

### **New Health Care Options Ahead: What You Need to Know**

In 2015 and 2016, AT&T successfully transitioned the healthcare coverage of most of its post-65 Medicare-eligible retirees and their post-65 Medicare-eligible dependents to the Aon Retiree Health Exchange ("The Exchange"). The Exchange provides these retirees and dependents access to more plan choices and control over their healthcare purchasing decisions.

After carefully evaluating the lessons learned and successes of this transition, we have determined that The Exchange now offers the right experience, with improved choice and control over healthcare coverage decisions for our pre-65 Medicare-eligible retirees and pre-65 Medicare-eligible dependents as well.

Therefore, beginning in 2017, AT&T will provide you with access to healthcare coverage through The Exchange. We feel confident that your transition will go smoothly, and we are committed to providing you with ongoing communication throughout this process, starting with the details below. This notice applies only to pre-65 individuals who are eligible for Medicare and have access to AT&T's retiree benefits.

### **What's changing for 2017**

Here is a quick snapshot of the changes you can expect for January 2017:

- AT&T has chosen Aon Hewitt's Retiree Health Exchange to provide a comprehensive shopping experience and counselors who can help you select the plan that's right for you based on a number of factors – including quality and price.
- You will be able to choose the health coverage that best fits your needs by purchasing individual health plans for yourself and/or your Medicare-eligible dependents.
- For those who currently receive subsidized health care from AT&T, we will provide significant financial support in the form of a Health Reimbursement Account (HRA) in 2017 to assist you with health care costs. An HRA is a tax-free account that can be used to pay premiums and other eligible health care costs, including deductibles, co-pays, and coinsurance.
- The vast majority of AT&T retirees and their dependents are expected to find equal or better medical and prescription drug coverage for approximately the same out-of-pocket costs they are paying today.

Aon Hewitt is a trusted provider who has been serving AT&T retirees for more than 10 years. They are also a leader in the private exchange marketplace. We selected them based on their retiree-focused solutions and deep knowledge of AT&T's people and health plans.

### **What's NOT changing**

It is important to understand that this does not impact your current health care coverage for 2016.

### **What's next**

Beginning in August 2016, we will provide you with details about:

- The Aon Retiree Health Exchange
- Who is eligible for the HRA and how it works
- The types of health plans that will be available through the Exchange
- How the enrollment process will work

You will receive:

- **An invitation to attend optional online informational meetings**
- **Enrollment assistance from certified Benefit Advisors with the Aon Retiree Health Exchange**

If you have questions about your current coverage you can call the AT&T Benefit Center at 877-722-0020.

Sincerely,  
Marty R. Webb  
Vice President – Benefits  
AT&T