



***Blue Cross and Blue Shield of Michigan
Employees' Retirement Account Plan
Summary Plan Description***

July 2024

BCBSM Employees' Retirement Account Plan
Table of Contents

	<u>Page</u>
Introduction.....	1
Retirement Account Plan at a Glance	2
• Who Is Covered Under the Plan	2
• When Participation in the Plan Begins	2
• How Account Credits Are Determined.....	2
• When Benefits Are Available.....	2
• Payment Options.....	2
Glossary of Terms	3
Eligibility and Participation.....	6
• Eligibility Service	6
• Severance from Service	6
• Break in Service.....	7
• Reinstatement of Service	7
• Service with Other Organizations.....	7
• Plan Transfers	8
Pre-1998 Pension Benefits	8
How Your Benefits Grow	8
• Basic Credit	8
• Supplemental Age-Related Credit	9
• Special Transition Credit	9
• Interest Credit	9
• Examples of Account Growth	10
When Benefits Are Available.....	11
Payment Options.....	11
• Annuity Payment Options	12
• Lump Sum Payment Option	13
• Funding-Based Distribution Restrictions	14
Death/Survivor Benefits	15
• Death Prior to Commencement	15
• Death After Commencement.....	16

• Death While in Service in U.S. Armed Forces	16
Other Important Information.....	16
• Consent of Spouse and Waiver.....	16
• Plan Information Website.....	16
• Plan Transfers.....	16
• Payment Dates	17
• Rollovers to the Plan are Not Accepted.....	17
• Qualified Domestic Relations Order	17
• Factors Influencing Your Benefits.....	17
• Social Security Benefits.....	17
Plan Administration.....	18
• Assignment	18
• Involuntary Lump Sum Payment.....	18
• Record Changes	18
• Applying for BCBSM Retirement Benefits.....	19
Claims Review Procedures.....	20
• Timeframe For Deciding Initial Benefit Claims.....	20
• Extension of Claims.....	20
• Incomplete Claims.....	20
• Notification Of Initial Benefit Decision By Plan	21
• Adverse Benefit Decisions	21
• How to Appeal an Adverse Benefit Decision.....	21
• Limit on Time to Appeal	21
• Information to Support Appeal.....	22
• Review of Appeals.....	22
• Access to Relevant Documents	22
• Time Limits	22
• Notification of Appeal Decision.....	22
ERISA Information	23
Plan Information.....	23
• Type of Plan, Plan Number and Plan Year End	23
• Plan Administrator.....	23
• Plan Sponsor and Agent for Service of Legal Process	23

- Type of Funding 24
- Pension Benefit Guaranty Corporation (PBGC)..... 24
- Minimum and Maximum Benefits..... 25
- Your Rights and Protection under ERISA..... 25

Introduction

The Blue Cross and Blue Shield of Michigan Employees' Retirement Account Plan (Plan) is designed to help you meet your retirement needs and is provided at no cost to you. The Plan provides benefits when you retire or otherwise terminate employment, as long as you meet the Vesting requirements. 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 this 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.

Retirement Account Plan at a Glance

Plan Highlight	Explanation																								
Who Is Covered Under the Plan	All non-represented Employees																								
When Participation in the Plan Begins	<p>You become a Participant in the Plan on the first Day of the month on or after you:</p> <ul style="list-style-type: none"> • Turn at least age 21, and • Have completed one year of Eligibility Service. <p>No additional action from you is required.</p>																								
How Account Credits Are Determined	<p>If you hired/rehired before January 1, 2007, your account credits are determined using the following percentages of your Adjusted W-2 Pay:</p> <table style="margin-left: 20px;"> <tr> <td>Basic credit:</td> <td style="text-align: right;">6%</td> </tr> <tr> <td>Plus Age credit:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Under age 40</td> <td style="text-align: right;">0%</td> </tr> <tr> <td style="padding-left: 20px;">Age 40-44</td> <td style="text-align: right;">2%</td> </tr> <tr> <td style="padding-left: 20px;">Age 45 and above</td> <td style="text-align: right;">4%</td> </tr> <tr> <td>Plus Interest credit:</td> <td style="text-align: right;">4% annual minimum</td> </tr> </table> <p>If you hired/rehired on/or after January 1, 2007, your account credits are determined using the following percentages of your Adjusted W-2 Pay:</p> <table style="margin-left: 20px;"> <tr> <td>Basic credit:</td> <td style="text-align: right;">3%</td> </tr> <tr> <td>Plus Age credit:</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Under age 40</td> <td style="text-align: right;">0%</td> </tr> <tr> <td style="padding-left: 20px;">Age 40-44</td> <td style="text-align: right;">1%</td> </tr> <tr> <td style="padding-left: 20px;">Age 45 and above</td> <td style="text-align: right;">2%</td> </tr> <tr> <td>Plus Interest credit:</td> <td style="text-align: right;">4% annual minimum</td> </tr> </table> <p>(Refer to the How Your Benefits Grow section of the SPD for more detail.)</p>	Basic credit:	6%	Plus Age credit:		Under age 40	0%	Age 40-44	2%	Age 45 and above	4%	Plus Interest credit:	4% annual minimum	Basic credit:	3%	Plus Age credit:		Under age 40	0%	Age 40-44	1%	Age 45 and above	2%	Plus Interest credit:	4% annual minimum
Basic credit:	6%																								
Plus Age credit:																									
Under age 40	0%																								
Age 40-44	2%																								
Age 45 and above	4%																								
Plus Interest credit:	4% annual minimum																								
Basic credit:	3%																								
Plus Age credit:																									
Under age 40	0%																								
Age 40-44	1%																								
Age 45 and above	2%																								
Plus Interest credit:	4% annual minimum																								
When Benefits Are Available	<ul style="list-style-type: none"> • <i>Retirement/Vested Benefit:</i> You are entitled to a benefit if you retire or otherwise terminate employment, as long as you have at least three years of Eligibility Service • <i>Death/Survivor Benefit:</i> If you die after participating in the Plan but before receiving benefit payments, your beneficiary will be entitled to your account balance under the Plan. 																								
Payment Options	<ul style="list-style-type: none"> • Life Annuity (immediate or deferred) • Joint and 66^{2/3}% to Survivor • 50% to Contingent Annuitant • 66^{2/3}% to Contingent Annuitant • 75% to Contingent Annuitant • 100% to Contingent Annuitant • 10 Years Certain & Life Annuity • Cash Refund Annuity • Lump Sum Payment <p>(Refer to the Payment Options section of this SPD for full descriptions.)</p>																								

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.

Adjusted W-2 Pay – The pay used to determine your pension benefit. It is equal to your W-2 pay plus any pre-tax 401(k), dependent care, healthcare reimbursement account contributions, and any nonqualified deferred compensation plan 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
- Pride in Excellence (PIE) awards
- long term incentive compensation
- severance compensation paid on/after January 1, 2008
- PTO lump sum payments
- compensation received more than 2 ½ months after termination of employment or the end of the 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.

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.

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 Represented Employees' Retirement Income Plan – The bargaining employee pension plan.

BCN – Blue Care Network of Michigan.

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

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.

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 Eligibility and Participation section of this SPD for details.

Employee – Any person employed by an Employer who is not:

- Covered by a collective bargaining agreement (unless that agreement specifically provides for participation in this Plan); or,
- A leased employee; or,
- Providing services to an Employer as a consultant or independent contractor.

Employer – BCBSM, BCN, AFICA, United Heartland, CompWest, COBX, Bricktown Capital, LLC, or any other BCBSM subsidiary which formally adopts this Plan. The basic credit and supplemental age-related credits are based on the date the Employee was hired by the Employer or the date when the subsidiary joined the Plan, whichever is later.

- AFICA joined the Plan effective December 28, 1994.
- United Heartland joined the Plan effective January 1, 2005.
- CompWest joined the Plan effective April 1, 2009.
- Former MCare employees joined the Plan effective January 1, 2007. If you were subsequently hired by BCN as a result of the December 31, 2006 purchase of MCare, you are credited with Eligibility Service from your commencement date with MCare.
- COBX joined the Plan effective January 1, 2017.
 - If you were an Employee hired or rehired by BCBSM, BCN, AFICA, United Heartland, or CompWest on or before April 1, 2016 and transfer to non-union employment with COBX after you have become a Participant in this Plan, you will continue to accrue the same benefits under this Plan.
 - If you were an Employee hired or rehired by BCBSM, BCN, AFICA, United Heartland, or CompWest after April 1, 2016 and transfer to non-union employment with COBX after you have become a Participant in this Plan, you will continue to earn Eligibility Service towards Vesting purposes and Interest Credit on benefits accrued under this Plan prior to transfer to COBX.
 - All other employees of COBX are not eligible to participate in this Plan.

- Bricktown Capital, LLC joined the Plan Effective December 1, 2022.

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

Normal Retirement Date – The first Day of the month on or after the later of:

- The date you reach age 65, or
- The third anniversary of your participation date.

Participant – An Employee who has:

- Reached age 21; and
- 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.

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 Eligibility and Participation section of this SPD for more details.

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

Vesting – Your legal right to receive a benefit from the Plan. You will have a vested termination benefit if you terminate employment with at least three years of Eligibility Service with the Employer. If you are vested under the Plan, you have a right to receive a benefit even if your employment terminates.

Eligibility and Participation

All 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 with the Employer, or one year of employment with an Affiliated Employer or another Blue Cross and Blue Shield organization before becoming an Employee.

Eligibility Service

Eligibility Service is used to determine your eligibility to participate and your vested right to a benefit under the Plan. Your Eligibility Service is calculated to the nearest one-twelfth (1/12th) 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 while on an approved leave of absence before you incur a Severance from Service (refer to the Severance from Service section of this SPD); and
- the continuous period of service as a leased employee or contractor of the Employer that immediately precedes your hire date with the Employer. For example, if you were a contractor or leased employee to BCBSM from June 1, 2019 to June 1, 2020 and hired as an Employee on June 2, 2020, you will have one year of Eligibility Service as of your date of hire.

Severance from Service

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

- The date you quit, are terminated, retire or die.
- The first anniversary of the date you are absent from service for any other reason (including approved leaves of absence).
- The second anniversary of the date your absence begins if you are absent for maternity or paternity reasons. Examples of an absence due to maternity or paternity are:
 - You are pregnant
 - You (or your spouse) give birth to a child
 - You adopt a child
 - You need to care for your child for a period of time following birth or adoption

A Severance from Service is an event that causes a loss of Eligibility Service under the Plan. If you are later rehired by the Employer after you have a Severance from Service, you will be treated as a new Employee under the Plan, unless you are entitled to a reinstatement of service. A Severance from Service will not affect your right to any benefits you earned before that Severance from Service.

A 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, and you will continue to be credited with Eligibility Service. For purposes of basic and supplemental age-related credits, you will continue to be credited with Adjusted W-2 Pay during the period of military service equal to one-twelfth (1/12th) of the Adjusted W-2 Pay for the 12-month period immediately preceding the month in which your military service begins. However, no more than 60 months of Adjusted W-2 Pay will be credited for this purpose.

Break in Service

A Break in Service is an event that may cause a loss of Eligibility 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. 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 had 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 reinstated in the following situations:

- if you are rehired within a 12-month period following your Severance from Service;
- 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, your Eligibility Service and prior credits will not be reinstated.

If you receive a distribution of the entire value of your benefit and are later rehired by the Employer, your Eligibility Service will be reinstated*, and you will commence participation with an initial account balance of zero.

*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 Organizations

The Plan recognizes service with other Blue Cross and/or Blue Shield organizations when determining your Eligibility Service for participation and Vesting in your Plan benefit.

Accident Fund Insurance Company of America Employees who were participating in the

Michigan State Employees' Retirement System (MSERS) on December 28, 1994, became Participants in this Plan as of December 28, 1994. Accident Fund Insurance Company of America Employees who were hired after December 28, 1994, must satisfy the requirements for eligibility and participation and are subject to all of the Plan provisions described in this SPD.

Plan Transfers

If you transfer from the BCBSM Represented Employees' Retirement Income Plan to this Plan, or vice versa, Eligibility Service under both Plans will be based upon your total years of employment with the Employer. At retirement or termination of employment, your eligibility to receive a normal retirement, early retirement or vested benefit will take into account your total years of service.

However, your benefit from this Plan will be based only on your Eligibility Service while participating in this Plan (with interest credits until you receive your benefits under this Plan).

You may also receive a benefit from the BCBSM Represented Employees' Retirement Income Plan based on Eligibility Service while you were a participant in that plan.

Pre-1998 Pension Benefits

If you began employment with the Employer before January 1, 1998, your accrued benefit under the BCBSM Employees' Retirement Income Plan was converted to an account balance as of January 1, 1998 under this Plan. Your January 1, 1998 account balance was rolled forward to December 31, 1998, with basic, supplemental age-related and interest credits as described below, giving you an account balance as of January 1, 1999.

The BCBSM Employees' Retirement Account Plan was effective as of January 1, 1999. Thus, even though the Plan was "operable" during 1998 (i.e., Participants earned basic, age-related and interest credits), the value of your account can never be less than the value of your accrued benefit under the BCBSM Employees' Retirement Income Plan as of December 31, 1998. This accrued benefit as of December 31, 1998 is protected by law.

How Your Benefits Grow

There are a number of ways your account can grow during your employment with the Employer:

Basic Credit

Your basic credit is based on the date you were hired/rehired by the Employer, or the date your subsidiary joined the Plan, whichever is later.

If you were hired/rehired before January 1, 2007, BCBSM will credit your account monthly with an amount equal to 6% of your monthly Adjusted W-2 Pay.

If you were hired/rehired on or after January 1, 2007, BCBSM will credit your account monthly with an amount equal to 3% of your monthly Adjusted W-2 Pay.

Supplemental Age-Related Credit

Your supplemental age-related credit is in addition to your basic credit and is based on the date you were hired/rehired by the Employer or the date your subsidiary joined the Plan, whichever is later.

If you were hired/rehired before January 1, 2007, this monthly credit provides additional benefits to Participants who are age 40 or older. The amount of supplemental age-related credit you are eligible to receive varies depending on age:

- *Age 40 to 44* — Additional credit equal to 2% of monthly Adjusted W-2 Pay
- *Age 45 or older* — Additional credit equal to 4% of monthly Adjusted W-2 Pay

Your supplemental age-related credit increases from 2% to 4% beginning at age 45. The applicable credit becomes effective for the month of your birthday.

If you were hired/rehired on or after January 1, 2007, this monthly credit provides additional benefits to Participants who are age 40 or older. The amount of supplemental age-related credit you are eligible to receive varies depending on age:

- *Age 40 to 44* — Additional credit equal to 1% of monthly Adjusted W-2 Pay
- *Age 45 or older* — Additional credit equal to 2% of monthly Adjusted W-2 Pay

Your supplemental age-related credit increases from 1% to 2% beginning at age 45. The applicable credit becomes effective for the month of your birthday.

Special Transition Credit

There was a special transition credit for Participants who:

- were continuously employed by the Employer as an Employee on or before December 31, 1997 (without regard to whether you were a Participant on that date) through January 1, 1999; and
- were Participants on January 1, 1999.

These Participants' accounts were credited with a transition credit equal to 2% of their monthly Adjusted W-2 Pay. This transition credit was provided in addition to all other credits and applied regardless of age or years of service. The transition credit was added to the Participant's account through an Employee's Severance from Service or through December 31, 2008, whichever is earlier.

Interest Credit

Your account will be credited monthly with interest, based upon your balance at the beginning of the quarter. The interest is set annually at a rate equal to the greater of:

- The return on the one-year Treasury bill interest rate as of August of the preceding year, as published by the Federal Reserve Board; or
- 4% per Plan Year.

The Interest Credit is one-twelfth (1/12) of the annual rate determined above. Toward the end of

each Plan Year, BCBSM will announce the rate that will be used for interest credits for the next Plan Year.

Examples of Account Growth

The following example shows how a Participant’s account balance grows over time:

- This Participant began employment with the Employer on January 1, 2022
- The opening account balance equals zero
- Contributions are made to the Participant’s account monthly based on Adjusted W-2 Pay and interest is added monthly
- Our example stops at March 31, 2023, although the account continues to grow throughout the Participant’s employment with the Employer
- In this example, the Participant turns 45 in October 2022 and gets an age-related credit increase to 2%
- 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 annual interest rate is assumed to be 4.00%, which is the rate in effect for 2022 and 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 Plan. Below is an example of the growth of your account:

Account Balance History						
Date	Monthly Adjusted W-2 Pay	Basic Credits (3% of Monthly Pay)	Age-Related Credits (1% or 2% of Monthly Pay)	Annual Interest Rate	Interest Credits	Ending Account Balance
01/31/2022	3,750.00	112.50	37.50	4.00	0.00	150.00
02/28/2022	3,750.00	112.50	37.50	4.00	0.00	300.00
03/31/2022	3,750.00	112.50	37.50	4.00	0.00	450.00
04/30/2022	3,750.00	112.50	37.50	4.00	1.50	601.50
05/31/2022	3,750.00	112.50	37.50	4.00	1.50	753.00
06/30/2022	3,750.00	112.50	37.50	4.00	1.50	904.50
07/31/2022	3,750.00	112.50	37.50	4.00	3.02	1,057.52
08/31/2022	3,750.00	112.50	37.50	4.00	3.02	1,210.53
09/30/2022	3,750.00	112.50	37.50	4.00	3.02	1,363.55
10/31/2022*	3,750.00	112.50	75.00	4.00	4.55	1,555.60
11/30/2022	3,750.00	112.50	75.00	4.00	4.55	1,747.64
12/31/2022	3,750.00	112.50	75.00	4.00	4.55	1,939.69
01/31/2023	3,750.00	112.50	75.00	4.00	6.47	2,133.66
02/28/2023	3,750.00	112.50	75.00	4.00	6.47	2,327.62
03/31/2023	3,750.00	112.50	75.00	4.00	6.47	2,521.59

* Month of Participant’s 45th birthday.

When Benefits Are Available

You may request an immediate distribution of your benefits under the Plan if you terminate employment with the Employer with three or more years of Eligibility Service. 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.

You may also leave your benefits in the Plan until as late as April 1 of the year following the year you (1) attain age 70½, or (2) terminate employment, whichever is later. 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. (See the Involuntary Lump Sum Payment section of the SPD).

Payment Options

There are two types of payment options available to you under the Plan:

- 1. Annuity payment options.** There are various annuity options available under the Plan. With these options, you receive your benefit as a monthly payment, called an annuity.
- 2. Lump Sum Payment option.** With this option, you receive your benefit as a one-time payment.

Prior to age 55, the following payment options are available to you:

- If you are unmarried, Life Annuity or Lump Sum.
- If you are married, 50% to Contingent Annuitant, 75% to Contingent Annuitant, or Lump Sum Payment.

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 and the Cash Refund Annuity, 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 Life Annuity or Lump Sum Payment option, an initial reduction will be made at the date your benefits begin because benefits may continue to a designated beneficiary after your death. Depending on the option you select, an additional reduction in your benefit amount may or may not be made upon your death or the death of your designated beneficiary. Each variation in the options allows you to design an income level that meets your needs, as well as your Spouse's or designated beneficiary's needs.

Annuity Payment Options

You may choose from the following life annuity payment options after you terminate or retire from the Employer:

- **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 66²/₃ % 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), 66²/₃% of this reduced amount will be payable to the survivor for the remainder of his or her lifetime.
- **50% to Contingent Annuitant** – Provides a reduced monthly annuity payable for your lifetime. Upon your death, 50% 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.**

Example – The following example demonstrates how the 50% to Contingent Annuitant option works after you commence your benefit.

Assumption

- Your calculated 50% to Contingent to Annuitant monthly benefit is \$800

Calculation

If you die before your designated beneficiary, they will receive 50% of your monthly benefit for the remainder of his or her lifetime.

$$\begin{aligned} &(\text{Your benefit amount}) \times (50\%) = \text{Monthly benefit to designated beneficiary} \\ &\$800 \times .50 = \mathbf{\$400} \end{aligned}$$

- **66²/₃ % to Contingent Annuitant** – Provides a reduced monthly annuity payable for your lifetime. Upon your death, 66²/₃% 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.

Maximum Age Difference for Non-Spouse Beneficiary

If the designated 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
50% 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.

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).

Lump Sum Payment Option

If you are vested when you separate from 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 Payment 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 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 your 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 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 single 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 payment 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 payment

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 payment option offered under the Plan.

Death/Survivor Benefits

Death Prior to Commencement

If you are an active Participant or a Participant with a vested benefit and die prior to receiving your benefit, your designated beneficiary will be entitled to your account. If you are an active Participant on your date of death, your account under the Plan will become vested immediately upon your death, regardless of your years of Eligibility Service. If you are married and you wish to designate someone other than your Spouse as beneficiary, your Spouse must sign a waiver and consent form witnessed by a notary public.

The benefit 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 that “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 50% 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 50% to 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 When Benefits Are Available section of the SPD.

- **Non-Spouse Beneficiary** – If you do not have a surviving Spouse eligible to receive a Plan benefit, you may elect a designated beneficiary who will be entitled to your account balance. A Lump Sum Payment equal to your account balance shall 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 shall 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.

Death After Commencement

Once you begin receiving benefit payments, survivor benefits will be paid upon your death only according to the payment option you elected.

Death While in Service in U.S. Armed Forces

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.

Other Important Information

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)
- 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 Represented Employees' Retirement Income 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 this Plan. Your pension benefits accrued under the BCBSM Represented Employees' Retirement Income Plan will be payable from that plan pursuant to its payment options. Pension benefits vested under the BCBSM Employees' Retirement Account Plan will be payable from this Plan.

Payment Dates

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

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 Service, as well as your account balance, may be lost if your employment is terminated before you become eligible for vested benefits under the Plan. Your Eligibility Service and account balance may be reinstated should you later return to employment with the Employer. (See Reinstatement of Service section of this SPD)
- If you are receiving a benefit from the Plan and are rehired on or after January 1, 1999, your monthly benefit will be continued. As of your rehire date, you will begin earning basic and interest credits under the Plan. When you terminate your employment, your monthly benefit will be a combination of what you had previously earned under the Plan, plus any new benefit earned after reemployment.
- If you do not apply for benefits under the Plan, benefit payments cannot begin, unless otherwise noted under the When Benefits Are Available section of this SPD.
- 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.

Social Security Benefits

All Plan benefits are paid in addition to your Social Security benefit. If you have any questions

about your Social Security benefit, contact your local Social Security Administration office.

Plan Administration

Assignment

You cannot 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

You may elect to receive a monthly benefit only if your account balance exceeds \$1,000. As a result, if you terminate employment with an account balance equal to or less than \$1,000 you will automatically receive a Lump Sum Payment.

Record Changes

It is important that you keep your records up-to-date after you terminate employment with a vested 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 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.

Beneficiary changes may be made at any time prior to benefit commencement by completing a new beneficiary designation. This designation must be submitted to Fidelity and is effective immediately upon receipt and validation by Fidelity.

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

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

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.

Extension of Claims

If the Plan Administrator is not able to decide a Claim within the above timeframe, one 90-Day extension is permitted, 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.

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 BCBSM 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 the Adverse Benefit Decision.

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.

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.

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.

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 Employees' Retirement Account 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 Employees' Retirement Account Plan	38-2069753	001	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 Service of Legal Process

The Plan Sponsor and Agent for Service of Legal Process for the Blue Cross and Blue Shield of Michigan Employees' Retirement Account 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 in the Plan if benefits become weighted too heavily in favor of the Employer management group. In such case, a minimum benefit and faster Vesting of some benefits will apply. At this time, it does not appear this will happen, but if it does, you will be notified.

The law also states the maximum benefit that may be paid from the Plan. You will be notified if the maximum benefit limitations have an effect on your benefits.

Your Rights and Protection under ERISA

As a Participant in the BCBSM Employees' Retirement Account Plan, you are entitled to certain rights and protections 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, all documents governing the Plan, including insurance contracts, 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 Public Disclosure Room of 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 copies of the latest annual report (Form 5500 Series) and an 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 (age 65) and if so, what your benefits would be at normal retirement age if you stop working under the Plan now. 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 do so 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 to prevent you from obtaining pension 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 determination all within 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 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 statement 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 the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., 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.

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