to enter your information.

#### Phone



Call **(800) 521-3203** – be ready with doctor, medicine and mailing information and your prescription payment method.

#### Doctor



Have your doctor submit your prescriptions electronically, by fax or over the phone.

#### Pay the Difference Provision

If you choose to fill a brand drug that has a generic equivalent, you will pay the cost of the generic drug as covered by the plan, plus the difference in cost between the two.



# Annual and Legal Notices



## MEETING THE INDIVIDUAL MANDATE

The individual mandate is a requirement through the Affordable Care Act requiring most Americans to obtain health coverage or pay a tax penalty.

In addition to the Koch medical plan, you may also satisfy the individual mandate by being covered under certain government provided coverage (e.g. Medicare, Tricare, etc.); through a state or Federal marketplace (e.g. [www.healthcare.gov](http://www.healthcare.gov)); or if it meets certain requirements, through a spouse's or parent's employer plan.



## AVAILABILITY OF SUMMARY OF BENEFITS AND COVERAGE

You have been provided with a Summary of Benefits and Coverage (SBC), which summarizes important information about any health plan options in a standard format, to help you compare across options and make an informed choice. The SBC will be available online at [www.YourKochBenefits.com](http://www.YourKochBenefits.com) and via ESS through Koch myHR. A paper copy is also available, free of charge, by calling the KBS HR Service Center at (800) 700-3365.



### DID YOU KNOW?

The Bronze Plan is a low-cost option to meet ACA's individual health insurance mandate.

## 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.

# Flexible Spending Accounts (FSAs)

Flexible Spending Accounts (FSAs) can help you save money because they are tax-free. You do not pay federal, state or Social Security taxes on the money you put in your Flexible Spending Accounts.

## There are two accounts:

- Health Care FSA
- Dependent Care FSA



Surency administers Koch's Flexible Spending Accounts. You will receive a card in the mail; this card acts like a debit card for your medical expenses.

Go to [www.surency.com/Koch](http://www.surency.com/Koch) for more information.



## Dependent Care FSA

The Dependent Care Flexible Spending Account (FSA) is designed to help you save tax dollars on employment-related child care services, elder care or care for a disabled spouse or dependent that you usually pay with after-tax dollars.

- To contribute to the Dependent Care FSA in 2017, you must enroll.
- Contributions are taken from your pay in equal amounts throughout the year before federal and state taxes are withheld. For 2017, the annual maximum contribution for you and your spouse is \$5,000 (\$2,500 per parent, if married and filing separately)\*.
- A complete list of eligible expenses and IRS rules for the Dependent Care Tax Credit is in IRS publication 503, Child and Dependent Care Expenses, available from the IRS at [www.irs.gov](http://www.irs.gov) or by phone at (800) TAX-FORM.

\* A lower annual contribution limit may apply to certain highly compensated Koch employees.

## Health Care FSA

Koch offers a Health Care Flexible Spending Account (FSA). Keep in mind, that if you enroll in the Gold, Silver or Bronze Plan the Health Savings Account (HSA) is another option. You cannot enroll in both a Health Care FSA and an HSA.

- Contribute as little as \$100 or as much as \$2,550 a year through regular payroll deductions.
- The entire pledged amount is available immediately upon the effective date.
- The Health Care FSA does not roll over from year-to-year.

Go to [www.surency.com/Koch](http://www.surency.com/Koch) for a complete list of eligible expenses.

# Health Savings Account (HSA)

## Triple Tax Advantage with the Health Savings Account (HSA)



Tax-Free Savings<sup>2</sup>

## Important HSA Actions

- If you elect an HSA contribution, 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.
- Remember, you can make changes to your HSA contribution amount at any time during the year.
- The HSA monthly maintenance fee with Bank of America is \$0.75, and this fee is waived for balances above \$2,999.

<sup>1</sup> Certain states do not exclude HSA contributions from state income tax.  
<sup>2</sup> Please consult your tax advisor regarding your individual tax situation.

## Use the HSA to Save for Retirement

Bank of America has an HSA Balance and Tax Savings Calculator to help you see how your balance can grow over the years with savings and compounding interest. Go to [http://promo.bankofamerica.com/hsa\\_insurance/tools/HSAFutureBalance.html](http://promo.bankofamerica.com/hsa_insurance/tools/HSAFutureBalance.html) to find out how to use your HSA to save for retirement.



## Health Savings Account



## Learn More

Watch the HSA informational video at [www.YourKochBenefits.com](http://www.YourKochBenefits.com) and learn more about how you can benefit from a Health Savings Account (HSA).

# HSA vs. FSA

The following chart compares the attributes of the Health Savings Account (HSA) and the Health Care Flexible Spending Account (FSA) to help you make the right choice.

	<b>Health Savings Account (HSA)</b>	<b>Health Care Flexible Spending Account (FSA)</b>
<b>CONTRIBUTION LIMITS</b>	<p>\$3,400 for Employee Only coverage </p> <p>\$6,750 for Family coverage </p> <p>The “catch-up” contribution for individuals who are 55 or older in 2017 is \$1,000.</p>	<p>\$100 minimum annual contribution</p> <p>\$2,550 maximum annual contribution</p>
<b>USE FOR MEDICAL EXPENSES AND ELIGIBLE OVER-THE-COUNTER ITEMS<sup>1</sup></b>	Same for both the HSA and FSA Eligible expenses as defined by the IRS	
<b>USE FOR DENTAL AND VISION EXPENSES</b>		
<b>TOTAL ANNUAL CONTRIBUTION AVAILABLE IMMEDIATELY UPON EFFECTIVE DATE</b>	 You must have enough money in the account to pay any expenses from your account.	
<b>DEBIT CARD</b>		
<b>USE FOR ELIGIBLE EXPENSES DURING RETIREMENT</b>		

<sup>1</sup> A complete list of eligible expenses that qualify as medical expenses is in IRS publication 502, Medical and Dental Expenses, available from the IRS at [www.irs.gov](http://www.irs.gov) or by phone at (800) TAX-FORM.

*continued on next page*

## HSA vs. FSA (continued)

	Health Savings Account (HSA)	Health Care Flexible Spending Account (FSA)
USE FOR DEPENDENT CARE		X
CAN EARN INTEREST AND INVESTMENT INCOME <sup>1</sup>	✓	X
TAKE WITH YOU IF YOU LEAVE KOCH	✓	X
ROLL OVER FROM YEAR-TO-YEAR	✓	X You must request reimbursement for eligible 2017 expenses by March 31, 2018. <b>Unused funds are forfeited.</b>
MID-YEAR ENROLLMENT ELECTION CHANGE	✓ You may change the amount you elect to contribute to the HSA via ESS anytime.	✓ However, you must satisfy the requirements for a qualifying status change.
NEED TO SAVE RECEIPTS AND PROVIDER INVOICES		✓ Save all of your receipts, including explanations of benefits, throughout the year, even when using your debit card. You may be asked to substantiate your expenses.
KOCH IS THE PLAN SPONSOR	X You own this account. If you use Bank of America, Koch can facilitate pre-tax payroll deductions	✓

<sup>1</sup> You are not taxed on any interest or earnings credited to your account, as long as any money you withdraw is used to pay for qualified health care expenses.

# Dental Plan

You have two Dental Plan options – Base and Enhanced.

- Base Option
- Enhanced Option – Pay more to get more. The Enhanced Option offers more coverage than the Base Option for a higher monthly premium.
  - More annual maximum coverage
  - More orthodontia lifetime maximum coverage
  - More coverage for Major Care, such as crowns, bridges and more

## Claims / Network Administrator



Dental Options	Base	Enhanced
Annual Deductible (Per Person/ Per Family)		\$50/150
Annual Maximum	\$1,500	\$2,500
Lifetime Orthodontic Maximum	\$1,500	\$2,000
Preventive	100%	
Basic	80% after deductible	
Major	50% after deductible	75% after deductible
Orthodontic	50% after deductible	

## Monthly Dental Premiums

	Employee	Spouse	Per Child
Base Tobacco-Free	\$11.50	\$13.00	\$10.00
Base Tobacco-User	\$16.50	\$13.00	\$10.00
Enhanced Tobacco-Free	\$18.00	\$19.50	\$16.00
Enhanced Tobacco-User	\$23.00	\$19.00	\$16.00



It's important to remember that regular dental check-ups can help you avoid more serious dental care and its cost.

Both Dental Plan options provide 100% coverage for preventive care without a deductible at in-network dentists.

# Vision Plan

VSP administers the Vision Plan and offers you and your family members access to a nationwide network of physicians, optometrists and opticians, both in private practices and at retail stores, such as Walmart, Sam's Club, Costco and more. You receive maximum benefits and pay preferred prices when services are provided by VSP network providers.

Claims / Network Administrator	
	In-network
<b>Exams (every calendar year)</b>	You pay \$0
<b>Frame (every other calendar year)</b>	Plan pays up to a \$150 allowance <sup>1</sup> 20% savings over the allowance
<b>Lenses (every calendar year)</b> <b>Includes single vision, lined bifocal and lined trifocal lenses</b>	You pay \$0
<b>Lens Enhancements (every calendar year)</b> <ul style="list-style-type: none"> <li>Standard Progressive</li> <li>Premium Progressive</li> <li>Custom Progressive</li> <li>UV Protection</li> <li>Standard Scratch Resistant Coating</li> <li>Standard Anti-reflective Coating</li> <li>Polycarbonate lenses for adults</li> <li>Photochromics</li> </ul>	You Pay: \$55 \$95 - \$105 \$150 - \$175 \$16 \$17 \$41 \$31 - \$35 \$70 - \$82
<b>Contacts (instead of glasses, every calendar year)</b>	Plan pays up to a \$130 allowance Fitting and evaluation – You pay \$55

<sup>1</sup> \$80 allowance at Walmart, Sam's Club, and Costco

Visit <http://koch.vspforme.com> to find a preferred provider in your area or you can request that your provider join VSP's network.

The Vision Plan offers out-of-network coverage, but you pay more when you use out-of-network providers. Go to <http://koch.vspforme.com> for more information or call VSP at (800) 877-7195.

## Monthly Vision Plan Premiums by Coverage Category

Employee	Employee and Spouse	Employee and Children	Family
\$5.13	\$10.26	\$10.98	\$17.54

# Life, Accident and Disability Insurance

Life Insurance offers important protection from the unexpected. That's why Koch provides you with company-paid Basic Life Insurance and the ability to purchase additional coverage through the Voluntary Life Insurance Plan. You can also obtain coverage for your children (under age 19 or under age 26 who are full-time students as described in your SPD) and/or your spouse through the Dependent Life Insurance Plans.

Basic Life	Voluntary Life	Dependent Life	
		Spouse	Child(ren)
\$50,000 No Cost to You	Multiples of \$10,000 up to 10 times your pay <b>OR</b> \$2.5 million (whichever is less)	Multiples of \$25,000, up to \$250,000	\$5,000, \$10,000 or \$20,000

<b>Monthly Voluntary Life Costs (Per \$10,000 of coverage)</b>		
Employee Age	Tobacco-free Cost	Tobacco-user Cost
<b>Under 25</b>	\$0.31	\$0.38
<b>25-29</b>	\$0.36	\$0.43
<b>30-34</b>	\$0.47	\$0.55
<b>35-39</b>	\$0.52	\$0.64
<b>40-44</b>	\$0.57	\$0.68
<b>45-49</b>	\$0.82	\$1.00
<b>50-54</b>	\$1.21	\$1.45
<b>55-59</b>	\$2.12	\$2.55
<b>60-64</b>	\$3.14	\$3.77
<b>65-69</b>	\$5.68	\$6.83
<b>70-74</b>	\$8.58	\$10.30
<b>75+</b>	\$13.74	\$16.49

<b>Monthly Dependent Life Costs</b>	
Coverage Options	Spouse
<b>\$25,000 to \$250,000</b>	\$3.50 per \$25,000 of coverage
Coverage Options	Child(ren)
<b>\$5,000</b>	\$0.38
<b>\$10,000</b>	\$0.77
<b>\$20,000</b>	\$1.54



## Evidence of Insurability

- Any Voluntary Life coverage election greater than \$1M or greater than three times your salary requires evidence of insurability.
- Any Spouse Life coverage election greater than \$25,000 requires evidence of insurability.
- For Child(ren) Life, evidence of insurability does not apply.

If you do not enroll in Voluntary Life or Spouse Life Insurance within 31 days from when you are first eligible for such coverage (typically your hire date), you will be required to complete Evidence of Insurability (EOI) if you apply at a later date and request an amount of coverage greater than the amount allowed without an EOI requirement, if any. Any coverage subject to EOI will not go into effect until it is approved by MetLife.



## Accidental Death and Dismemberment (AD&D) Insurance Plan

The AD&D Insurance plan provides benefits in the event of your death or the death of any covered dependents as the result of an accident or if you or any covered dependents suffer a covered loss due to an accident.

- The maximum Principal Sum you may elect is the lesser of \$2 million or 10 times your annual salary.
- Elected in \$10,000 increments.

Dependent coverage amounts are a percentage of the Principal Sum elected up to the Maximum Benefit Amount specified below.

Maximum Dependent Benefit Amount

- Spouse – \$250,000
- Children – \$40,000

Coverage Level	Monthly Premium
Employee Only	\$0.21 per \$10,000 Principal Sum
Employee and Family	\$0.34 per \$10,000 Principal Sum

Coverage	Spouse	Child
Employee Only	0%	0%
Employee and Family	50%	15%
Employee and Spouse Only	55%	0%
Employee and Child Only	0%	20%

## Disability Insurance

Disability insurance coverage provides a valuable benefit. If an illness or injury keeps you out of work for an extended period of time, our disability insurance plans can provide you with a portion of your pre-disability income.



If you do not enroll in Disability Insurance within 31 days from when you are first eligible for disability coverage (typically your hire date), you will be required to complete Evidence of Insurability (EOI) if you apply at a later date. Any coverage subject to EOI will not go into effect until it is approved by Sedgwick.

## Short-Term Disability (STD)

Koch employees may enroll in optional Short-Term Disability (STD) coverage that provides 60% of weekly base salary for an approved disability.<sup>1</sup> STD Benefits begin on the later of:

- The day after you have used all of your accrued sick leave; or
- The eighth consecutive calendar day of absence.

<sup>1</sup> Coverage is subject to a maximum benefit, offsets from other income sources and evidence of insurability requirements.

## Monthly STD Costs

Per \$100 of monthly base salary	
Tobacco-free Cost	\$0.141
Tobacco-user Cost	\$0.245

## Long-Term Disability (LTD)

Long-Term Disability (LTD) provides you 60% coverage<sup>1</sup> of your monthly pre-disability earnings, up to \$25,000 maximum per month, in case an illness or injury leaves you out of work for an extended amount of time. Your LTD benefits begin on the 181st day of a qualifying disability.

<sup>1</sup> Coverage is subject to a maximum benefit, offsets from other income sources and evidence of insurability requirements.

## Monthly LTD Costs

Per \$100 of monthly base salary	
Tobacco-free Cost	\$0.238
Tobacco-user Cost	\$0.369

# Employee Assistance Program

## 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:

- |                             |  |                              |
|-----------------------------|--|------------------------------|
| • 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 issue, per year. For more information, visit [www.magellanassist.com](http://www.magellanassist.com), or call (800) 523-5668.

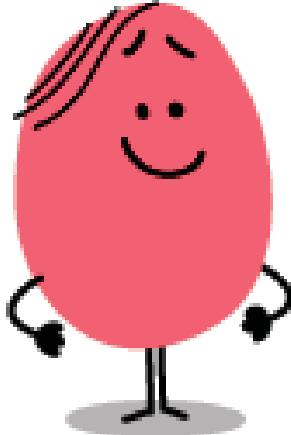


# Meet ALEX®

## To Help Know Which Plans Are Right for You<sup>1</sup>

Access ALEX, your virtual benefits counselor, to get help choosing your benefits.

- Use ALEX to compare your medical plan options and more! It's easy to use and even a little fun.
- A few notes about ALEX
  - ALEX is confidential and Koch does not know if you, specifically, used it or what information you entered.
  - **ALEX is NOT an enrollment tool. After you use ALEX, you must enroll in your benefits via ESS.**
  - ALEX is mobile-friendly, but the mobile version doesn't have sound, just text, so keep that in mind.



### How to Access

You can access ALEX through:

- ✓ [YourKochBenefits.com](http://YourKochBenefits.com),
- ✓ The ALEX site directly [www.myalex.com/koch/2017/A890](http://www.myalex.com/koch/2017/A890), or
- ✓ Employee Self Service (ESS).



### GO ONLINE TO START A CONVERSATION!

- 1 Provide ALEX with some basic details about you and your family's health care wants and needs.
- 2 Tell ALEX a little bit about you and your family's typical or anticipated health care spending.
- 3 Let ALEX do the rest! ALEX will provide you and your family with estimates of health care plan expenses. Remember – only you can decide.

<sup>1</sup> Please remember ALEX is just a tool to help you make an informed decision. It is important that you use all the tools available to you (this Guide, ALEX, etc.) to make the best decision for you and your family.

# YourKochBenefits.com

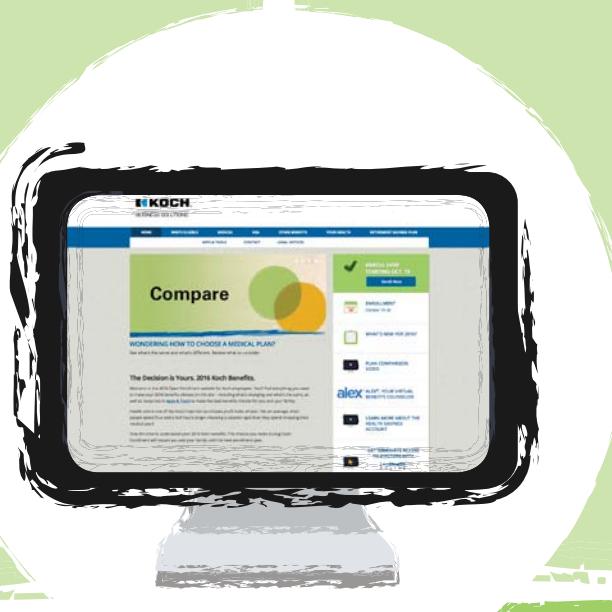
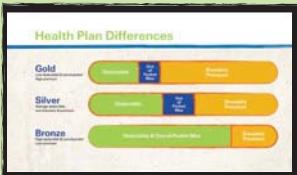
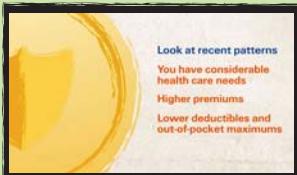
All the information in this guide – and **more** – is available on [YourKochBenefits.com](http://YourKochBenefits.com). You'll find videos, links to important documents, and you can easily share information with family members, so you can make the choices that are best for you and your family. Remember, you must enroll via ESS (Employee Self Service).



## Learn

Brief, easy-to-follow videos will help you:

- Compare each plan option – see how the deductible, coinsurance and out-of-pocket maximum apply for each plan.
- Understand how an HSA works and how to take full advantage of potential savings opportunities.



One of the best features of [YourKochBenefits.com](http://YourKochBenefits.com) is that it's easy to share. You and your family can look at your options anywhere – all you need is an internet connection.



## Share

## Find



Your important benefits-related documents are all in one place with [YourKochBenefits.com](http://YourKochBenefits.com). Some documents include:

- Performance Drug List, or PDL, which identifies preferred medications covered by the Plan.
- Preventive Medications List, which lists medications for conditions that require only a copay for a 90-day prescription if obtained through mail order or a CVS retail pharmacy (including Target).
- Summary of Benefits and Coverage, which can help you compare plan options side-by-side.

Once you are ready to enroll in your benefits, simply click the "enroll" button on the homepage. You will be directed straight to ESS (Employee Self Service).

## Enroll

# How to Enroll Online

When you are ready to enroll, take a few minutes to enroll online. Enrolling online via ESS is the only enrollment method for employees.

- 1**  **From the Internet, go to** <https://myHR.kochind.com/selfservice>
- 2**  Enter your email address and network password, if necessary
- 3**  Go to "**my Benefits**" and click the  "**Expand**" icon
- 4**  Click "**New Hire**" in the "**My Enrollment**" section
- 5**  Select the "**Enroll Now**" button to begin the enrollment process
- 6**  Make Your Benefit Choices
- 7**  To confirm your elections, click the "**Save**" button
- 8**  Click the "**Print Benefit Confirmation Statement**" link at the top of the page to get your Confirmation Statement



## Don't have your Log On information?

You can get this information from the IT Helpdesk at (877) 352-4357 or online at the myITSupport webpage.



## Confirmation Statements NOT Mailed

Be sure to print a copy of your statement. If you see any errors on your Confirmation Statement, correct them by going back to the Employee Self-Service link or by calling the KBS HR Service Center at (800) 700-3365. If you are unable to print a copy, you should contact the HR Service Center.



### DOUBLE CHECK FOR SUCCESS!

Print and review your Benefits Confirmation Statement for errors. Make sure you haven't:

- Forgotten to enroll dependents
- Checked the wrong box
- Misspelled information

Double check your elections after you enroll!



### Make Your Choices!

You must make a choice for each plan – even if you want to decline coverage (choose "Waive, No Coverage").

# 401(k) Retirement Savings Plan

Take the following steps to proactively manage your financial future:

1

## Think About Your Retirement Needs

Koch Industries Employees' Savings Plan (Savings Plan) is one of your most important benefits, and contributing can help you build a secure financial future. Here's a quick overview of the benefits you receive from participating in the Savings Plan.

- **Payroll deductions.** You save before you spend because money is deducted from your pay and deposited to your Savings Plan account. You can contribute from 1% to 75%\* of your pay, subject to the 2017 annual IRS limit of \$18,000. If you are age 50 or older, you can contribute an additional amount over the annual limit (known as a catch-up contribution) of \$6,000.  
\*A lower annual contribution limit applies to certain highly compensated Koch employees.
- **Tax advantages.** You can choose to make before-tax, after-tax, or Roth contributions. You can defer paying taxes on the amount of before-tax contributions until you take a distribution from the plan or you can make a Roth contribution and pay more taxes today but less taxes when you take a distribution (certain restrictions apply). In addition, you can make after-tax contributions and any earnings grow tax deferred until you withdraw them.
- **Company match.** If you contribute to the Savings Plan, the company matches your before-tax, Roth, and after-tax contributions \$1 for \$1 up to the first 6% of your eligible pay. Employer matching contributions are limited, based on the IRS annual limits for eligible compensation. You are eligible to earn matching contributions after one year of service. Catch-up contributions are **not matched** by the company.
- **Fixed Company Contribution.** If you are eligible, the company will make contributions to the Savings Plan based on your years of service (as shown below), even if you have not elected to participate in the Savings Plan. Fixed Company Contributions are limited, based on the IRS annual limits for eligible compensation.

2

## Select Your Deferral Rate

3

## Select Your Investment Mix

4

## Select Your Beneficiaries

- **Advisory Services.** If you need help determining how much to contribute and/or which investment options to choose, the Plan provides an Online Advice tool or a Professional Management Program from Aon Hewitt Financial Advisors, LLC, in partnership with Financial Engines.
- **Comprehensive fund lineup.** You have a broad selection of investments from which to choose.
- **Beneficiaries.** Take the time to select or review your beneficiaries. You may do so by visiting the Koch Retirement Solutions Center website at [www.resources.hewitt.com/koch](http://www.resources.hewitt.com/koch) or by calling to speak with a representative at (877) 344-5772 from 7 a.m. to 7 p.m. Central Time weekdays, excluding holidays.
- **Compounded rate of return.** The money you invest can produce investment earnings. These earnings may earn a return year after year. The result? Your savings can really add up over time.
- **24-hour account access.** You can access your account 24 hours a day, 7 days a week by going to [www.resources.hewitt.com/koch](http://www.resources.hewitt.com/koch). You may call the Koch Retirement Solutions Center at (877) 344-5772 from 7 a.m. to 7 p.m. Central Time weekdays, excluding holidays.



### QUESTIONS?

Contact Koch Retirement Solutions Center at (877) 344-5772. Associates are available Monday – Friday from 7 a.m. to 7 p.m. Central Time.



Find more information about any investment fund, including investment objectives, risks, charges and expenses at [www.resources.hewitt.com/koch](http://www.resources.hewitt.com/koch).

Years of Service	Contribution %
0-4	3%
5-9	4%
10+	5%

# LiveHealth Online

## LiveHealth Online: Your 24/7 access to board-certified doctors

The next time you or someone in your family needs to see a doctor for a minor health need, such as the flu or a sinus infection, use LiveHealth Online through the free mobile app or a computer with a webcam.<sup>1</sup>

You'll get:

- Immediate access to doctors
- Secure and private video chats with board-certified doctors
- Help with colds and the flu, allergies, family health questions and more
- Prescriptions sent to your pharmacy, if needed<sup>2</sup>

**Note:** As always, you should call 911 with any emergency.

LiveHealth Online is part of your health benefits and costs **\$49 or less per visit.**

Check [www.livehealthonline.com](http://www.livehealthonline.com) to view the latest map for services offered in your state.

Sign up for free today at [www.livehealthonline.com](http://www.livehealthonline.com).



<sup>1</sup> LiveHealth Online is offered in most states and is expected to grow more in the near future. Visit the homepage at [www.livehealthonline.com](http://www.livehealthonline.com) to see the latest map showing where service is available. As of November 2016, LiveHealth Online is not available in AR or TX.

<sup>2</sup> As legally permitted in some states.



# Health Support Programs

Koch employees and eligible dependents enrolled in the Koch Medical Plan have access to programs that can help you with certain health conditions, start healthy behaviors, or get access to 24/7 care.



## 24/7 NurseLine

Call the Anthem 24/7 NurseLine to receive immediate assistance from a registered nurse at no cost to you. You can:

- Assess and understand your symptoms
- Find additional help to make informed health care decisions
- Get information about an illness, medication or prescriptions
- Find information about personal health issues such as diet, exercise or high blood pressure
- Help you locate a participating provider in an urgent care situation when traveling
- Get assistance with discharge from a hospital
- Help you decide if a medical situation requires emergency treatment (24/7 NurseLine is not for life-threatening emergencies)

Call (800) 700-9184 to get started.



## Help With Health Conditions

At no additional cost to you, Koch provides personalized support, tools and info to help manage certain health conditions, such as:

- Asthma,
- Chronic Obstructive Pulmonary Disease (COPD),
- Coronary Artery Disease (CAD),
- Diabetes and
- Heart failure.

To see if you qualify for this free assistance from highly-trained nurses call Anthem BCBS at (877) 875-9093, press 2, then select option 3.

## Take the Call

In some cases, you may receive a call directly from a nurse to offer you help after a hospital discharge, surgery, or if you have a serious or complex medical condition(s). These services are completely voluntary and confidential and can provide just the help you need to feel more informed and in control of managing your health.



## Quit For Life

Start a tobacco-free life with the Quit for Life® Program!

Call (866) QUIT-4-LIFE or go to [www.quitnow.net](http://www.quitnow.net).

Enrollment in the Koch Medical Plan is not required for the Quit for Life program.



## GET YOUR PREVENTIVE SCREENING

Age-appropriate preventive screenings are 100% covered under any Koch medical plan option. It can be the first step in managing your health and preventing large health expenses in the future.



## Easy Paths to More Information

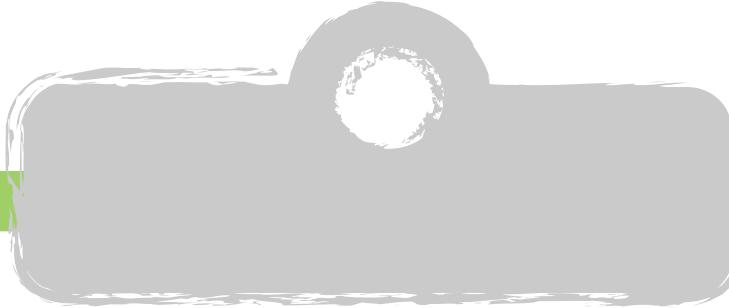
Cut this contact list out, and post it on your refrigerator for a handy reference throughout 2017.

**Koch Business Solutions (KBS)  
HR Service Center**  
(800) 700-3365 8 a.m. – 6 p.m.  
Eastern Time, Monday – Friday



### Benefits

		Phone Number	Website Address
	<b>Medical Plan</b> Anthem Blue Cross Blue Shield Member Services 24/7 Nurseline Help with Health Conditions	(866) 485-1805 (800) 700-9184 (877) 875-9093	<a href="http://www.anthem.com">www.anthem.com</a>
	<b>Prescription Drug</b> CVS/Caremark	(800) 521-3203	<a href="http://www.caremark.com">www.caremark.com</a>
	<b>Dental Plan</b> Delta Dental of Kansas	(800) 234-3375	<a href="http://www.deltadentalks.com">www.deltadentalks.com</a>
	<b>Vision Plan</b> VSP	(800) 877-7195	<a href="http://koch.vspforme.com">http://koch.vspforme.com</a>
	<b>Flexible Spending Accounts</b> Surency	(866) 818-8805	<a href="http://www.surency.com/koch">www.surency.com/koch</a>
	<b>Health Savings Account</b> Bank of America	(800) 718-6709	<a href="http://www.healthaccounts.bankofamerica.com">www.healthaccounts.bankofamerica.com</a>
	<b>401(K) Plan</b> Koch Retirement Solutions	(877) 344-5772	<a href="http://www.resources.hewitt.com/koch">www.resources.hewitt.com/koch</a>
	<b>Quit for Life®</b>	(866) QUIT-4-LIFE	<a href="http://www.quitnow.net">www.quitnow.net</a>
	<b>LiveHealth Online</b>	(855) 603-7985	<a href="http://www.livehealthonline.com">www.livehealthonline.com</a>
	<b>Employee Assistance Program (EAP)</b> Magellan Health	(800) 523-5668	<a href="http://www.magellanassist.com">www.magellanassist.com</a>



## Know Your Info

Use this space to write down information you want to keep at your fingertips.

### My Primary Care Physician and Other Doctors

Name/Phone:

Name/Phone:

Name/Phone:

Name/Phone:

Name/Phone:

Name/Phone:

### My Pharmacy

Name:

Phone:

### My Current Prescriptions

Name/Dosage:

Name/Dosage:

Name/Dosage:

Name/Dosage:

Name/Dosage:

Name/Dosage:

### CVS/Caremark

ID Card Number:

Phone: (800) 521-3203

**Note:** This guide contains a brief outline of certain provisions of the Plan and does not contain complete details of such Plan. You can find complete details of the Plan in the Summary Plan Description and Plan Documents. If there is a conflict between what is written in this guide and in the Summary Plan Description or Plan Documents, the Summary Plan Description or Plan Documents will govern. The information in this guide does not represent a contract with any employee, former employee or Plan participant. The Plan sponsor reserves the right to amend or terminate the Plan at any time and without prior notice to the extent permitted by law.

