

*This information affects members of the MoDOT/MSHP Medical and Life Insurance Plan only. This message does not pertain to those employees who participate in the Missouri Consolidated Health Care Plan.*

Team MoDOT:

I've always felt that one of the great things about working at MoDOT, besides the fantastic people, is the great benefits. I appreciate that the Commission has absorbed most increases in medical plan costs to keep our employee costs as low as possible.

However, prices continue to rise each year. We have reached a point where changes are necessary in order to provide good medical coverage for employees and keep it sustainable.

We have reviewed options for the past two years to plan the best way to keep quality medical coverage given rising costs. Today, we recommended what we believe are the best possible solutions, and the Commission approved them.

There are three main changes that are important for you to understand:

- 1) Active employees will contribute 20 percent of coverage costs, with the Commission covering 80 percent. Today, the percentage paid for your medical coverage varies depending on your rate category.
- 2) For current retirees, the Commission will contribute 40 percent of coverage costs, with the retirees covering 60 percent.
- 3) There will be an entirely new retiree health care contribution strategy for future retirees. For employees who retire after January 1, 2014, the Commission contribution will be based on the employee's years of service, rather than a flat percentage of the monthly premium. Employees that retire prior to January 1, 2014 will remain in the existing 40/60 contribution plan. Those currently eligible for normal or early retirement by this date will receive a more detailed letter explaining their options so they can make important family coverage decisions.

These are not easy decisions, but they are the only way we can ensure quality medical benefits for all employees. Without these changes, we can't keep providing you with a solid health care benefit.

You will receive an e-mail very soon from Jeff Padgett, Risk and Benefits Management director, with more details about these changes and links to a rate chart and FAQs. The choices you make about your medical coverage are personal. Make sure you review all of the options to make the best decision for your family.

Kevin