October 2016

Important retiree benefits enrollment information—participants in the Pre-2003 HP Retiree Medical Program

It's the time of year to consider your HP retiree benefit options and make any changes for the coming year. The enclosed retiree enrollment guide provides important information that applies to all eligible HP retirees, including changes to retiree benefits for 2017, instructions for how to enroll through the UPoint® website (formerly known as the "Your Benefits Resources™ website"), and resources you can contact for help. This letter provides additional information that applies to you as an eligible participant in the Pre-2003 HP Retiree Medical Program. This program continues to be available to eligible HP retirees and their surviving dependents, disabled former HP employees who became disabled before January 1, 2003, and dependents of deceased employees who died before January 1, 2003.

It's important to enroll

As you review your enrollment materials, keep in mind that HP is making a number of changes to retiree medical options in 2017, including changes to medical carriers and the expansion of the Medicare Advantage PPO option. These changes are designed to provide all retirees with more cost-effective choices, while minimizing your premium increases and continuing to provide access to comprehensive coverage and a wide selection of doctors and hospitals. It's important to learn about these changes and enroll if any of the following apply:

- You want to make changes to your current coverage.
- You want to make changes to the "default" coverage shown on your enclosed personalized enrollment worksheet and the UPoint website (your default coverage may be different than your current coverage if your current coverage is no longer available to you in 2017).
- You want to add family members or drop family members who are no longer eligible.

For more information, see your retiree enrollment guide and personalized enrollment worksheet. Even if you don't need to enroll, you're encouraged to take time to learn about changes for 2017.

For details about HP retiree medical coverage options, see the medical option comparison tool on the UPoint website. Access UPoint through MyHPBenefits at **myhpbenefits.com**. To get there, go to MyHPBenefits > "Get started—enrollment!"

When you are reviewing your options, go to "Tools and Calculators">"Compare medical options" to view and compare HP retiree medical options.

HP premium reimbursements for Aon Retiree Health Exchange™ coverage

Your retiree enrollment guide provides an overview of the individual insurance options that may be available to you through the Aon Retiree Health Exchange if you're a Medicare-eligible retiree. As you consider coverage options through the Aon Retiree Health Exchange, keep in mind that as a retiree participating in the Pre-2003 HP Retiree Medical Program, you can qualify for HP funding to a Retiree Reimbursement Account (RRA) instead of HP subsidizing your retiree medical premiums directly. If you enroll in coverage through the Aon Retiree Health Exchange, HP will fund an RRA in your name with an annual amount based on your years of qualifying HP service, as shown in the chart below.

Years of qualifying service	Annual HP RRA allocation for 2017 if covering just yourself through the Aon Retiree Health Exchange	Annual HP RRA allocation for 2017 if covering yourself and your Medicare-eligible spouse/domestic partner through the Aon Retiree Health Exchange
Fewer than 20	$480	$720
20 to 24	$840	$1,320
25 to 29	$1,200	$1,920
30 or more	$1,560	$2,520

Your RRA will be available to help reimburse your premium costs for coverage through the Aon Retiree Health Exchange.

Future retiree medical cost-sharing reminder

As communicated in previous years, HP currently pays the majority of retiree health benefit coverage costs for most retirees and incurs a significant annual expense for the program. To help manage our program expenses, HP placed limits on the amounts we contribute toward monthly coverage costs now and in the future. The limits are equal to the level of HP's average coverage contributions in 2010. This means that any cost increases from 2011 on are paid and will continue to be paid by participating retirees.

By reducing the accounting expense associated with the retiree health program, these limits help balance HP's need to control costs with our ongoing goals of maintaining the value of the program and supporting retiree needs. HP is also continuing to take strong action to help control increases by leveraging our purchasing power, monitoring health plans for quality and efficiency, and implementing benefit features that promote preventive care and efficient use of services.

If you have an RMSA balance

Don't forget that if you participated in the HP Retirement Medical Savings Account (RMSA) program while at HP and have a balance remaining, you can use that balance to help pay your HP premium costs and other eligible health care expenses (including copayments, deductibles, and even premiums for other plans). RMSA claims administration services are provided through Your Spending Account™ (YSA), accessible from the UPoint website through MyHPBenefits at **myhpbenefits.com**, or by calling the HP Benefits Center at 1-800-890-3100. For more information, see the *HP Retirement Medical Savings Account Summary Plan Description*, available on the UPoint website or from the HP Benefits Center.