



Spousal Surcharge Frequently Asked Questions

What is the spousal surcharge? The spousal surcharge is an additional cost to your regular medical premium that will apply for a spouse who is working **and** who is eligible for medical coverage through their employer, but you choose to enroll him/her in the Tyson Foods, Inc. Group Health Plan as an eligible dependent.

How much will it cost? The spousal surcharge is a \$173.33 per month (\$40 per week/\$80 biweekly) pre-tax deduction like your medical premiums. Because it is a pre-tax deduction, the spousal surcharge may only be removed during the plan year due to a qualifying change of status event or during Tyson's annual open enrollment period.

Why does Tyson have a spousal surcharge? The spousal surcharge encourages participants whose spouse is eligible for other group insurance to take advantage of that coverage. It also allows Tyson to share healthcare costs with other employers and helps Tyson keep medical claims cost down and premiums affordable for team members.

Who must pay the spousal surcharge? The spousal surcharge applies to all active Group Health Plan participants whose spouse is added as an eligible dependent on the Tyson Group Health Plan **unless** one of the following conditions applies and the appropriate documentation is provided at the time of enrollment:

- Your spouse is not presently employed and does not have access to employer sponsored medical coverage
- Your spouse is self-employed without access to employer sponsored medical coverage
- Your spouse is employed, but his/her employer does not offer medical coverage or is not eligible for medical coverage by his/her employer.
- Your spouse is also employed at Tyson Foods.

(Note: Medicare, Medicaid and Tricare are not considered other employer group health benefits.)

Will the spousal surcharge apply if my spouse is enrolled in the Tyson Health Plan but also is enrolled in his/her employer's health plan? Yes, the spousal surcharge

applies any time a spouse has coverage available through his/her employer and is enrolled in the Tyson Group Health Plan.

My spouse is covered by Medicare (or Medicaid) and is not working. Will I have to pay the surcharge? No, Medicare and Medicaid are not considered employer-sponsored medical coverage. Appropriate documentation showing your spouse is unemployed must be provided at the time of enrollment. If your spouse is employed and has access to employer sponsored coverage, the spousal surcharge will apply.

Do I have to pay the surcharge if my spouse waives medical coverage with his/her current employer? Yes, if your spouse is employed and eligible for healthcare coverage through his or her employer, you are required to pay the spousal surcharge, if you elect to add your spouse to your Tyson Group Health Plan as an eligible dependent.

Can I remove my spouse from my plan after the coverage has already begun? Your spouse can be removed from coverage due to a qualifying change in status event or during Tyson's annual open enrollment period. Changing your spouse's coverage at Tyson may trigger a family status change at his/her employer. Tyson considers changes during a spouse's annual enrollment at their employer a qualifying event, but other companies' policies may vary. Check with your spouse's employer to see if Tyson's annual enrollment is considered a family status change.

Does the surcharge apply when a dependent child can enroll in his/her employer's medical plan? No, you may cover eligible dependent children in Tyson's medical coverage without a surcharge.

Does the surcharge apply if my spouse is only eligible for a dental and/or vision plan? No, the spousal surcharge only applies when your spouse is enrolled in Tyson's medical plan and he/she has access to employer-provided medical coverage.

Will I be required to pay a spousal surcharge during a leave of absence? Yes.

Documentation

What documentation can I present to show that my spouse is unemployed? The most recent federal or state tax return showing spouse's occupation as "unemployed", "homemaker", "housewife/husband", "stay-at-home parent", "student", "retired" etc., or showing joint earnings less than \$30k or other proof of unemployment, such as: approval letters for Unemployment Income or Social Security Income dated within the last 12 months or proof spouse earned less than \$15k (as shown on most recent tax return), or letter on company letterhead from spouse's previous employer showing last date of employment was within the last 12 months.

What documentation can I present to show that my spouse's employer does not offer health coverage or that my spouse is not eligible for coverage with his/her employer? If spouse is employed, a Verification of Coverage Form completed by spouse's employer, or a

typed letter on a company letterhead specifically stating spouse is not offered/eligible for coverage, dated within the last 12 months.

What documentation do I need to present to show that my spouse is self-employed? Most recent tax return showing Self-Employment taxes, Business/Farm income/loss, or business license dated within last 12 months.

What documentation do I need to present if my spouse also works for Tyson Foods? None. You will only need to provide your spouse's Tyson personnel number at the time of enrollment.

What if I do not submit supporting documentations to waive the Spouse Surcharge? The surcharge will be applied on your benefit effective date and will be deducted from your pay.

Changes in Eligibility

If my spouse does not have a job during my enrollment but starts working after I have elected to cover them, do I have to pay the surcharge? Yes, the spousal surcharge will apply on the date your spouse becomes eligible for coverage through his/her employer unless you decide to remove your spouse from the Tyson Group Health Plan due to gaining his/her employers' coverage. You will need to notify your Benefits Coordinator within 2 months of this change.

What if my spouse resigns or loses her/his job? In this instance, the spouse no longer qualifies for employer sponsored medical coverage and would not be subject to the spousal surcharge. You must notify your Benefits Coordinator and provide appropriate documentation within 2 months of the qualifying event to make allowable changes.

What if my spouse quits or loses their job but has access to COBRA. Does COBRA constitute employer-sponsored coverage? COBRA coverage is not considered employer sponsored health care. In this instance, the spouse no longer qualifies for employer-sponsored medical coverage and would not be subject to the spousal surcharge. You must notify your Benefits Coordinator within 2 months of the qualifying event.

Will I be required to pay a spousal surcharge if I get divorced, or my spouse dies? Upon notification to your Benefits Coordinator of these qualified change in status events and submission of appropriate documentation, the spousal surcharge will be discontinued and spouse coverage will be removed for all applicable plans. You must notify your Benefits Coordinator within 2 months of the qualifying event.

If my spouse loses his/her job and benefits or becomes ineligible for medical coverage through his/her employer do I have to wait until open enrollment to add my spouse to my medical coverage? Would a spousal surcharge be applied? The loss of coverage due to loss of employment is a qualifying life event that would allow you to enroll your eligible spouse and any affected dependents (within 2 months of the qualifying event), with required documentation. In these instances, you would be exempt from the spousal surcharge.