



**Blue Cross
Blue Shield
of Michigan**

***Blue Cross and Blue Shield of Michigan
Represented Employees'
Retirement Income Plan***

Summary Plan Description

June 2024

BCBSM Represented Employees' Retirement Income Plan

Table of Contents

<u>Section</u>	<u>Page</u>
Introduction	1
Glossary of Terms	2
Participation and Vesting	5
• Eligibility and Participation	5
• Eligibility Service	5
• Severance from Service	5
• Break in Service	6
• Reinstatement of Service	6
• Service with Other Blue Cross and/or Blue Shield Organizations	7
Average Earnings Based Benefit: Pension Benefits for Employees Hired Before January 1, 2009 (or for AFICA and United Heartland Employees, Before January 1, 2010)	8
• Benefit Formula	8
• Minimum Benefit.....	9
• Normal Retirement Benefit.....	10
• Early Retirement Benefit	10
• Late Retirement Benefit.....	11
• Disability Pension Benefit	11
• Vested Termination Benefit.....	12
• Pre-Retirement Survivor Benefits.....	14
• Death after Attaining Age 55 with 10 or More Years of Eligibility Service.....	14
• Death of Other Vested Participants.....	14
• Payment Options	16
• Reemployment	19
Cash Balance Benefits: Pension Benefits for Employees Hired/Rehired or Who Transfer to a Bargaining Position on or after January 1, 2009 (or for AFICA or United Heartland Employees, on or after January 1, 2010)	20
• Cash Balance Benefits	20
• When Benefits Are Available	21
• Payment Options	22
• Reemployment	24
• Cash Balance Death/Survivor Benefits.....	25

All Participants: Other Important Information	26
• Consent of Spouse and Waiver	26
• Plan Information Website	26
• Plan Transfers	26
• Payment Dates.....	27
• Time of Distribution.....	27
• Rollovers to the Plan are Not Accepted.....	27
• Qualified Domestic Relations Order.....	27
• Factors Influencing Your Benefits.....	27
• Social Security Benefits	28
Plan Administration	28
• Future of the Plan	28
• Assignment.....	28
• Involuntary Lump Sum Payment.....	28
• Record Changes	29
• Applying for BCBSM Retirement Benefits.....	29
• Claims Review Procedures	30
ERISA Information	34
Plan Information.....	34
• Type of Plan, Plan Number and Plan Year End.....	34
• Plan Administrator	34
• Plan Sponsor and Agent for Services of Legal Process.....	34
• Type of Funding.....	35
• Pension Benefit Guaranty Corporation (PBGC).....	35
• Minimum and Maximum Benefits.....	36
• No Guarantee of Employment	36
Your Rights and Protection under ERISA.....	36

Introduction

The Blue Cross and Blue Shield of Michigan Represented Employees' Retirement Income Plan (Plan) is designed to help you meet your retirement needs and is provided at no cost to you. The Plan provides income when you retire, if you are eligible for an Early or Normal Retirement Benefit, Vested Termination Benefit or a Disability Pension Benefit. Survivor benefits are also included under the Plan.

This Summary Plan Description (SPD) is written in clear and informal language. The Plan is governed by official Plan documents. If there is a difference between the Plan documents and information in either this SPD or in any explanation from a Plan representative, the Plan documents will be used to determine your rights and benefits under the Plan.

Although the Employer intends to continue offering this Plan in its present form, Blue Cross Blue Shield of Michigan (BCBSM) reserves the right to amend or terminate the Plan at any time without the consent of Plan participants. No amendment or termination will affect any existing Claim for payment of Plan benefits.

Participation in the Plan does not guarantee your right to employment with the Employer.

Glossary of Terms

Throughout this SPD certain words or terms are used frequently. Refer to the following definitions for these terms as you read this SPD.

Affiliated Employer - A member of a controlled group of corporations of which an Employer is a member, an unincorporated trade or business which is under common control with an Employer as determined in accordance with the Internal Revenue Code and its regulations.

AFICA – Accident Fund Insurance Company of America.

Average Earnings Participant - Employees hired/rehired or who transferred prior to January 1, 2009 (or for Employees of AFICA and United Heartland before January 1, 2010). See section on Average Earnings Based Benefit.

Benefit Commencement Date (BCD) – The effective date as elected by you in which your pension benefit is payable. Benefit Commencement Date is generally the first of the month.

BCBSM – Blue Cross Blue Shield of Michigan.

BCBSM Employees' Retirement Account Plan – The non-bargaining employee pension plan.

BCN - Blue Care Network of Michigan.

Break in Service – An event which may cause a loss of Eligibility Service and Credited Service. Refer to the Participation and Vesting section of this SPD for details.

Cash Balance Participant – Employees hired/rehired or who transfer to a bargaining position on or after January 1, 2009 (BCBSM and BCN) or January 1, 2010 (AFICA and United Heartland). See section on Cash Balance Benefits.

Claims – Claims are written requests for a Plan benefit or benefits made in accordance with this document. *A communication regarding benefits that is not made in accordance with this document will not be treated as a Claim under this Plan.*

Claimant – You become a Claimant when you make a written request for a Plan benefit or benefits in accordance with this document.

Committee – The Personnel and Compensation Subcommittee of the Board of Directors of BCBSM. This Committee is responsible for the general administration of the Plan and for carrying out its terms. The Committee has the right to amend the Plan when required by federal laws or regulations for purposes of tax qualification under Internal Revenue Service Code 401(a). The Committee may delegate any of its responsibilities to others if it feels the Plan can be administered more effectively.

Day – Means one calendar day.

Disability Pension Benefit – Available if you become totally and permanently disabled as determined by the Plan Administrator before you reach age 65 and after earning 10 years of Eligibility Service. This does not apply to Cash Balance Participants.

Eligibility Service – The service used to determine your eligibility to participate in the Plan and your right to a vested benefit under the Plan. Eligibility Service generally includes all service with the Employer earned before your Severance from Service date. Refer to the Participation and Vesting section of this SPD for details.

Employee – Any person employed by the Employer who is covered by a collective bargaining agreement between the Employer and the Union.

Employer – BCBSM, BCN, AFICA, United Heartland, COBX or any other BCBSM subsidiary which formally adopts this Plan.

- AFICA joined the Plan effective December 28, 1994.
- United Heartland joined the Plan effective January 1, 2005.
- COBX joined the Plan effective January 1, 2017.
 - If you were an Employee hired or rehired by BCBSM, BCN, AFICA, or United Heartland on or before April 1, 2016 and transfer to Union employment with COBX, you will continue to accrue the same benefits under this Plan.
 - If you were an Employee hired or rehired by BCBSM, BCN, AFICA or United Heartland after April 1, 2016, and transfer to Union employment with COBX after you have become a Participant in this Plan, you will continue to earn Eligibility Service towards Vesting and Interest Credit (on cash balance benefits accrued prior to transfer to COBX).
 - All other employees of COBX are not eligible to participate in this Plan.

Incorrectly-Filed Claim – Any request for benefits that is not made in accordance with Plan provisions.

Normal Retirement Age – Effective January 1, 2000, your 65th birthday. Prior to January 1, 2000, the later of: (i) your 65th birthday, or (ii) the 5th anniversary of the date you commenced participation in the Plan.

Normal Retirement Date – The first Day of the month on or after the date you reach Normal Retirement Age.

Participant – An Employee who has:

- (i) reached age 21; and
- (ii) completed at least one year of Eligibility Service with the Employer or one year of employment with another Blue Cross and Blue Shield organization or Affiliated Employer.

Participants under the Plan are subject to two different benefit formulas, depending upon when they were hired, rehired, or transferred. If you are an Employee of BCBSM and BCN who was hired, rehired, or transferred before January 1, 2009, or an Employee of AFICA and United Heartland who was hired, rehired, or transferred before January 1, 2010, you will be subject to the defined benefit formula discussed in the section titled "Average Earnings Based Benefit." If you were hired, rehired, or transferred on or after those two dates, you will be subject to the cash balance benefit discussed in the section titled "Cash Balance Benefit."

Plan Administrator/Named Fiduciary – BCBSM is the Plan Administrator and a Named Fiduciary under the Plan responsible for making Claim and appeal decisions. BCBSM has the discretionary authority to interpret the Plan in order to make benefit decisions as it may determine in its sole discretion. BCBSM also has the discretionary authority to make factual determinations as to whether any individual is entitled to receive any benefits under the Plan.

Plan Year – Is the 12 month period beginning on January 1 of each year.

Severance from Service – Is an event that ends your active participation in the Plan. Refer to the Participation and Vesting section of this SPD for more details.

Spouse – Is a person who is legally married to the Participant.

Union – Is any collective bargaining unit which has adopted this Plan through the collective bargaining process with the Employer.

Vesting – Your legal right to receive a benefit from the Plan. If you are vested under the Plan, you have a right to receive a future benefit even if your employment terminates. You will have a vested termination benefit if you terminate employment:

- (i) with at least five years of Eligibility Service if you are an Average Earnings Participant; or
- (ii) with at least three years of Eligibility Service if you are a Cash Balance Participant; or
- (iii) at your Normal Retirement Age (based on the definition of Normal Retirement Age in effect when you terminate from active employment with the Employer), regardless of your years of Eligibility Service.

Participation and Vesting

Eligibility and Participation

All collectively bargained Employees of the Employer are eligible to participate in the Plan. You become a Participant in the Plan on the first Day of the month coincident with or immediately following the date you (1) reach age 21; and (2) complete at least one year of Eligibility Service. Employees who are not covered by a collective bargaining agreement are not eligible to participate in this Plan.

Eligibility Service

Eligibility Service is used to determine your eligibility to participate and your vested right to a benefit under the Plan. You generally start earning Eligibility Service on the date you begin employment with BCBSM, on a date which reflects service with any Employer other than BCBSM, or service with an Affiliated Employer. Eligibility Service with an Employer other than BCBSM may also begin on the date permitted by the BCBSM Board of Directors resolution permitting participation by the Employer. Your Eligibility Service is calculated to the nearest one-twelfth of a year based on elapsed time from your hire date to your Severance from Service date.

Your Eligibility Service includes the following:

- any period during which you are away from the Employer, if you are rehired within 12 months of the date you quit or are discharged;
- any period during a Severance from Service for which you are entitled to be credited with service (refer to the Severance from Service section of this SPD);
- any period during which you are on an approved leave of absence (prior to incurring a Severance from Service);
- any period of lost time during the 2023 strike;
- any period of lost time during the 1987 strike; and
- any period of lost time attributable to Union work.

Severance from Service

Severance from Service is an event that terminates your active participation in the Plan. Generally, your Severance from Service begins on the *earliest* of:

- (i) the date you quit, are discharged, retire, or die;
- (ii) the expiration date of any approved leave of absence granted to you under the collective bargaining agreement for the purpose of serving as a full-time local or international Union official; or
- (iii) the first anniversary of the date you are absent from service for any other reason (including any leave of absence on account of disability for which you receive Employer-provided long term disability benefits), except as described below.

If you are absent for maternity or paternity reasons or are on a leave of absence under the Family and Medical Leave Act of 1993, a Severance from Service occurs on the *earlier* of the following:

- the date you quit, are discharged, retire, or die; or

- the *second* anniversary of the date of your absence and ends on the date you return to employment with the Employer.

An absence due to maternity or paternity reasons means:

- you are pregnant;
- you (or your Spouse) give(s) birth to a child;
- you adopt a child; or
- you need to care for your child for a period of time following birth or adoption.

A leave of absence under the Family and Medical Leave Act of 1993 includes any *unpaid* leave for up to 12 weeks for the above-mentioned maternity or paternity reasons, whether concurrent with or in addition to leaves of absence for the reason of the care of your spouse, child, or parent who has a serious health condition, or for the reason of a serious health condition that makes you unable to perform your job.

Another federal law called the Uniformed Services Employment and Re-employment Rights Act of 1994 ("USERRA") gives veterans special re-employment rights. Generally, if you go on a military leave and return to employment with the Employer by the USERRA-prescribed deadline, you will not incur a Severance from Service. During your military leave, you will continue to be credited with Credited Service for benefit accrual purposes and Eligibility Service for participation and Vesting purposes.

If you are on an approved Workers' Compensation leave of absence, you will not incur a Severance from Service.

Break in Service

A Break in Service is an event that may cause a loss of Eligibility Service or Credited Service under the Plan. Generally, a Break in Service occurs on the first anniversary of your Severance from Service date.

If you have a Break in Service and are later rehired by the Employer, you will be treated as a new Employee under the Plan unless you are eligible to have your pre-break service reinstated or you have been on an approved leave of absence. In the latter case, if you return to work with the Employer by the end of your approved leave, the maximum Break in Service that will be deemed to have occurred during such period is 24 months. For example, if you return to work with your Employer by the end of an approved long-term disability leave that lasts 36 months, the Break in Service that will have been deemed to occur during that period will be 24 months.

A Break in Service will not affect your right to any vested benefits that you earned before the Break in Service.

Reinstatement of Service

If you have a Severance from Service or a Break in Service under the Plan, you may return to work with the Employer and have your Eligibility Service and your Credited Service reinstated in the following situations:

- if you are rehired within a 12-month period following your Severance from Service;
- if you are rehired following a leave of absence for which you received LTD benefits from the Employer;

- if you have a Break in Service and are later rehired so that the period following your Severance from Service does not exceed five years*; or
- if you have five consecutive one-year Breaks in Service and are later rehired so that the period following your Severance from Service does not exceed your total Eligibility Service prior to your rehire*.

If you are not vested under the Plan at the time you terminate employment and are rehired after you have incurred five consecutive one-year Breaks in Service, neither your Eligibility Service nor your Credited Service will be reinstated.

For Average Earnings Participants only, if you received a single lump sum distribution of the entire value of your accrued Normal Retirement Benefit and are later rehired by the Employer, your Eligibility Service will be reinstated*. In this case, any future Normal Retirement Benefit to which you may be entitled under the Average Earnings Based Benefit formula will be reduced by the Normal Retirement Benefit that relates to your prior distribution.

*If you have a Break in Service, you must re-meet the eligibility requirements from your rehire date in order for your prior service to be reinstated.

Service with Other Blue Cross and/or Blue Shield Organizations

With respect to Average Earnings Participants, the Plan recognizes service with other Blue Cross and/or Blue Shield organizations when computing your retirement benefit, so long as that service is eligible to be reinstated under the provisions of the “Reinstatement of Service” section above. To avoid double payment for the same service time, your monthly retirement benefit under this Plan will be reduced by any Employer-paid pension you may receive from another Blue Cross and/or Blue Shield organization for those same service years. No deduction will be made for any portion of another pension that results from your personal contributions.

Average Earnings Based Benefit: Pension Benefits for Employees Hired Before January 1, 2009 (or for AFICA and United Heartland Employees, Before January 1, 2010)

Benefit Formula

The Plan is a defined benefit plan, which means that your retirement benefit is calculated by using a specific formula. Your accrued benefit under the Plan's benefit formula is based upon your Average Monthly Earnings and your years of Credited Service as of the date of termination. If you retire on your Normal Retirement Date, you will be entitled to receive a monthly lifetime benefit determined in accordance with the following benefit formula:

$$\mathbf{1.4\% \times \text{Average Monthly Earnings} \\ \times \text{Years of Credited Service}}$$

For these purposes, capitalized terms have the following meanings:

Earnings – your regular basic compensation, including any incentive compensation and/or non-discretionary bonuses paid to you by the Employer, and any salary reduction for contributions to the Blue Cross and Blue Shield of Michigan Represented Employees' Savings Plan, but excluding overtime, severance, Personal Time and Vacation Time paid to Employees as a lump sum, differential pay and compensation received at the later of 2 ½ months or the end of Plan Year after termination. Earnings are determined each calendar month based upon your monthly pay rate in effect at the end of that month.

Average Monthly Earnings - is your highest average monthly Earnings for any consecutive 60-month period prior to your Severance from Service.

In situations where you have fewer than 60 months of Earnings, your average actual monthly Earnings for the total period are used.

Credited Service - is used to determine the amount of your monthly retirement benefit. Once you are a Plan Participant, you will receive one month of Credited Service for each month of employment, beginning on your hire date. Your Credited Service includes the following:

- each month of service before you become a Plan Participant for which you receive compensation from the Employer without incurring a Severance from Service;
- any period of service in the United States Armed Forces for which you have been granted a leave of absence by the Employer (or would have been granted a leave of absence if you had properly applied for such leave), provided that you return to active service with the Employer within the period of time during which you have reemployment rights under federal law;
- any period of approved leave of absence for which Credited Service is granted under the terms of the collective bargaining agreement between the Employer and your Union;
- effective January 1, 2016, any service in respect of which you are entitled to benefits under any other defined benefit retirement plan to which the Employer contributes, provided that the benefits under this Plan are adjusted to offset the other benefits;
- lost time during the 2023 strike;
- lost time during the 1987 strike;

- lost time attributable to Union work;
- any period on or after September 1, 1999 during which you are on an approved leave of absence for Workers' Compensation.

Depending on when you became an Employee, you may also receive Credited Service according to the following rules:

- If you were an Employee on July 1, 1976, you will receive Credited Service for all your compensated employment with the Employer prior to July 1, 1976, regardless of the continuity of such employment.
- If you were an Employee on July 1, 1979, you will receive Credited Service for all your compensated employment with any Blue Cross and/or Blue Shield organization prior to July 1, 1979, regardless of the continuity of such employment.
- After July 1, 1979, employment with another Blue Cross and/or Blue Shield organization is considered the same as employment with the Employer and is subject to the reinstatement rules described later in this section.

If you never have an unpaid leave of absence, a period of non-covered employment (for example, time spent as a non-Union Employee), or a separation from the Employer prior to your retirement, your Credited Service will be equal to your Eligibility Service. Please note, short-term disability is not classified as a leave of absence for purposes of the Plan. Otherwise, your Eligibility Service may be greater than your Credited Service.

Minimum Benefit

Your Normal Retirement Benefit will be subject to a minimum monthly benefit formula. You will receive either the Normal Retirement Benefit or the minimum benefit, whichever is greater. The minimum benefit formula is determined by choosing the appropriate benefit rate from the table below and multiplying the rate by your years of Credited Service. The minimum monthly benefit rates for BCBSM and BCN Employees hired, rehired, or who transferred to a bargaining unit position before January 1, 2009, and for AFICA and United Heartland Employees hired, rehired or who transferred to a bargaining unit position before January 1, 2010 are:

Minimum Monthly Benefit Rates			
Benefit Rate	Termination Date	Benefit Rate	Termination Date
\$39	1/1/10 – 12/31/10	\$62	1/1/24 – 12/31/24
\$40	1/1/11 – 12/31/11	\$64	1/1/25 – 12/31/25
\$41	1/1/12 – 12/31/12	\$66	1/1/26 – 12/31/26
\$42	1/1/13 – 12/31/13	\$68	1/1/27 and thereafter
\$43	1/1/14 – 12/31/14		
\$44	1/1/15 – 12/31/15		
\$46	1/1/16 – 12/31/16		
\$48	1/1/17 – 12/31/17		
\$50	1/1/18 – 12/31/18		
\$52	1/1/19 – 12/31/19		
\$54	1/1/20 – 12/31/20		
\$56	1/1/21 – 12/31/21		
\$58	1/1/22 – 12/31/22		
\$60	1/1/23 – 12/31/23		

Normal Retirement Benefit

You will be eligible to receive a Normal Retirement Benefit on the first Day of the month coincident with or following the date you reach Normal Retirement Age.

Your Normal Retirement Benefit is determined by the benefit formula and the minimum monthly benefit rate in effect on your date of termination (see the minimum monthly benefit rates table above).

The following example demonstrates the Plan's Normal Retirement Benefit formula:

Assumptions	
<ul style="list-style-type: none"> You retire on July 1, 2020, at age 65. You have 30 years of Credited Service. Your Average Monthly Earnings as of July 1, 2020 are \$3,500. 	
Calculation	
Based on these assumptions, your monthly benefit would be the greater of (i) or (ii) below:	
(i)	Regular Monthly Benefit
(a)	1.4% of Average Monthly Earnings: (.014 x \$3,500).....\$49.00
(b)	Times Credited Service (\$49.00 x 30).....\$1,470.00
(ii)	Minimum Monthly Benefit:
(a)	Minimum Monthly Benefit Rate Effective for 2020.....\$54.00
(b)	Times Credited Service (\$54.00 x 30).....\$1,620.00
(iii)	Monthly Normal Retirement Benefit:
	Greater of (i) or (ii).....\$1,620.00
	In this example, your monthly benefit under the Plan would be.....\$1,620.00

Early Retirement Benefit

If you terminate employment with the Employer on or after age 55 and have completed 10 or more years of Eligibility Service, then you may elect to receive an Early Retirement Benefit. Your Early Retirement Benefit equals a percentage of your accrued Normal Retirement Benefit. The percentage is determined on the basis of your age when payments begin. Your Early Retirement Benefit is calculated by reducing your accrued Normal Retirement Benefit by 0.3% for each full month that the BCD for your Early Retirement Benefit precedes the first of the month on or after your 62nd birthday.

The following example demonstrates how your Early Retirement Benefit is calculated:

Assumptions	
<ul style="list-style-type: none"> You retire on July 1, 2020 at age 57. You have 30 years of Credited Service. Your Average Monthly Earnings as of July 1, 2020 are \$3,500. 	
Calculation	
Based on the benefit formulas under the Plan, your monthly benefit would be the greater of (i) or (ii) below, reduced by the percentage in effect on your Early Retirement Date. The benefit amount under each formula is shown below:	
(i)	Regular Monthly Benefit
(a)	1.4% of Average Monthly Earnings: (.014 x \$3,500).....\$49.00

	(b) Times Credited Service (\$49.00 x 30).....	\$1,470.00
(ii)	Minimum Monthly Benefit:	
	(a) Minimum Monthly Benefit Rate Effective for 2020.....	\$54.00
	(b) Times Credited Service (\$54.00 x 30).....	\$1,620.00
(iii)	Monthly Accrued Normal Retirement Benefit:	
	Greater of (i) or (ii).....	\$1,620.00
(iv)	Early Retirement Reduction for Payment at Age 57	
	100% minus (0.3% x 60 months early) = (100% - 18%).....	82%
(v)	Monthly Early Retirement Benefit Payable at Age 57	
	(iii) x (iv) = (\$1,620.00 x .82)	\$1,328.40

Late Retirement Benefit

If you keep working for the Employer after your Normal Retirement Age, you will continue to accrue benefits under the Plan and will receive a Late Retirement Benefit, as described below. Payment of your Late Retirement Benefit will begin on your Late Retirement Date. Your Late Retirement Date is the first Day of the month following the date you separate from the Employer, after you have reached your Normal Retirement Age.

The amount of your Late Retirement Benefit will be the *greater* of:

- your Normal Retirement Benefit, calculated on the basis of your Average Monthly Earnings and all of your Credited Service at your Late Retirement Date; or
- your Normal Retirement Benefit, calculated on the basis of your Average Monthly Earnings and Credited Service at your Normal Retirement Date, actuarially increased to reflect your older age when benefit payments start. (Since you are older than Normal Retirement Age when the benefit starts being paid, the monthly payments are increased to make sure they are at least equivalent to the value of your Normal Retirement Benefit.)

Disability Pension Benefit

You may be eligible to receive a Disability Pension Benefit if you:

- have at least 10 years of Eligibility Service; and
- are totally and permanently disabled prior to the date of termination (a total and permanent disability incurred after termination does not render you eligible for a Disability Pension Benefit); and
- your termination of employment occurs prior to the date you reach age 65.

You are considered to have a total and permanent disability if you have a total physical and/or mental disability that prevents you from actively engaging in gainful employment. The Employer, based upon competent medical advice, will determine whether you have a total and permanent disability. You are ineligible for a Disability Pension Benefit if your disability is due to military service (for which you receive a pension from any government) or an avoidable cause, such as wrongful use of narcotics, an intentionally self-inflicted injury, or involvement in a criminal activity.

If you qualify for a Disability Pension Benefit, you will receive a monthly benefit that is equal to your accrued Normal Retirement Benefit. This benefit is in addition to any Social Security disability benefits you might also be receiving.

Disability Pension Benefits begin on the later of: (i) the first Day of the first month immediately following a period of at least five full months of total and permanent disability, and (ii) the date you file for a Disability Pension Benefit.

You are urged to apply for disability benefits under Social Security as soon as your disability is determined.

Your Disability Pension Benefit under the Plan will continue until the first Day of the month in which the first of the following occurs:

- you die;
- you no longer qualify for a Disability Pension Benefit; or
- you attain age 65.

The benefits you receive under a Disability Pension Benefit before your 65th birthday are only payable to you.

At age 65, your Disability Pension Benefit will be converted into a Normal Retirement Benefit under the Plan. The minimum monthly benefit portion of your Normal Retirement Benefit will be based on the minimum monthly benefit rate in effect at your Normal Retirement Date.

When you attain age 65, you are eligible to elect one of the optional forms of payment described later in this SPD in the Payment Options section.

If you are eligible for a Disability Pension Benefit under the Plan, you may also be eligible for benefits under the Long Term Disability (LTD) plan. There is no duplication of benefits between the Disability Pension Benefit under the Plan and LTD plan. If you are eligible for a benefit under both the Plan and LTD plan, and the benefit under LTD plan is less than the Disability Pension Benefit under the Plan, the Disability Pension Benefit under the Plan is payable. If you are eligible for a benefit under both the Plan and LTD plan, and the benefit under LTD plan is equal to or greater than the Disability Pension Benefit, no Disability Pension Benefit is payable under the Plan. If the LTD benefit is subsequently discontinued or reduced to an amount that is less than the Disability Pension Benefit, the Disability Pension Benefit will begin effective as of the later of the date you notify the Employer of the discontinuance or reduction of the LTD benefit or the effective date of the discontinuation or reduction of the LTD benefit.

The Employer may require you to submit evidence of your continued eligibility for a Disability Pension Benefit at any time prior to age 65, but not more than once every six months.

Vested Termination Benefit

You earn the non-forfeitable right to your pension benefit through a process called "Vesting." If you terminate employment:

- with at least five years of Eligibility Service; and
- prior to your Normal Retirement Age,

you will be vested and eligible to receive a benefit from the Plan ("Vested Termination Benefit"). This benefit may commence at your Normal Retirement Date and will equal your accrued Normal Retirement Benefit as of the date of termination.

You may also elect to receive your Vested Termination Benefit as a reduced benefit beginning on the first Day of any month after you reach age 55. If you wish to start receiving your Vested Termination Benefit

between ages 55 and 65, your benefit will be reduced by 0.3% for each full month that the BCD for your Vested Termination Benefit precedes the first of the month on or after your 65th birthday.

The example below demonstrates how a Vested Termination Benefit is determined.

Assumptions

- You terminate employment on July 1, 2020 (age 44).
- Your Normal Retirement Date is July 1, 2041 (age 65).
- Your chosen Benefit Commencement Date is July 1, 2036 (age 60).
- Your Average Monthly Earnings at termination are \$3,500.
- You have 20 years of Credited Service.

Calculation

Based on the benefit formulas under the Plan, your monthly benefit would be the greater of (i) or (ii) below, reduced by 0.3% for each full month that your benefit start-up date precedes your Normal Retirement Date. The benefit amount under each formula is shown below:

(i)	Regular Monthly Benefit	
	(a) 1.4% of Average Monthly Earnings = (.014 x \$3,500).....	\$49.00
	(b) Times Credited Service (\$49.00 x 20).....	\$980.00
(ii)	Minimum Monthly Benefit:	
	(a) Minimum Monthly Benefit Rate Effective for 2020.....	\$54.00
	(b) Times Credited Service (\$54.00 x 20).....	\$1,080.00
(iii)	Monthly Accrued Normal Retirement Benefit Payable at Age 65	
	Greater of (i) or (ii).....	\$1,080.00
(iv)	Early Retirement Reduction for Payment at Age 60	
	100% minus (0.3% x 60 months early) = (100% - 18%).....	82%
(v)	Monthly Vested Termination Benefit Payable at Age 60	
	(iii) x (iv) = (\$1,080.00 x .82)	\$885.60

Pre-Retirement Survivor Benefits

Death after Attaining Age 55 with 10 or More Years of Eligibility Service

If you:

- are an active Employee with 10 or more years of Eligibility Service; or
- are receiving a Disability Pension Benefit

and you die after attaining age 55, your surviving Spouse or dependent children, as applicable, will be entitled to a pre-retirement survivor benefit from the Plan. To be eligible for this benefit, your surviving Spouse must have been married to you continuously for the 12-month period preceding your date of death.

This benefit will be payable on the later of the first of the month following your date of death or the BCD as elected by the surviving beneficiary.

The benefit will be paid as follows:

Spouse - Your Spouse will receive a “Qualified Pre-retirement Survivor Annuity” (QPSA) benefit, which is a monthly benefit equal to 65% of your accrued Normal Retirement Benefit at your death. There is no benefit reduction because you were less than age 65 at the time of death. However, if your Spouse is more than five years younger than you, the 65% will be reduced by 1% for each year in excess of five years that your Spouse is younger than you. Payments to your Spouse end on the date of your Spouse's death. However, survivor benefits may be payable to eligible dependent children after your Spouse's death, as described below.

Dependent Children under Age 21 - If you do not have a surviving Spouse eligible to receive a Plan benefit, your *unmarried* dependent child(ren) under age 21 will receive a survivor benefit upon your death. Also, if your Spouse dies while receiving the survivor benefit described above, any remaining *unmarried dependent child(ren) under age 21* will receive subsequent survivor benefits. In either circumstance, the benefit will be 65% of your accrued Normal Retirement Benefit on your date of death. Monthly benefit payments will be divided equally among your unmarried children who qualified as dependents for federal income tax purposes on your date of death or, if applicable, the date of your Spouse's death. Payments to a dependent child will stop on the first Day of the month after that child reaches age 21, marries, or dies, whichever occurs first, and will not be reallocated to any remaining unmarried children.

Death of Other Vested Participants

Your surviving Spouse is entitled to a pre-retirement survivor benefit from the Plan if you:

- are an active Employee with five or more years of Eligibility Service and you die before reaching age 55;
- are an active Employee with at least five, but less than ten, years of Eligibility Service and you die after reaching age 55;
- are an active Employee with less than five years of Eligibility Service and you die after your Normal Retirement Date;
- terminate employment while eligible for a Vested Termination Benefit and you die before benefits begin; or
- are receiving a Disability Pension Benefit and you die before attaining age 55.

To be eligible for this benefit, your surviving Spouse must have been married to you continuously for the 12-month period preceding your date of death. Your surviving Spouse's benefit will be paid under the 65% to Contingent Annuitant payment option. There is an age reduction applied to your benefit if you were less than age 65 at the time of your death.

If your death occurs on or after you reach age 55, the benefit payable to your Spouse will be determined as if you had:

- (i) separated from the Employer on the earlier of your Severance from Service date or your date of death; and
- (ii) elected an immediate commencement of benefits with the 65% to Contingent Annuitant option in effect; and
- (iii) you died the Day after receiving your first payment.

Your Spouse will be able to commence Plan benefits based on his or her elected BCD, and all payments will cease on your Spouse's date of death.

If your death occurs before you reach age 55, the benefit payable to your Spouse will be determined as if you had:

- (i) separated from the Employer on the earlier of your Severance from Service date or your date of death; and
- (ii) survived to age 55; and
- (iii) elected an immediate commencement of benefits with the 65% to Contingent Annuitant option in effect; and
- (iv) you died the Day after receiving your first payment.

Your Spouse will be able to commence Plan benefits based on his or her elected BCD, but no earlier than the date you would have reached age 55. All payments will cease on your Spouse's date of death.

The following examples demonstrate how your surviving Spouse's benefit would be determined if you died while an active Employee:

Example A

Assumptions

- You die after age 55 with 10 or more years of Eligibility Service.
- Your monthly accrued Normal Retirement Benefit is \$800.
- Your Spouse is three years younger than you.

Calculation

Your Spouse's monthly benefit from the Plan would be as follows:

- Because your surviving Spouse is not more than 5 years younger than you, your surviving Spouse's benefit is 65% of your accrued Benefit.
 $\$800 \times .65 = \520 monthly lifetime benefit for your Spouse.

Example B

Assumptions

- You die at age 50 and have 5 or more years of Eligibility Service.
- Your monthly accrued Normal Retirement Benefit is \$800.
- Your Spouse is three full years younger than you.

Calculation

Your Spouse's monthly benefit from the Plan would be as follows:

- Early Retirement Reduction for Payment at Age 55
 $100\% \text{ minus } (0.3\% \times 120 \text{ months early}) = (100\% - 36\%) = 64\%$
- Monthly Assumed Vested Termination Benefit Payable at Age 55
 $\$800 \times .64 = \512
- The Surviving Spouse Option (65% to Contingent Annuitant) reduction factor is 94% (see table on page 18). This factor is additionally decreased by 3% because your Spouse is three years younger than you.
 $\$512 \times .91 = \465.92
- Your surviving Spouse's benefit is 65% of \$465.92.
 $\$465.92 \times .65 = \302.85

Any Social Security benefits would be in addition to the monthly benefit from the Plan in Examples A and B.

Effective January 1, 2007, if you die during military leave, your beneficiary(ies) will be entitled to any survivor benefits that they would have received had you resumed and then terminated employment on the date of your death.

Payment Options

There are several payment options available to you under the Plan when you commence receiving a Normal Retirement Benefit, an Early Retirement Benefit, or a Vested Termination Benefit.

You must elect a payment option before your benefit can begin. You may elect or change your payment option at any time within the 90 Day period before your benefits begin. Once benefits begin, you cannot change your choice of a payment option. Also, under all options except the 10 Years Certain and Life, you cannot change your designated beneficiary after benefits begin.

You should select an option that fits your personal needs and circumstances. If you select an option other than the Life Annuity, an initial reduction of your benefit amount will be made at the date of your retirement. Depending on the payment option you select, a second reduction may or may not be made upon your death or your beneficiary's death. Each variation in the options allows you to design an income level that meets your needs, as well as your surviving Spouse's or beneficiary's needs.

You may choose from the following options:

Life Annuity - a fixed monthly annuity payable to you for your lifetime. Generally, this option provides the highest benefit during your lifetime, but no benefits are payable after your death. This is the normal (default) form of payment for unmarried Participants.

Joint and 66^{2/3}% to Survivor - provides a reduced monthly annuity payable to you and your designated beneficiary while both of you are alive. In the event of your death or the death of your designated

beneficiary (whichever occurs first), $66\frac{2}{3}\%$ of this reduced amount will be payable to the survivor for the remainder of his or her lifetime.

65% to Contingent Annuitant - provides a reduced monthly annuity payable for your lifetime. Upon your death, 65% of this reduced amount will be payable to your designated beneficiary for the remainder of his or her lifetime. There is no second reduction in your benefit if your beneficiary dies before you. This is the normal (default) form of payment for married Participants. **Any other option you choose requires the notarized consent and waiver of your Spouse.**

The percentage of your retirement benefit paid to you under this option is 94% if you and your Spouse are the same age. This percentage is increased 1% for each full year your Spouse is older than you, to a maximum of 99%. Likewise, the percentage is decreased 1% for each full year your Spouse is younger than you.

For example, let's assume that your calculated monthly benefit is \$600, and that your Spouse is 2 years older than you. Under these facts, you would receive \$576 for your lifetime under the 65% to Contingent Annuitant option.

Calculated Benefit x Percentage Payable= Monthly Benefit to Retiree

$\$600 \times .96 (94\% + 2\%) = \576

If you die before your Spouse, he or she will receive 65% of that amount, or \$374.40 a month, for his or her lifetime.

Retiree's Benefit x Spouse's Percentage= Monthly Benefit to Surviving Spouse

$\$576 \times .65 = \374.40

$66\frac{2}{3}\%$ to Contingent Annuitant- provides a reduced monthly annuity payable for your lifetime. Upon your death, $66\frac{2}{3}\%$ of this reduced amount will be payable to your designated beneficiary for the remainder of his or her lifetime. There is no second reduction in your benefit if your beneficiary dies before you.

75% to Contingent Annuitant - provides a reduced monthly annuity payable for your lifetime. Upon your death, 75% of this reduced amount will be payable to your designated beneficiary for the remainder of his or her lifetime. There is no second reduction in your benefit if your beneficiary dies before you.

100% to Contingent Annuitant - provides a reduced monthly annuity payable for your lifetime. Upon your death, 100% of this reduced amount will be payable to your designated beneficiary for the remainder of his or her lifetime. There is no second reduction in your benefit if your beneficiary dies before you.

10 Years Certain and Life - provides a reduced monthly annuity payable for your lifetime. If you die before receiving at least 120 monthly payments, this same benefit will continue to your designated beneficiary for the remainder of the 120-month period beginning with your Benefit Commencement Date. No benefits will be paid to your beneficiary on or after the 10th anniversary of the date benefit payments began. If your beneficiary dies before you and before you have received 120 monthly benefit payments, you may select a new beneficiary by contacting Fidelity. If your original election of the 10 Years Certain and Life option required the consent of your Spouse and if that Spouse is still alive and still married to you, then the change in beneficiary will also require that Spouse's consent.

Maximum Age Difference for Non-Spouse Beneficiary

If the beneficiary is not your Spouse and is younger than you, the availability of payment options are subject to certain limits provided in IRS regulations on the maximum age difference between you and your beneficiary. No age difference restrictions apply if the beneficiary is your Spouse. These limits are summarized in the chart below.

Payment Option	Maximum Age Difference*
Joint and 66 ^{2/3} % to Survivor	24
65% to Contingent Annuitant	25
66 ^{2/3} % to Contingent Annuitant	24
75% to Contingent Annuitant	19
100% to Contingent Annuitant	10

*Age difference for this purpose is calculated by taking the difference between your age and your beneficiary's age at BCD, and then subtracting the number of years you are under age 70 as of your BCD (subtract 0 if you are age 70 or older at BCD). For example, if your beneficiary is 20 years younger than you, and you are age 66 on your BCD, you subtract 4 (the difference between 66 and 70) from your 20-year age difference, so the age difference for purposes of this calculation is 16 years.

The following table illustrates how your benefits are affected under each option, assuming you and your beneficiary are both age 65 at the time of your commencement.

Payment Option	Percent of Life Annuity		
	Benefit At Commencement	After Beneficiary's Death	Percent of Retiree's Benefit To Beneficiary After Retiree's Death
Life Annuity	100%	100%	0%
Joint and 66 ^{2/3} % to Survivor*	96	64	66 ^{2/3}
65% to Contingent Annuitant*	94	94	65
66 ^{2/3} % to Contingent Annuitant*	92	92	66 ^{2/3}
75% to Contingent Annuitant*	91	91	75
100% to Contingent Annuitant*	88	88	100
10 Years Certain and Life**	95	95	100

* The percentages of the benefit payable to you under the Joint and 66^{2/3} % to Survivor, 66^{2/3} % to Contingent Annuitant, 65% to Contingent Annuitant, 75% to Contingent Annuitant, and 100% to Contingent Annuitant options are increased 1% for each full year that your Spouse or other beneficiary is older than you - to a maximum of 99%. Likewise, the percentages of the benefit are decreased 1% for each full year that your Spouse or other beneficiary is younger than you.

** Paid for your lifetime, but to your beneficiary only for the balance of the 10-year period following your Benefit Commencement Date. The 95% will be increased by 0.5% for each full year your age at commencement is less than age 65 - to a maximum of 99%. Likewise, the 95% will be decreased by 0.5% for each full year your age at commencement exceeds age 65. The age of your beneficiary has no effect on the benefit level of this option.

Reemployment

If you terminated employment with the Employer and were rehired before January 1, 2009 (January 1, 2010, for AFICA and United Heartland Employees) and you had previously received a benefit from the Plan, your monthly benefit was suspended as of your rehire date. At the time you were rehired, your Credited Service and Eligibility Service under the Plan was reinstated. When you again retire, your monthly benefit will be recalculated to take into account any increase in Credited Service and Average Monthly Earnings since you were rehired and then reduced by 0.3% for each payment previously received prior to your Normal Retirement Date and 1% for each payment previously received on or after your Normal Retirement Date. The only exception would be for any Disability Pension Benefits you received prior to your Normal Retirement Date. However, your benefit will never be less than the initial amount of your Early Retirement Benefit or Vested Termination Benefit, assuming the same benefit payment option applies to both benefits.

If you are rehired on or after January 1, 2009 (January 1, 2010, for AFICA and United Heartland Employees), your benefit will not be suspended. Instead, your Eligibility Service will be reinstated (see Participating and Vesting section), and you will commence participation in the cash balance portion of the Plan with an initial account balance of zero. During your period of reemployment, you will receive Basic Credits and Interest Credits like any other Participant. Upon your subsequent termination of employment, you will be entitled to elect a distribution option for the benefit accrued during the period of your reemployment that is unrelated to your previous distribution election.

Cash Balance Benefits: Pension Benefits for Employees Hired/Rehired or Who Transfer to a Bargaining Position on or after January 1, 2009 (or for AFICA or United Heartland Employees, on or after January 1, 2010)

Effective January 1, 2009, the UAW, BCBSM and BCN agreed to offer a cash balance pension plan benefit to all Employees who are hired/rehired by the Employer or who transfer to a bargaining position on or after January 1, 2009 (or for AFICA or United Heartland Employees, on or after January 1, 2010).

The “cash balance” plan is an Employer-paid plan that provides an account balance that grows through Basic Credits and Interest Credits. You are entitled to a benefit under this Plan if you retire or otherwise terminate employment and have at least three years of Eligibility Service. If you die after participating in the Plan but before receiving benefits, your beneficiary will be entitled to your account balance under the Plan regardless of your years of Eligibility Service.

Provisions under the Plan as described in the previous sections of this document apply unless described in this section.

Cash Balance Benefits

This cash balance benefit is less complicated and easier to understand than the defined benefit formula. The benefit is defined as a single lump sum amount (account balance) payable to you at age 65. The current value of your accrued benefit under the Plan at any point in time will be the sum of your accumulated Basic Credits and accumulated Interest Credits. For these purposes, capitalized terms have the following meanings:

Basic Credit

Each month, BCBSM will credit your account with 6.4% of your monthly Adjusted W-2 Pay.

Adjusted W-2 Pay is the pay used to determine your monthly Basic Credit. It is equal to your W-2 pay plus any pre-tax 401(k) and dependent care and/or healthcare reimbursement account contributions minus any of the following:

- expense reimbursement or allowances
- fringe benefits (such as car allowances, tuition reimbursement, etc.)
- moving expenses
- welfare benefits (including group life insurance over \$50,000)
- SPOT and Service awards
- PTO lump sum payments
- Pride in Excellence (PIE) awards
- long term incentive compensation
- severance compensation
- compensation paid after 12 months of any continuous leave of absence (other than service in the U.S. Armed Forces)
- compensation received more than 2 ½ months after termination of employment or the end of Plan Year after termination, whichever is later
- differential wage payments, but including pay at the same rate as it was paid during the 12 months preceding leave for active military service.

Interest Credit

Your account will be credited monthly with the interest based upon your balance at the beginning of the quarter. The Interest Credit is one-twelfth (1/12) of an annual rate equal to the return on the one-year Treasury Bill interest rate as of August of the preceding year, as published by the Federal Reserve Board, provided, however, that the annual rate will never be less than 4%. Toward the end of each year, BCBSM will announce the rate that will be used for interest credits for the new Plan Year.

Examples of Account Growth

The following example shows how a Participant's account balance grows over time. This Participant began employment at the Employer after January 1, 2022, and has an opening account balance of zero. Basic Credits are made to the Participant's account monthly based on Adjusted W-2 Pay and Interest Credit is added monthly. Our example stops at March 2023 although the account continues to grow throughout the Employee's employment with the Employer. To simplify the calculation, we assumed the Participant's pay did not change during this period. If the Participant received pay increases, the final account balance would be larger. The Interest Credit rate is assumed to be 4.00%, which is the rate in effect for 2023. Because Interest Credits are based upon your account balance as of the beginning of the calendar quarter, your account will not earn Interest Credits until the second quarter of your participation in the cash balance portion of the Plan. Below is an example of the growth of your account.

Account Balance History					
Date	Monthly Pay	Pay Credits (6.4%)	Annual Interest Rate	Interest Credits	Ending Account Balance
01/31/2022	3,750.00	240.00	4.00	0.00	240.00
02/28/2022	3,750.00	240.00	4.00	0.00	480.00
03/31/2022	3,750.00	240.00	4.00	0.00	720.00
04/30/2022	3,750.00	240.00	4.00	2.40	962.40
05/31/2022	3,750.00	240.00	4.00	2.40	1,204.80
06/30/2022	3,750.00	240.00	4.00	2.40	1,447.20
07/31/2022	3,750.00	240.00	4.00	4.82	1,692.02
08/31/2022	3,750.00	240.00	4.00	4.82	1,936.84
09/30/2022	3,750.00	240.00	4.00	4.82	2,181.66
10/31/2022	3,750.00	240.00	4.00	7.27	2,428.93
11/30/2022	3,750.00	240.00	4.00	7.27	2,676.20
12/31/2022	3,750.00	240.00	4.00	7.27	2,923.47
01/31/2023	3,750.00	240.00	4.00	9.74	3,173.21
02/29/2023	3,750.00	240.00	4.00	9.74	3,422.95
03/31/2023	3,750.00	240.00	4.00	9.74	3,672.69

When Benefits Are Available

You may request an immediate distribution of your cash balance benefit *if* you terminate employment with the Employer with three or more years of Eligibility Service. You may also leave your benefits in the Plan until as late as April 1 of the year following the year (1) you attain age 70½, or (2) terminate employment, whichever is later. However, you are not eligible to receive a distribution while you are still employed by the Employer or any Affiliated Employer. If your vested account balance is \$1,000 or less when you retire or leave employment with the Employer, you will automatically receive a Lump Sum Payment.

Payment Options

When you elect to commence your benefits, you will receive an amount equal to your account balance at that time, either as a Lump Sum Payment or as a monthly annuity which is actuarially equivalent to your account balance.

The Life Annuity payment option is the automatic form of payment for an unmarried Participant.

For married Participants, the automatic form of payment is the 65% to Contingent Annuitant option. In order to select another payment option, your Spouse must provide a notarized consent and waiver.

If you leave on or before age 55 and want to start benefits before age 55, unmarried Participants may choose the Life Annuity option or the Lump Sum Payment option only, and married Participants may choose the 65% to Contingent Annuitant option, the 75% to Contingent Annuitant option, (in either case with your Spouse as the Contingent Annuitant) or the Lump Sum Payment option only.

If you begin to receive benefits on or after age 55, you may choose any of the payment options described below.

You must elect a payment option before your benefit can begin. You may elect or change your payment option at any time within the 90 Day period before your benefits begin. Once benefits begin, you cannot change your choice of a payment option. Also, under all options except 10 Years Certain and Life and the Cash Refund Annuity, you cannot change your designated beneficiary after your benefit payments begin.

You should select an option that fits your personal needs and circumstances. If you select an option other than Life Annuity, an initial reduction will be made at the date your benefits begin because benefits will continue to a beneficiary after your death. Depending on the option you select, a second reduction may or may not be made upon the death of you or your beneficiary. Each variation in the options allows you to design an income level that meets your needs, as well as your Spouse's or beneficiary's needs.

You may choose from the following options:

Life Annuity - a fixed monthly annuity payable to you for your lifetime. Generally, this option provides the highest benefit during your lifetime, but no benefits are payable after your death. This is the normal (default) form of payment for unmarried Participants.

Joint and 66^{2/3}% to Survivor - provides a reduced monthly annuity payable to you and your designated beneficiary while both of you are alive. In the event of your death or the death of your designated beneficiary (whichever occurs first), 66^{2/3}% of this reduced amount will be payable to the survivor for the remainder of his or her lifetime.

65% to Contingent Annuitant - provides a reduced monthly annuity payable for your lifetime. Upon your death, 65% of this reduced amount will be payable to your designated beneficiary for the remainder of his or her lifetime. There is no second reduction in your benefit if your beneficiary dies before you. This is the automatic option for married Participants. **Any other option you choose requires the notarized consent and waiver of your Spouse.**

66^{2/3}% to Contingent Annuitant- provides a reduced monthly annuity payable for your lifetime. Upon your death, 66^{2/3}% of this reduced amount will be payable to your designated beneficiary for the remainder of his or her lifetime. There is no second reduction in your benefit if your beneficiary dies before you.

75% to Contingent Annuitant - provides a reduced monthly annuity payable for your lifetime. Upon your death, 75% of this reduced amount will be payable to your designated beneficiary for the remainder of his or her lifetime. There is no second reduction in your benefit if your beneficiary dies before you.

100% to Contingent Annuitant - provides a reduced monthly annuity payable for your lifetime. Upon your death, 100% of this reduced amount will be payable to your designated beneficiary for the remainder of his or her lifetime. There is no second reduction in your benefit if your beneficiary dies before you.

10 Years Certain and Life - provides a reduced monthly annuity payable for your lifetime. If you die before receiving at least 120 monthly payments, this same benefit will continue to your designated beneficiary for the remainder of the 120-month period beginning with your Benefit Commencement Date. No benefits will be paid to your beneficiary on or after the 10th anniversary of the date benefit payments began. If your beneficiary dies before you and before you have received 120 monthly benefit payments, you may select a new beneficiary by contacting Fidelity. If your original election of the 10 Years Certain and Life option required the consent of your Spouse and if that Spouse is still alive and still married to you, then the change in beneficiary will also require that Spouse's consent.

Cash Refund Annuity – Provides a reduced monthly annuity payable for your lifetime. If you die and the total payments made to you are less than your total account balance as of your Benefit Commencement Date, your beneficiary will receive a one-time Lump Sum Payment equal to the difference between your account balance and the amount paid to you.

Lump Sum Payment- Provides a one-time Lump Sum Payment equal to your account balance, with no payments after your death.

All annuity benefits payable to the Participant will be actuarially equivalent to the account balance based on the assumptions prescribed by IRC Section 417(e).

Maximum Age Difference for Non-Spouse Contingent Annuitant

If your beneficiary is not your Spouse and is younger than you, the availability of payment options are subject to certain limits provided in IRS regulations on the maximum age difference between you and your beneficiary. No age difference restrictions apply if your beneficiary is your Spouse. Refer to the table in the Payment Options sub-section of the Average Earnings Based Benefit section (page 18) for the maximum age difference rules.

Lump Sum Payment Option

If you are vested when you leave the Employer, you may elect to receive your benefit in a one-time Lump Sum Payment. If you are married, you will need your Spouse's notarized consent for this option. You may choose to receive your lump sum in one of the following ways:

- *Cash Distribution*: If you cash out your lump sum benefit, the benefit amount is considered ordinary income and is subject to an automatic tax withholding. BCBSM is required by law to withhold 20% for federal tax purposes; however, the actual tax you pay may be higher or lower than this amount depending on other income you declare when you file your income tax return for that year. If you are under age 59½ when you take a cash distribution, the IRS may require you to pay an additional 10% penalty.
- *Rollover*: You can choose to roll over all of your account balance directly into an Individual Retirement Account (IRA) or another employer's qualified retirement plan (if the plan accepts rollovers). You can have BCBSM make a direct rollover on your behalf (not subject to tax withholding), or you can take a cash distribution (subject to mandatory 20% federal tax withholding)

and roll it over within 60 days. If you choose to roll your benefit over, you still will need your Spouse's notarized consent.

- *Split*: This option allows you to take a portion of your lump sum amount as a cash distribution and to roll over a portion into a qualified retirement plan or IRA. If you are married, Spousal consent is required.

All Lump Sum Payment distributions will be issued by check and mailed directly to you. If you choose to roll over your distribution, it is your responsibility to transfer the funds to the chosen qualified retirement plan or IRA.

If you are under age 73 (or the age as adjusted by IRS regulations) when you receive your account balance, you can roll your benefit over. If you are over age 73 (or the age as adjusted by IRS regulations) when you receive your account balance, you can roll your benefit over after you have received your mandatory required distribution.

Funding-Based Distribution Restrictions

Under certain circumstances based upon the funding status of the Plan, the tax code will impose restrictions on distributions from the Plan. It is not contemplated that the Plan will be under these restrictions. However, if these restrictions were ever to apply to the Plan, you would be notified. A summary of these restrictions follows.

First, if BCBSM were to enter bankruptcy proceedings at a time when the Plan was less than 100% funded, you would not be able to take a lump sum distribution from the Plan until BCBSM emerged from bankruptcy. Alternatively, you would be able to receive your benefit while BCBSM was in bankruptcy under any other distribution option offered under the Plan.

Second, if the Plan were only moderately underfunded, that is, less than 80% funded but more than 60% funded, you would not be able to receive all of your distribution in a lump sum. However, you would have the option of (1) deferring receipt of your benefit until the funding status of the plan improved, (2) receiving your benefit immediately in any other distribution option offered under the Plan, or (3) bifurcating your benefit and receiving approximately one-half of your benefit in a lump sum and approximately one-half of your benefit under any other distribution option offered under the Plan (with both portions of your benefit payable immediately).

Third, if the Plan were to become severely underfunded, that is, less than 60% funded, you would not be able to take a lump sum distribution from the Plan until the funding status of the Plan improved to 80%. However, you would be able to receive your benefit immediately under any other distribution option offered under the Plan.

Leaving Your Benefit in the Plan

Upon termination of employment with the Employer, you may leave your vested account balance in the Plan until a later date (no later than age 70½), where it will continue to earn interest credits. Your account will, however, no longer earn basic credits.

Reemployment

If you are reemployed by the Employer after receiving or commencing your benefit from the Plan, your benefit will not be suspended. Instead, your Eligibility Service will be reinstated (see Participation and Vesting section), and you will commence participation in the cash balance portion of the Plan with an initial account balance of zero. During your period of reemployment, you will receive Basic Credits and Interest Credits like any other Participant. Upon your subsequent termination of employment, you will be

entitled to elect a distribution option for the benefit accrued during the period of your reemployment that is unrelated to your previous distribution election.

Cash Balance Death/Survivor Benefits

Death of Active Participants

Your account balance under these Plan provisions will become vested immediately upon your death, regardless of your years of Eligibility Service. Your beneficiary will be entitled to your account as described in the section below. Effective January 1, 2007, if you die during military leave, your beneficiary(ies) will be entitled to any survivor benefits that they would have received had you been actively employed at the date of your death.

Survivor Benefit Payable Upon Death of Vested Participants

The account balance under the Plan will be paid as follows:

- **Spouse** – Your Spouse may choose to elect a lump sum equal to your account balance or a single life annuity option (deferred or immediate).

The death benefit payable to your Spouse may never be less than the “Qualified Pre-retirement Survivor Annuity” (QPSA). If your death occurs on or after you reach age 55, the QPSA is calculated as if you had commenced the Day before you died with the 65% to Contingent Annuitant option in effect, and that you died the Day after receiving your first payment. If your death occurs before you reach age 55, the QPSA will be determined as if you had terminated on your date of death (or your Severance from Service, if earlier), survived until your 55th birthday with the 65% Contingent Annuitant option in effect, and died on the Day after receiving your first payment.

Annuity payments to your Spouse will commence on the date elected by the Spouse, provided that the date is no later than the date that would have been your 65th birthday, your date of death, or the date specified in the Time of Distribution sub-section.

- **Non-Spouse Beneficiary**- If you do not have a surviving Spouse eligible to receive a Plan benefit, you may elect a beneficiary who will be entitled to your account balance. A Lump Sum Payment equal to your account balance will be made to the designated beneficiary as soon as administratively possible. Your non-Spouse beneficiary may roll the Lump Sum Payment over to an IRA.
- **Failure to Designate Beneficiary** - If you fail to designate a Beneficiary who survives after your death, your death benefit will be payable to your surviving Spouse. If you were not married on the date of your death, the death benefit will be payable in equal shares as follows:
 - Your surviving children.
 - Your surviving parents, if no children.
 - The representative of your estate, if no parents or children.
- If the actuarial equivalent present value of your Plan benefit is less than \$1,000, your beneficiary will automatically receive a Lump Sum Payment.
- Once you retire and begin receiving benefit payments, survivor benefits will be paid upon your death only according to the payment options you elect.

All Participants: Other Important Information

The rest of this SPD applies generally to all Participants in either benefit formula.

Consent of Spouse and Waiver

If you have a Spouse and you want to designate someone other than your Spouse as beneficiary, you must obtain a waiver and consent from your Spouse. To verify your Spouse's consent and waiver, your Spouse's signature must be witnessed by a notary public.

Plan Information Website

Participants can access the Fidelity self-service tool at www.NetBenefits.com. The website provides valuable pension information and functions such as:

- Pension estimates;
- Pension commencement;
- Upload proof documents;
- Update/designate beneficiary(ies); and
- Access to Summary Plan Description and other reference documents

After commencement, you can also utilize this site to update direct deposit, tax information, request annual tax forms and pension/income verification letters.

Plan Transfers

If you transfer from coverage under the BCBSM Employees' Retirement Account Plan to coverage under this Plan, or vice versa, Eligibility Service under either plan will be based upon your total years of employment with the Employer.

If you transferred to this Plan prior to January 1, 1999:

- The Employer will assume you have been a Participant in this Plan from date of hire. At your retirement or termination of employment, your pension benefits will be calculated under this Plan and payable from this Plan.

If you transferred to this Plan on/after January 1, 1999:

- At your retirement or termination of employment, you will have two separate pension benefits, one from the BCBSM Represented Employees' Retirement Income Plan and one from the BCBSM Employees' Retirement Account Plan. Your pension benefits vested under the BCBSM Employees' Retirement Account Plan will be payable from that plan pursuant to its payment options. Pension benefits vested under the BCBSM Represented Employees' Retirement Income Plan will be payable from this Plan.

If you were previously participating in this Plan prior to January 1, 2009 and were rehired back into this Plan on/after January 1, 2009 (or for AFICA and United Heartland Employees, on/after January 1, 2010):

- At your retirement or termination of employment, you will have two separate pension benefits from this Plan, one from the defined benefit portion accrued prior to your rehire and one from the cash balance portion accrued on/after your rehire.

If you were previously participating in this Plan prior to January 1, 2009, transferred/rehired into the BCBSM Employees' Retirement Account Plan, and transferred/rehired into this Plan after January 1, 2009 (or for AFICA and United Heartland Employees, on/after January 1, 2010):

- At your retirement or termination of employment, you will have three separate pension benefits:
 - one benefit from the defined benefit portion of this Plan accrued prior to transfer/rehire into the BCBSM Employees' Retirement Account Plan;
 - one benefit from the BCBSM Employees' Retirement Account Plan accrued while covered under that plan, and
 - one benefit from the cash balance portion of this Plan accrued after transfer/rehire from the BCBSM Employees' Retirement Account Plan

Payment Dates

All payments under the Plan are payable on or around the first of the month.

Time of Distribution

In general, no amounts are payable from the Plan prior to your termination of employment. If you transfer employment to any subsidiary within the BCBSM enterprise, you are not considered terminated and will not be eligible to request a distribution from this Plan until you have terminated employment from all subsidiaries within the BCBSM enterprise. The law requires that payment of your retirement benefit begin no later than the April 1 of the calendar year following the *later* of the calendar year in which you reach age 70½ or the calendar year in which you retire from the Employer. If you continue working past age 70½ and later begin receiving a Late Retirement Benefit, your benefit will be actuarially adjusted to reflect the delay in the start-up of monthly payments from age 70½.

Rollovers to the Plan are Not Accepted

Please note that the Plan does not allow you to roll over payments you receive from other plans or IRAs into this Plan.

Qualified Domestic Relations Order

A court may order that a portion of your benefit be paid to your ex-Spouse or other individuals in a divorce decree (including a court approved property order). If the court order meets certain requirements, it becomes what is called a "Qualified Domestic Relations Order," and the Plan must comply with it. For guidelines or to submit a domestic relations order, contact Fidelity at 1-800-378-4015.

If you receive a court order affecting your benefits, please contact Fidelity at 1-800-378-4015.

Factors Influencing Your Benefits

There may be certain situations in which benefits under the Plan can be terminated, reduced, or denied:

- Your Eligibility and Credited Service, as well as your Basic Credits and Interest Credits, may be lost if your employment is terminated before you become eligible for vested benefits under the Plan. Service may be reinstated should you later return to employment with the Employer.
- Disability Pension Benefits will be terminated if you are age 65, or no longer totally and permanently disabled, or refuse a medical examination as ordered by the Committee.
- If you do not apply for benefits under the Plan, benefit payments cannot begin, unless otherwise noted under the "Time of Distribution" section above.

- In the event you supply fraudulent information that affects your benefit, the Committee has the authority to re-determine the value of your benefit, including payments already received.
- If you receive any payments due to Workers' Compensation or non-occupational disability laws, except under the Federal Social Security Act, your monthly retirement benefit will be reduced by the amount of that other benefit. However, no reduction will be made for payments due to:
 - loss of any bodily member;
 - loss of industrial vision;
 - redemption awards payable prior to or after the date a monthly retirement benefit first becomes payable and/or;
 - reimbursement for medical expenses.
- This Plan recognizes service with other Blue Cross and/or Blue Shield organizations or affiliates when computing your retirement benefit (see Credited Service section). To avoid double payment for the same service time, your monthly retirement benefit from this Plan will be reduced by any Employer-paid pension you may receive from another Blue Cross and/or Blue Shield organization for those same service years. No deduction will be made by the Employer for any portion of another pension that results from your own personal contributions.

Social Security Benefits

All Plan benefits you receive are paid in addition to your Social Security benefit. If you have any questions about your Social Security benefit, you should contact your local Social Security Administration Office.

Plan Administration

Future of the Plan

The Employer expects and intends to continue the Plan indefinitely. The Plan will not be amended or terminated without the agreement of the Union during the term of the current labor agreement, except when required to do so by state or federal laws, rules, or regulations. If any legally mandated amendment requires the Employer to choose an effective date or a method of implementation, Union consent will be obtained.

Assignment

You may not assign, transfer, or convey any of the benefits provided by this Plan. Your benefits will be exempt from the claims of creditors to the maximum extent permitted by law. However, all or a portion of your benefit may be paid to or on behalf of another person under a Qualified Domestic Relations Order issued by a court of competent jurisdiction. This might happen, for example, in the case of divorce or child support proceedings.

Involuntary Lump Sum Payment

If the actuarial equivalent present value of your Plan benefit is less than \$1,000, you will automatically receive a Lump Sum Payment. Your lump sum benefit will be the actuarial equivalent of your accrued Normal Retirement Benefit. However, if you were hired before January 1, 2009 and the actuarial equivalent present value of your Plan benefit equals or exceeds \$1,000, you will receive a monthly benefit pursuant to the Plan's general provisions governing distributions. Employees hired on/after January 1,

2009 have the payment options described in cash balance portion of this document which includes a Lump Sum Payment option (Spousal consent is required for married Participants).

Record Changes

It is important that you keep your records up-to-date after you retire or terminate with a Vested Termination Benefit. If any of your basic information changes, such as your name, address, or marital status, you should inform the BCBSM Retirement Administration Department and Fidelity as soon as possible.

In the event of a divorce during or after your employment with the Employer, you are required to provide Fidelity with a complete court approved copy of your divorce decree.

You must also notify the BCBSM Retirement Administration Department and Fidelity of the death of a retiree, a beneficiary or a terminated Employee with a Vested Termination Benefit. For purposes of maintaining accurate records, the BCBSM Retirement Administration Department and Fidelity may require a *certified* death certificate for such individual to be provided.

You may write to the Retirement Administration Department at the following address or call 313-225-9609 or toll free 1-800-922-0699 for further information.

Blue Cross Blue Shield of Michigan
Retirement Administration Department
600 East Lafayette (Mail Code: 0126)
Detroit, Michigan 48226

You may update your Fidelity record (“profile”) at www.NetBenefits.com or contact Fidelity at 1-800-378-4015.

Applying for BCBSM Retirement Benefits

Decide when you wish to start your pension benefit (your desired Benefit Commencement Date). We encourage you to utilize Fidelity’s website (www.NetBenefits.com) to run pension estimates to assist you in understanding your benefit before you decide to start your pension. You can start the pension process between **30 and 90 Days** from your desired Benefit Commencement Date (BCD).

- 1) Initiate Your Pension
 - a) Login to www.NetBenefits.com and complete the process under the “Start Your Benefit” tab or contact Fidelity at 1-800-378-4015 if you have difficulties accessing or navigating the website.
 - b) Provide your desired BCD (pension start date) and your last day of work (if you are an active employee).
 - i) Your last day of work cannot be a corporate holiday and cannot be extended by the utilization of PTO.
 - ii) Your BCD is always on the first of the month and must be after your last day of work.
 - c) Follow the steps provided by Fidelity to indicate how you wish to receive your pension benefit (includes selecting a payment option, tax withholding, direct deposit).
 - d) Review your pension elections and make any changes as necessary before you submit.
 - e) Submit your pension elections for processing. When utilizing the online process, you will be directed to a confirmation page.
- 2) Submit Proof Documents to Fidelity

Provide the requested documents to Fidelity for review and processing. Your pension payment cannot be processed until all required documents are provided. Any delays in providing the required documents may result in the delay of your pension payment. When utilizing the online process, your confirmation page will include a checklist detailing all of the required documents you must provide. Required documents include:

- a) A copy of your birth certificate or current passport. Please note: if your current legal name does not match the legal name on your proof document, you must submit documentation to substantiate the name change (such as a marriage license or name change court order).
- b) If you are currently married, submit:
 - i) A copy of your Spouse's birth certificate or current passport.
 - ii) A copy of your marriage license.
 - iii) If electing an option other than the normal form of payment, you must submit a notarized Spousal Consent and Waiver Form.
- c) If you are divorced or previously divorced, submit:
 - i) A copy of all previous marriage license(s).
 - ii) A full copy of all judgment(s) of divorce (divorce decree). If your divorce occurred prior to your employment with the Employer, you may submit a written statement to Fidelity or call Fidelity at 1-800-378-4015 in lieu of a divorce decree.
 - iii) A full copy of any Qualified Domestic Relations Order(s) (if applicable).
- d) If you are widowed, submit:
 - i) A copy of your marriage license.
 - ii) A copy of your Spouse's death certificate.

You can upload your required documents directly to the Fidelity website at www.NetBenefits.com or mail your documents to:

Fidelity Retirement Service Center
PO Box 770003
Cincinnati, OH 45277-0069

Please note: upon receipt and review of your proof documents, Fidelity may request additional documents in order to process your pension payments. Fidelity will notify you if any additional documents are necessary.

To check on the status of your Claim, you can login to www.NetBenefits.com or contact Fidelity directly at 1-800-378-4015.

Claims Review Procedures

Plan Participants are entitled to a full and fair review of any Claims made under the Plan. The procedures described here are intended to provide reasonable procedures governing the:

- filing of benefit Claims;
- notification of benefit decisions; and
- appeal of adverse benefit decisions

These Claims procedures describe how benefit Claims and appeals are made and decided. Consult the Plan for more details regarding the benefits under the Plan.

Timeframe for Deciding Initial Benefit Claims

The Plan Administrator will decide a Claim within a reasonable time, but no later than 90 Days after receipt of the Claim for a pension benefit, and 45 Days if a disability determination is required.

Extension of Claims

If the Plan Administrator is not able to decide a Claim within the above timeframe, one 90-Day extension is permitted, or up to two 30-Day extensions in the case of a disability determination, provided that you are notified in writing prior to the expiration of the initial timeframe applicable to the Claim. The extension notice will include a description of the reasons for the extension and the date by which a decision is expected. You and the Plan Administrator may also voluntarily agree to additional extensions.

Incomplete Claims

If any information needed to process a Claim is missing, the Claim shall be treated as an incomplete Claim. The Plan Administrator may deny the Claim or may take an extension of time, as described above. If the Plan Administrator takes an extension of time, the extension notice will include a description of the missing information and shall specify a timeframe, not less than 45 Days, in which you are to provide the necessary information. The timeframe for deciding the Claim is suspended from the date the extension notice is received by the Claimant until the date the missing necessary information is provided to the Plan. If the requested information is provided, the Plan Administrator shall decide the Claim within the extension period specified in the extension notice. If the requested information is not provided within the time specified, the Claim may be decided without that information.

Notification of Initial Benefit Decision by Plan

Written notification of the Plan Administrator's decision shall be provided to the Claimant.

Adverse Benefit Decisions

A Claim decision is "adverse" if it is:

- a denial, reduction, or termination of a benefit, or
- a failure to provide or make payment (in whole or in part) for a benefit.

A Claimant will receive written notification of an Adverse Benefit Decision on a Claim, which shall:

- include a statement of the specific reason(s) for the decision;
- reference the specific plan provision(s) on which the decision is based;
- describe any additional material or information necessary to perfect the Claim and why such information is necessary; and
- describe the Plan procedures and time limits for appeal of the decision, and the right to obtain information about those procedures and the right to sue in federal court.

For Claims involving a disability determination, the written notice of an Adverse Benefit Decision Claim shall also include:

- Any internal rule, guideline, protocol or similar criterion relied upon in making the adverse determination shall either be provided with the notice, or a statement that such information was relied upon in making the determination, and that a copy of the rule, guideline, protocol, or other similar criterion will be provided free of charge to you upon request.
- When the adverse benefit determination is based on medical necessity or a similar exclusion, either an explanation of the judgment made for the determination (applying the terms of the plan to the medical circumstances), or a statement that such explanation will be provided free of charge upon request.
- The views you presented of health care professionals treating you and vocational professionals who evaluated you.
- The view of the medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the denial, without regard to whether the advice was relied upon in making the denial.
- A disability determination made by the Social Security Administration presented by you.

- A statement that the Claimant can receive, upon request, the entire Claim file or any other relevant documents.

How to Appeal an Adverse Benefit Decision

You have a right to appeal an Adverse Benefit Decision. An appeal of an Adverse Benefit Decision is filed when a Claimant submits a written request for review to:

Blue Cross Blue Shield of Michigan
Retirement Administration Department
600 East Lafayette (Mail Code: 0126)
Detroit, Michigan 48226

A request for review will be treated as received:

- on the date it is hand-delivered to the above address; or
- four business days after it is deposited in the U.S. Mail for first class delivery in a properly stamped envelope containing the above name and address (the postmark on any such envelope will be proof of the date of mailing); or
- one business day after deposit with a national overnight courier for next business day delivery in a properly stamped envelope containing the above name and address (the postmark on any such envelope will be proof of the date of mailing); or
- on the date it is electronically delivered to the RetirementAdministration@bcbsm.com e-mail address.; or
- on the date received by Retirement Administration, if improperly addressed.

Limit on Time to Appeal

An appeal of an Adverse Benefit Decision must be filed within 60 Days following the Claimant's receipt of the notification of Adverse Benefit Decision. (180 Days for a disability determination).

Failure to comply with this important deadline may cause the Claimant to forfeit any right to any further review of an Adverse Benefit Decision under these procedures or in a court of law.

Information to Support Appeal

A Claimant has the right to submit documents, written comments, or other information in support of an appeal.

Review of Appeals

The appeal of an Adverse Benefit Decision will be reviewed and decided by the Plan Administrator. The Plan Administrator will take into account all of the information submitted by the Claimant, whether or not it was presented or available at the time of the initial benefit decision. The Plan Administrator will give no deference to the initial benefit decision.

Access to Relevant Documents

Claimants appealing an Adverse Benefit Decision will be given upon request copies of all documents, records, and other information relevant to the Claimant's Claim for benefits, without any charge.

Review of Disability Appeals

In addition to the foregoing, for appeals of a disability determination:

- Your appeal will be reviewed without deference to the initial Adverse Benefit Decision and the review will be conducted by a Named Fiduciary who was neither the individual who made the Adverse Benefit Decision initially or who was a subordinate of that individual.

- The Plan Administrator will not review or assert evidence, information or rationales that were not used at the initial benefit decision, unless the Claimant has been given notice and a fair opportunity to respond.
- If the Adverse Benefit Decision was based in whole or in part on a medical judgment, the Named Fiduciary considering the appeal will consult with a health care professional who has appropriate training and experience in the field of medicine involved with that medical judgment.
- A medical or vocational expert consultant in connection with initial benefit denial will be identified whether or not the advice provided was relied upon in making the initial benefit determination.

Time Limits

The Named Fiduciary shall decide the appeal of a Claim within a reasonable time but no later than 60 Days after receipt by the Plan of the request for review, unless the Named Fiduciary determines that special circumstances require an extension of time for considering the appeal and provides you with written notice of the extension before the initial 60-Day period expires. For disability determinations, these time periods are 45 Days rather than 60 Days, and any extension of time must be for reasons beyond the control of the plan.

Notification of Appeal Decision

Notification of the decision on appeal will be provided to the Claimant in writing. The written notification provided to a Claimant of an Adverse Benefit Decision on appeal shall:

- include the specific reason(s) for the appeal decision;
- reference specific Plan provision(s) on which the decision is based;
- indicate the appealing Claimant's entitlement to receive on request, and without charge, reasonable access to or copies of all documents, records, or other information relevant to the determination; and
- include a statement of the right to sue in a federal court.

In the case of disability determinations, the decision will also include a copy of any internal rule, guideline, protocol or other similar criterion relied upon in making the adverse determination on appeal or a statement that such that a rule or guideline was relied upon and that a copy will be provided free of charge upon request.

When decisions are based upon medical evaluation, an explanation of that specific evaluation as applicable to the provisions of the Plan is available and will be provided free of charge upon written request.

Any breach, other than a minor breach, of these Claims Procedures will result in Claimant being deemed to have exhausted his or her administrative remedies and therefore having an immediate right to sue in federal court.

The Plan's Claims procedures are conducted in a manner that are free from conflicts of interest and decisions are made in a fair and impartial way.

ERISA Information

As an Employee of the Employer, you are entitled to know what benefits the Plan will provide for you. This document explains your legal rights under the Employee Retirement Income Security Act of 1974 (ERISA) and provides some additional details about how your benefits are administered. The information in this SPD is intended to be given in simple, non-technical language to help you understand your rights and benefits.

Participation in the Plan does not guarantee your right to employment with the Employer.

Plan Information

Type of Plan, Plan Number and Plan Year End

The Blue Cross and Blue Shield of Michigan Represented Employees' Retirement Income Plan is a defined benefit plan that provides benefits when you retire – if you meet the eligibility requirements. The Plan was established in 1948 and has been amended from time to time over the years. The official Plan name, Employer Identification Number (EIN), Plan number and Plan year end are identified below.

Plan Name	EIN	Plan Number	Plan Year End
Blue Cross and Blue Shield of Michigan Represented Employees' Retirement Income Plan	38-2069753	002	December 31

Plan Administrator

The Plan Administrators are BCBSM and Fidelity. The Plan Administrators are responsible for answering questions, deciding how to interpret the Plan, and determining how its provisions should be applied. The Plan Administrators' addresses and telephone numbers are:

Blue Cross Blue Shield of Michigan
Retirement Administration Department
600 East Lafayette (Mail Code: 0126)
Detroit, MI 48226
(313) 225-9609 or 1-800-922-0699

Fidelity Retirement Service Center
PO Box 770003
Cincinnati, OH 45277-0069
1-800-378-4015

All other requests and appeals should be in writing and delivered to the Plan Administrators as set forth in the Claims procedures.

Plan Sponsor and Agent for Services of Legal Process

The Plan Sponsor and Agent for Service of Legal Process for the BCBSM Represented Employees' Retirement Income Plan is BCBSM:

Blue Cross Blue Shield of Michigan
Office of the General Counsel
600 East Lafayette (Mail Code: 1924)
Detroit, MI 48226

However, service of legal process also may be made on the Plan Trustee. At this time, the Trustee for the Plan is:

State Street Global Advisors
Retirement Investment Advisors
200 Newport Avenue
Quincy, MA 02171

Also, some monies are in an insurance fund with:

The Equitable Life Assurance Society of the United States
200 Plaza Drive
Secaucus, NJ 07096

Type of Funding

BCBSM makes contributions to the Plan, which are actuarially determined,

Pension Benefit Guaranty Corporation (PBGC)

A government corporation known as the Pension Benefit Guaranty Corporation (PBGC) insures certain retirement benefits under the Plan, and ERISA requires that the following statement of explanation be provided to you:

Your pension benefits under this Plan are insured by the PBGC, a federal insurance agency. If the Plan terminates without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people will receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits, subject to certain limitations described below.

The PBGC guarantee generally covers:

- 1) Vested normal and early retirement benefits; and
- 2) certain disability and survivor's pensions.

The PBGC guarantee generally does not cover:

- 1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates;
- 2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates;
- 3) benefits that are not Vested because you have not worked long enough for the Employer;
- 4) benefits for which you have not met all of the requirements at the time the Plan terminates;
- 5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's Normal Retirement Age; and
- 6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain benefits are not guaranteed, you still may receive some of those benefits from the PBGC, depending on how much money the Plan has and on how much the PBGC collects from employers. The PBGC guarantees Vested benefits at the level in effect on the date of the Plan termination. However, if a Plan has been in effect for less than 5 years before it terminates, or if benefits have been increased within the 5 years before Plan termination, the whole amount of the Plan's vested benefits or the benefit increase may not be guaranteed.

In addition, there is a ceiling that is adjusted periodically on the amount of monthly benefit the PBGC guarantees.

For more information about the PBGC insurance protection and its limitations, contact the plan administrator of the PBGC Technical Assistance Division. Inquiries to the PBGC should be addressed to the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, DC 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbgc.gov>.

Minimum and Maximum Benefits

Federal law requires certain changes to this Plan if benefits become weighted too heavily in favor of the BCBSM management group. A minimum benefit and faster Vesting of some benefits will apply. At this time, it does not appear that the Plan will become top heavy, but if it does, you will be notified.

The Plan is a "defined benefit plan," which means that it defines an amount of benefit payable at retirement age. Under the law, the maximum permissible annual benefit payable at age 62 is the lesser of your high three years of pay or a dollar limit that is periodically adjusted for inflation. The dollar limit is reduced if your benefits start before age 62, and increased if your benefits start after age 65. You will be notified if the maximum benefit limitations have an effect on your benefits under the Plan.

No Guarantee of Employment

Participation in the Retirement Income Plan does not guarantee your right to employment with BCBSM.

Your Rights and Protection under ERISA

As a Participant in the Plan, you have certain rights and protection under ERISA.

ERISA provides that all Plan Participants shall be entitled to:

- Examine without charge, at the Plan Administrator's office and at other specified locations, such as work sites and Union halls, all plan documents governing the Plan, including insurance contracts and collective bargaining agreements, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Employee Benefits Security Administration.
- Obtain, upon written request to the Plan Administrator, copies of documents governing the Plan's operation, including insurance contracts and collective bargaining agreements, and copies of the latest annual report (Form 5500 Series) and updated summary plan description. The Plan Administrator may make a reasonable charge for the copies.
- Receive a summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.
- Obtain a statement telling you whether you have a right to receive a pension at Normal Retirement Age and, if so, what your benefits would be at Normal Retirement Age if you stop working under the Plan now. If you do not have a right to a pension, the statement will tell you how many more years you have to work to get a right to a pension. This statement must be requested in writing and is not required to be given more than once every twelve (12) months. The Plan must provide the statement free of charge.

A complete list of the employer and Employee organizations sponsoring the Plan may be obtained upon written notice to the Plan Administrator. They are available for examination at the Plan Administrator's office and at other specified locations. You may request information as to whether a particular employer or Employee organization is a sponsor of a Plan, as well as its address, from the Plan Administrator.

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called "fiduciaries" of the Plan, have a duty to act prudently and in the interest of you and the other Plan Participants and beneficiaries.

No one, including your Employer, or any other person, may fire you or otherwise discriminate against you in any way for the sole purpose of preventing you from obtaining benefits under the Plan or from exercising your rights under ERISA.

If your Claim for benefits is denied in whole or in part, you have a right to know why this was done and to obtain copies of documents relating to the decision without charge, and to appeal any Adverse Benefit Decision all with certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request materials from the Plan and do not receive them within 30 Days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a Day until you receive them, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a Claim for benefits that is denied or ignored, in whole or in part, you may file suit in a federal court. In addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court.

If you are discriminated against for asserting your rights, or if it should happen that Plan fiduciaries misuse Plan money, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your Claim is frivolous.

If you have any questions about the Plan, you should contact the BCBSM Retirement Administration Department. If you have any questions about this document or your rights under ERISA or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or at 200 Constitution Ave., NW, Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.