



# Benefits Update

SEPTEMBER 2010



## UL and the Patient Protection and Affordable Care Act (PPACA) of 2010

### Near-term effects of the new health care law

The health care reform legislation that was signed into law in March will be implemented gradually over the next several years, and will bring far-reaching changes to American health care. In this newsletter, we'll take a closer look at the first round of changes (effective in 2011 and in 2012). Later changes will be covered in future newsletters and other publications. The content of this newsletter reflects our interpretation of the provisions given the guidance we have received to date, and as more information becomes available, this interpretation could change.

#### Effective January 1, 2011:

##### **Dependents are eligible for Major Medical Plan coverage, up to age 26.**

In the past, dependents could be covered under a parent's health benefits to age 19 (or 25, if the dependent was a full-time student). Now, if a young adult's coverage ended (or coverage was denied) due to aging beyond eligibility, a parent can elect to extend dependent coverage up to the dependent's 26th birthday. Both married and unmarried young adults can qualify for this coverage, but the dependent's spouse and/or children are ineligible, and the child is ineligible if there is coverage available from their own employer.

This year's Open Enrollment period (tentatively November 8 through November 22, 2010) will be your opportunity to elect medical coverage for any eligible dependents under age 26.

##### **\$2 million lifetime maximum benefit limit under the Major Medical Plan will be removed.**

Prior to the new health care law, most insurers put limits on the benefit amount payable for covered services in a covered person's lifetime. Under the new law, this limit no longer applies. Limits on the number of visits for certain therapies (e.g. chiropractic, speech, physical and occupational) will remain, with coverage depending on evidence of medical necessity. The Plan's benefit limits for some non-essential medical services will also remain in effect:

- Infertility services will remain limited to a \$15,000 lifetime benefit.
- Skilled nursing home services are limited to 60 days per period of confinement.

##### **Tax penalties for ineligible Health Savings Account (HSA) distributions will double.**

Since they debuted in late 2003, the major advantages of health savings accounts have been the account holder's ability to save before taxes for eligible health care expenses, and to pay for these expenses with tax-free dollars. But with these advantages comes the responsibility to use the account appropriately, and to keep all related receipts for tax purposes. Up until now, if HSA funds were used for anything other than eligible healthcare expenses they were subject to a 10 percent tax penalty. In 2011, to further discourage ineligible distributions, this penalty will increase to 20 percent.

##### **Health Care FSA and HSA reimbursements for non-prescription drugs are no longer allowed.**

Starting in 2011, over-the-counter medications will not be reimbursable from your Health Care Flexible Spending Account or Health Savings Account without a prescription.

##### **Coming next year: Value of medical coverage will be listed on your W-2**

A new reporting requirement introduced under the health care law involves communicating the dollar value of your health care coverage, to help you make informed choices about your coverage and to help the government collect cost data. When your 2011 W-2 forms are issued in early 2012, you will see your medical coverage listed as a separate amount on the form. **Please note, for the 2011 tax year this is not considered taxable income** – you will not be taxed on the amount shown.

At this time, we are required to list this amount for informational purposes only.

##### **More to come on health care ... stay tuned**

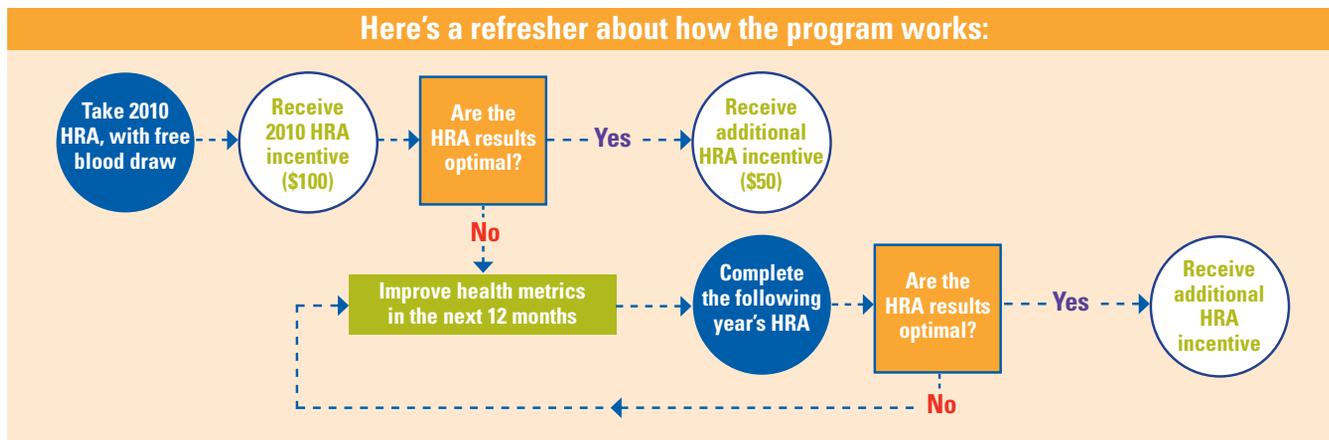
While more will become clear in the coming months and years about the way the Patient Protection and Affordable Care Act will affect all of us, it is likely that the key "levers" of health care coverage (premiums, deductibles, out-of-pocket maximums and health care savings/spending accounts) will be modified and/or taxed differently than they are today. Please carefully review future communications from Employee Benefits, to help you make the right decisions for yourself and your family.

#### Health Care FSA and HSA eligible expenses

- Your deductible and your share of the provider bills (coinsurance) under a health care plan
- Prescription co-payments
- Over-the-counter health care items, like contact lens solution or bandages. Any over-the counter medication reimbursements must be submitted with a prescription from your doctor to be considered an eligible expense
- Orthodontia, child and adult (service must be received in the same year as your FSA contributions)
- Vision care, including eyeglasses, contact lenses, laser vision correction, and saline solution
- Chiropractic care, acupuncture, and some other alternative treatments

# Complete Your 2010 HRA – Incentives Are Still Available!

All UL employees (whether covered by a UL medical plan option or not) and spouses/domestic partners covered by a UL medical plan option who complete an HRA this year are eligible for a \$100 financial incentive, taxable as income, and paid as cash or a gift card. But that's not all! If four key health metrics fall into pre-determined healthy ranges as measured on the HRA, you or your spouse/domestic partner can receive an additional \$50 incentive.



1. Complete your HRA using UHC's online HRA tool, or, for UL employees with PathFinder services available, by visiting PathFinder Health and receive a \$100 incentive for doing so. Required forms are available on the Employee Benefits intranet site.
2. A third-party partner will grade your results, and if all of the following are true you will receive an additional \$50 incentive:
  - Blood pressure: Systolic (top number) is lower than 130, and diastolic (bottom number) is lower than 85
  - Low-density lipoprotein reading, or LDL ("bad cholesterol") is lower than 130
  - Triglycerides reading is lower than 150
  - Body Mass Index (BMI) is lower than 30, **or** waist measurement is less than 35" (women) / 38" (men)
3. If your readings are not optimal in all four areas, you won't receive the additional \$50 incentive for 2010 – but you'll have until your next HRA (in 2011) to improve them. If your HRA in the following year shows improved results, you'll receive an even greater incentive to reward your effort!

Please remember that all incentives are paid once per year, per person. On a monthly basis, UL receives a report of incentives earned. Shortly after that, you will get a postcard that you should use to elect the desired payment method of your incentive(s). Make your election and return the postcard to Allison Sherrill in Employee Benefits. You will receive your elected incentive within 2-4 weeks (either as a gift card voucher in the mail, or as a deposit shown on your pay stub).

**Note:** If a medical condition makes it unreasonably difficult for you to achieve a health indicator score within the optimal range for your gender, height and weight, or if it is medically inadvisable for you to attempt to do so, call Employee Benefits at 847-664-3539. We will work with you to develop another way to earn the additional \$50 incentive.



## Pathfinder visits all U.S. locations

As promised earlier this year, UL and PathFinder Health arranged onsite visits at all major U.S. locations in 2010 – and these will continue in 2011. Approximately 950 people completed an HRA in the mobile health vehicle through the end of August, and almost half (450) signed up for continuing health support visits based on the results.

If you've been thinking about visiting the PathFinder vehicle or completing an HRA and haven't, consider this startling fact: a substantial increase in diabetes-related claims in the Major Medical Plan this year is thought to be directly related to the number of people who found out they are diabetic, by having their blood glucose checked annually by PathFinder or their own physician. (Early treatment is a good thing!)



## Medical and prescription drug claims trend upward again

For the last few years, Major Medical Plan medical and prescription drug claims have been relatively stable, with increases that have kept pace with inflation – a sign that our approach to wellness and consumer-directed health care has helped to slow the upward cost trend. However, compared to our 2010 estimate (calculated in late 2009), claims experience is higher than expected. Advances in medical technology and increased utilization of medical care and prescription drugs by our employee population are two of the major contributing factors.

We are looking at the effect that this trend will have on costs for UL and our employees, and we will discuss this in the next newsletter (for Open Enrollment, in early November).



## Need Personalized Investment Help with your Financial Security Plan Investments?

### Consider services from Financial Engines™

Earlier this summer you received a Financial Security Plan (FSP) Retirement Evaluation, showing you the current outlook for your FSP account: your current contribution level, diversification in the account, and any factors that may need your attention (represented by red or yellow “traffic lights”). If you’re like many investors you may be concerned about those red or yellow lights, but just might not have the time or interest in monitoring, managing or balancing those investments yourself. While Financial Engines™ has offered

online financial advice (paid for by UL) for several years, it has never been so easy to tailor your FSP account to your individual retirement income goals.

For those who wish to manage your own FSP account, online investment advice from Financial Engines™ is still paid for by UL and provided at no cost to you. Go to the Financial Engines link on the Fidelity website ([www.fidelity.com/atwork](http://www.fidelity.com/atwork)) to access Online Advice.

New this year, **Professional Management** is a fee-based, full-service monitoring and account management offering from Financial Engines™. After completing a profile outlining your retirement and income goals, Financial Engines™ will help you create and refine a long-term investment strategy – to be implemented entirely by a staff of professional Investment Advisor Representatives. You are responsible for the annual program fee, which will not exceed 0.6 percent of your total managed account balance – about \$5.00/month for each \$10,000 in your account.

To sign up for Professional Management or to find answers to your questions about the service, log in to [www.financialengines.com/forUL](http://www.financialengines.com/forUL), or call **877-401-5762**.

## Wellness Programs Update

### Start! Heart Walks are coming up

Mark your calendars! Once again this year the American Heart Association *Start!* Heart Walks will occur around the country. Check the schedule below to find the Heart Walk in your area, and visit [www.starheartwalk.org](http://www.starheartwalk.org) to register for a walk or to donate to an existing UL team.



Local AHA Heart Walks for 2010-2011		
<b>Northbrook</b> <i>Chicago area Heart Walks</i>	<b>9/24/10</b>	<b>Grant Park, Chicago</b>
	<b>9/25/10</b>	<b>Esplanade at Locust Point, Downers Grove</b>
	<b>9/26/10</b>	<b>Harper College, Palatine*</b>
	<b>10/2/10</b>	<b>Moraine Valley Community College, Palos Hills</b>
<b>Brea</b>	<b>9/19/10</b>	<b>Orange County, CA (Irvine)</b>
<b>Camas</b>	<b>5/21/11</b>	<b>Greater Portland, OR (Vancouver)</b>
<b>Melville</b> <i>Long Island area Heart Walks</i>	<b>9/26/10</b>	<b>Nassau County, NY (Wantagh)</b>
	<b>10/16/10</b>	<b>Suffolk County, NY (Stony Brook)</b>
<b>RTP</b>	<b>9/26/10</b>	<b>Research Triangle Park, NC (Raleigh)</b>
<b>San Jose</b>	<b>10/2/10</b>	<b>Silicon Valley, CA (Los Gatos)</b>
<b>South Bend</b>	<b>9/26/10</b>	<b>South Bend, IN (Mishawaka)</b>

\*Preferred Heart Walk location for Northbrook employees

# Wellness Programs Update continued

## Two UL Employees Conquer Tobacco with Help from Free & Clear™

Last month, we asked a couple of long-term UL employees (and longtime smokers) to share their experiences with the Free & Clear™ program. We hope their fantastic success stories inspire you to quit now, or to help someone you love kick the tobacco habit. If you're ready, call **1-866-QUIT-4-LIFE** or use the link on the Employee Benefits intranet site.

*"The coaching telephone support calls, the Chantix medication and UL's support of the program yielded great results for me and my wife. We both quit on July 6, 2009. Neither of us had to get a refill of Chantix after the starter pack. I have tried quitting several times in the past, but I was not successful. The Free & Clear™ program worked for us and I would recommend it to anyone thinking of quitting. This was not an easy thing to do but certainly well worth it."*

Pete Ney  
Corporate Publications  
Northbrook



Free & Clear™

*"I had been thinking about quitting for years, and like most long-term smokers, I have quit many times. When UL began offering Free and Clear™ I thought I would try out the new medication (Chantix), and give it a go again. I was wheezing really badly and really wanted to feel better. Chantix was amazing, in terms of squashing the craving. However, some of the side effects were a little bothersome, so Free & Clear said I could try Zyban™ at no cost. I quit smoking on Valentine's Day of 2009.*



*"Free & Clear offers a lot of support and really, the only way you are going to quit is to be mentally ready. This program really came along at the right time for me. I have gone through some super-stressful events since I quit and I am happy to report I have never cheated – not even once. I really would encourage any smoker who has been thinking about quitting to do this program. The medication is great and it's fully covered by UL which makes it a win/win choice."*

Jill Brooks  
Environmental Health and Safety  
San Jose



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"Where's Pete?"

## Got Clothes to Clean? Remember, Think "Green"

### Onsite dry cleaning from UL and DryClean Direct

DryClean Direct offers low rates on dry cleaning and the convenience of onsite pick-up for Northbrook-based UL employees. According to DryClean Direct, "Our prices are typically half of what other dry cleaners charge, and our environmentally friendly cleaning solvent is much safer than the 'perc' used by over 90 percent of the nation's dry cleaners."

When you sign up to take advantage of onsite dry cleaning, you'll receive two garment bags for easy collection of your garments. DryClean Direct will pick up your clothes twice per week, on Tuesday and Friday. To sign up, visit the Employee Benefits homepage on the UL Net, or stop by Employee Benefits.



**Employee Benefits Department  
Underwriters Laboratories Inc.  
333 Pfingsten Road  
Northbrook, Illinois 60062**

**(847) 664-3539  
benefits@us.ul.com**

# Fitness Centers at a Glance

As part of UL's ongoing commitment to wellness in the workplace, we've arranged discounts for our employees at many area fitness centers. Look below to find one near you.

RTP	Melville		West Coast	Camas	Northbrook	Northbrook and nationwide
<p style="text-align: center;"><b>Golds Gym</b></p> <p>Regular Rate (per person) Enrollment Fee = \$100 <b>UL Employees Discounted Rate (per person) = \$49</b></p> <p>Regular Rate (per person) Monthly Fee = \$50 <b>UL Discounted Rate (per person) = \$29.99</b></p> <p>Add a family member for \$29.99/mo. (per person)</p> <p>Daycare for ages 6 wks. – 13 years = \$9.99 (per person)</p> <p>For more information: <a href="http://www.goldsgym.com">www.goldsgym.com</a> Chris Sancrante 919-210-1567 csancrante@goldsgym.net</p>	<p style="text-align: center;"><b>Planet Fitness</b></p> <p>Regular Rate (per person) Enrollment Fee = \$99 <b>UL Employees Discounted Rate (per person) = \$29</b></p> <p>Regular Rate (per person) Monthly Fee = \$19.99 <b>UL Discounted Rate (per person) = \$10 month-to-month or \$59 if paid annually</b></p> <p>A separate enrollment is required to add a family member</p> <p>Daycare is not available</p> <p>For more information: <a href="http://www.planetfitness.com">www.planetfitness.com</a> Denise Hinton 631-501-2810 hintond@optonline.net</p>	<p style="text-align: center;"><b>Eastern Athletic Club</b></p> <p><b>No Enrollment Fee</b></p> <p>Regular Rate (per person) Monthly Fee = \$56.67 <b>UL Employees Discounted Rate (per person) = \$30 month-to-month or \$366 for 14-month membership</b></p> <p>Add a family member for \$30/mo. (per person)</p> <p>Daycare is no cost to members; 9 a.m. - 2 p.m.</p> <p>For more information: <a href="http://www.easternathleticclubs.com">www.easternathleticclubs.com</a> Alexa Sferazza 631-420-1310</p>	<p style="text-align: center;"><b>24hr Fitness</b></p> <p>Regular Rate (per person) Enrollment Fee = \$80-\$100 <b>NO Enrollment Fee for UL Employees</b></p> <p>Regular Rate (per person) Monthly Fee = \$30-\$80 per sport package rates <b>UL Discounted Rate (per person):</b> <b>One Club Active Sport = \$24.99/mo</b> <b>All Sport = \$29.99/mo</b> <b>All Super Sport = \$49.99/mo</b> <b>All Ultra Sport = \$74.99/mo</b></p> <p>Add a family member for \$24.99-\$74.99/mo. (per person), based on club level</p> <p>Daycare per child for 2 hours = \$3</p> <p>For more information: <a href="http://www.24hourfitness.com">www.24hourfitness.com</a> Artura Vega 909-815-4680 avega@24hourfit.com</p>	<p style="text-align: center;"><b>Lacamas Swim &amp; Sport</b></p> <p>Regular Rate (per person) Enrollment Fee = \$149 <b>UL Employees Discounted Rate (per person) = \$89</b></p> <p>Additional Enrollment: Spouse = \$30 Family = \$60</p> <p>Regular Rate (per person) Monthly Fee = \$54 <b>UL Discounted Rate (per person) = \$50 month-to-month or \$519 paid annually</b></p> <p>Additional Monthly Fees: Spouse = \$20 Family = \$34 or \$200/\$340 paid annually</p> <p>Kid's Club (fees apply)</p> <p>For more information: <a href="http://www.lacamassport.com">www.lacamassport.com</a> Ayre Williamson 360-834-8506</p>	<p style="text-align: center;"><b>XSport</b></p> <p>Regular Rate (per person) Enrollment Fee = \$149 <b>NO Enrollment Fee for UL Employees</b></p> <p>Regular Rate (per person) Monthly Fee = \$49 <b>UL Discounted Rate (per person) = \$35</b></p> <p>Add a family member for \$35/mo. (per person)</p> <p>Daycare per child = \$1 per hour, or Unlimited: 1 child = \$10/mo 2 or more children = \$20/mo</p> <p>For more information: <a href="http://www.xsportfitness.com">www.xsportfitness.com</a> Bob Diamond 847-680-9000 bob.diamond@xsportmail.com</p> <div style="background-color: #f4a460; padding: 5px; text-align: center;"> <p><b>2nd Wind Exercise Equipment</b></p> </div> <p>Discount on used equipment: <b>UL ID = UL00287</b></p> <p>For more information: <a href="http://www.2ndwindexercise.com/corporatewellness">www.2ndwindexercise.com/corporatewellness</a> Hal Radtke: 847-205-4388</p>	<p style="text-align: center;"><b>Bally Total Fitness</b></p> <p><b>No Enrollment Fee</b></p> <p>Regular Rate (per person) Monthly Fee = \$39/mo for one club; \$49/mo nationwide <b>UL Employees Discounted Rate (per person) = \$24.99/mo</b></p> <p>Add a family member for \$24.99/mo. (per person)</p> <p>Daycare is no cost to members (appointment is recommended)</p> <p>For more information: <a href="http://www.ballyfitness.com">www.ballyfitness.com</a> 800-942-5825 Deerfield 847-480-0770 Vernon Hills 847-680-3000</p>