

From: Manhattan You <c_manh@emailopen.com>
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To: DL_Auto_All_US_Employees <DL_Auto_All_US_Employees@manh.com>
Subject: 2019 Benefits Information



2019 BENEFITS INFORMATION

We are pleased to announce our 2019 healthcare plan options and this year's benefits enrollment schedule.

We recognize the importance of healthcare to you and your family. As a result, every year we work diligently to offer outstanding healthcare benefits while keeping your premium costs affordable. In fact, our healthcare plan designs, employee premiums and out-of-pocket costs continue to compare very favorably to other employers in our sector.

The U.S. healthcare market is constantly changing and its important that our plans evolve as well. So this year we are introducing some changes to the healthcare benefit options for 2019 to remain competitive while offering you both flexibility and savings. Manhattan has gone to great lengths to structure these changes so that the plans are at a minimum comparable, if not better, than the options we currently offer.

Highlights for 2019

A choice of three Aetna plans will be offered in 2019:

- Manhattan will continue to offer the Aetna POS plan. The in-network out-of-pocket maximum will increase from \$1,500 for individuals and \$3,000 for family, to \$2,000 and \$4,000, respectively, in 2019.
- The current HealthFund program, with its Health Reimbursement Account (HRA), will be phased out over the next two years to offer a more market competitive healthcare plan option for our Associates and families. Manhattan is offering the new HSA Plus plan, as a replacement to the HealthFund plan. Employees will see many similarities between the HealthFund plan and HSA Plus, and the programs are almost identical in cost and structure.
- The existing HSA plan, HSA Basic, will continue to feature the lowest premiums of the plans offered. The employer contribution for families will increase from \$500 to \$750, and the contribution for individuals will remain at \$500.
- A new Health Savings Account (HSA) plan, known as HSA Plus, will be introduced. With low premiums and out-of-pocket maximum, this new plan is an excellent opportunity to start saving for current and future health, dental and vision needs. An HSA account offers several substantive benefits, which are detailed below.
- The Dental and Vision premiums will see nominal premium increases in 2019.

Why is Manhattan replacing the HealthFund (HRA Plan) with the new HSA Plus?

Nearly 80% of corporations offering healthcare plans include HSA healthcare plans because they offer advantages not found in other traditional plans, most notably the employee owns the funds outright within an HSA account and they are fully portable moving with the employee into retirement or to another employer. Plus, HSAs offer significant tax benefits to you, and much like a 401(k), your funds and company contributions can be invested in mutual funds with the opportunity to grow through investment returns.

The biggest difference between an HSA and a HRA like our HealthFund plan is how your funds are owned and managed. In our HSA plans, this money is yours to invest and use. HRAs, like our HealthFund plan, come with a “use it or lose it” rule – if you leave the company or change plans, the funds in the HRA are forfeited.

What are the benefits of an HSA?

- It is your money to invest and use. If you change plans or leave the company, the HSA funds are portable (you take them with you).
- Funds accumulate from year to year. Once your funds reach \$1,000, you can invest the money in mutual funds. Because the HSA funds can grow over time, many think of HSAs as a 401(k) for healthcare.
- Funds can be used tax-free for current or future out-of-pocket medical expenses, including dental and vision, and into retirement. With an HSA, you receive triple tax savings:

1. When you deposit funds from your paycheck into your HSA, your taxable income is reduced, and you pay less on income taxes for that year.
2. Any interest you earn or growth you may gain in your HSA is tax free.
3. Withdrawals for eligible medical, dental and vision expenses are tax free.

[View video on HSAs](#)

What are the changes and timing for the HealthFund program?

Manhattan's HealthFund program will stop accepting new hire enrollees after November 2018, and the employer contribution will cease at the end of 2018. However, the plan will remain in our lineup for current enrollees through calendar year 2020 to give employees with HRA balances ample opportunity to utilize their funds. You can check your balance by signing in at aetna.com.

Rates and Plan Design Details

Specific details of the new plans and rates for 2019 can be found [here](#).

Next Steps:

The 2019 benefits enrollment period will begin on Monday, November 5, 2018, and conclude on Friday, November 16, 2018 at midnight Eastern Time. This is your opportunity to review your current benefit elections and sign up for benefits for the 2019 plan year.

This year's annual enrollment for medical coverage is an active enrollment, meaning that **all employees must access Workday and select their medical plan for 2019**. If you don't enroll in a medical plan for 2019, your current coverage will end at midnight Eastern Time on December 31, 2018.

Look for additional communications in the coming weeks. On November 5, you will receive an email that the annual enrollment period is open. Detailed information will also be provided on the enrollment process through Workday.

If you have any questions related to annual enrollment or any of the changes for 2019, please reach out to [Rob White](#) or [Jamie Thomas](#) in Corporate Benefits.