

John Deere Household Employee and Retiree Scenarios

These scenarios are intended to illustrate John Deere households that may be affected by the health care coverage policy change. They do not represent all possible situations.



You'll receive details about premiums, HSA contributions, and deductibles in your 2009 health care enrollment packet in late October 2008.

Alex & Heather

Flex* Employee married to a Flex* Employee, two children

Alex and Heather are both Flex employees with two children. Today, Alex is enrolled in employee plus children coverage for himself and the children. Heather is enrolled in employee only coverage.

Beginning January 1, 2009:

- Alex or Heather can enroll as a family, and both be covered with their children under one plan.
- Or, they can choose to enroll separately as they do today.

Some things to consider:

1. Individual plan premiums vs. family premiums and the corresponding company subsidies.
2. Difference in company HSA contributions.
3. One family deductible or one single deductible and one family deductible.
4. Each employee may prefer a different plan selection. For example, one CarePlus and one CarePlusMAX.
5. Both employees can earn a HealthQuotient® premium credit with separate elections vs. one credit with a family election.

Josh & Abbey

Flex* Employee married to a Flex* Employee, no children

Josh and Abbey are both Flex salaried employees. They do not have children. Today, Josh and Abbey are each enrolled in employee only coverage.

Beginning January 1, 2009:

- Josh or Abbey can enroll as a couple and both be covered under one plan.
- Or, they can choose to enroll separately as they do today. This choice will maximize the company HSA contributions and minimize their premiums.

Some things to consider:

1. Individual plan premiums vs. couple premiums and the corresponding company subsidies.
2. Difference in company HSA contribution.
3. One family deductible vs. two single deductibles: the sum of the two single deductibles is the same, but when enrolled as a couple the entire family deductible must be met before the plan begins to pay. With two individual enrollments, benefits begin for each person once his or her individual deductible is met.
4. Each employee prefers a different plan selection. For example, one CarePlus and one CarePlusMAX.
5. Both employees can earn a HealthQuotient premium credit with separate elections vs. one credit for an employee and spouse election.

Paul & Donna

Flex* Employee married to a Bargained Wage Employee/Retiree

Paul is a John Deere wage employee whose benefits are governed by a collective bargaining agreement. His wife, Donna, is an active John Deere Flex salaried employee currently enrolled in *Healthy Directions* CarePlusMAX. Paul and Donna must elect separate coverage.

As they do today, each continues to enroll separately. This policy is not changing.

Pam & Martin

Flex* Retiree married to a Flex* Retiree

Pam and Martin are both pre-Medicare John Deere Flex retirees. They are currently covered by separate *Healthy Directions* CarePlusMAX plans.

Beginning January 1, 2009

- Pam or Martin can enroll as a couple and both be covered under one plan.
- Or, they can choose to enroll separately as they do today. Assuming they have no dependent children, this choice will maximize the company HSA contributions and minimize their premiums.
- Once they become Medicare-eligible, they could maintain separate elections in order to maximize the company-provided Retiree Medical Credits at the retiree level.

Some things to consider:

1. Individual plan premiums vs. couple premiums.
2. Difference in HSA contributions – the total amount allowed for two singles is slightly higher than that of a couple/family.
3. One family deductible vs. two single deductibles: the sum of the two single deductibles is the same, but when enrolled as a couple the entire family deductible must be met before the plan begins to pay. With two individual enrollments, benefits begin for each person once his or her individual deductible is met.
4. Whether or not both spouses have subsidized health care in retirement. If one does not, he or she can receive benefits under his or her spouse's subsidized plan.
5. Each prefers a different plan selection. For example, one CarePlus and one CarePlusMAX.
6. Both retirees can earn a HealthQuotient premium credit with separate elections vs. one credit for a retiree and spouse election.

Mike & Alice

Pre-Flex* Retiree married to a Flex* Retiree

Mike retired from John Deere in May of 1992. His wife, Alice, retired in July of 1999. They are both Medicare retirees; however, under the current plan they maintain separate insurance to supplement Medicare coverage. Mike is covered by Pre-Flex John Deere retiree health care benefits and Alice receives company-provided Retiree Medical Credits.

Beginning January 1, 2009

- Alice may enroll under Mike's plan.

Some things to consider:

1. Evaluate coverage and benefit options.
2. Each may prefer a different plan selection. For example, the Flex retiree may elect to receive Retiree Medical Credits, and the Pre-Flex retiree may elect UHC Choice Plus PPO 100/80% Pre-Flex.

Bob & Mary

Flex* Employee married to a Flex* Retiree

Bob is a John Deere Flex retiree who has subsidized health care in retirement and is not yet Medicare eligible. Mary is a Flex active employee who does not have subsidized health care in retirement. Currently, both are enrolled in their own *Healthy Directions* CarePlus plan.

Beginning January 1, 2009

- Mary, an active employee, can enroll Bob under her *Healthy Directions* plan.
- Or, Bob can enroll Mary under his *Healthy Directions* plan.
- Or, they could choose to retain separate plans.

Some things to consider:

1. Individual plan premiums vs. couple premiums and the corresponding company subsidies.
2. Difference in HSA contributions – the total amount allowed for two singles is slightly higher than that of a couple/family.
3. Difference in deductibles. If there are no children there may not be a difference.
4. Both can earn a HealthQuotient premium credit with separate elections vs. one credit if enrolled as a couple.

***Flex employees** are those eligible for salaried benefit plans (including wage with salaried benefits) with these exceptions: Nortrax and John Deere Seeding - Valley City. **Flex retirees** are those in Flex salaried plans retired on or after 1 July 1993. In the case of John Deere Credit or Health Care (units 79, 9A, and 9F), Flex retirees are those who retired on or after 01 January 1994. In the case of John Deere Insurance (units 81, 82, or 9E), Flex retirees are those who retired on or after 01 January 1995.

*Pre-Flex retirees are those with salaried health care benefits who retired prior to the Flex plan introductions defined above.