



2017 Open Enrollment Highlights

General Information

This year's Open Enrollment runs from Tuesday, November 1 to Friday, November 11. You must complete Open Enrollment if you want to continue to cover a spouse or domestic partner, or enroll in a Flexible Spending Account (FSA) for 2017. Most of your other 2016 benefits will continue into 2017 unless you make changes.

Starting this year your benefits elections confirmation will be emailed to your business email address, if applicable. You will also be able to enter up to two additional personal email addresses for benefits-related messages. You will only receive a printed confirmation of your benefits choices if you do not have a valid company email address.

If you enroll or re-enroll a dependent, you may be asked to verify their eligibility for coverage after Open Enrollment. Budco, our third-party dependent eligibility administrator, will send you a packet after Open Enrollment if you are required to verify dependent eligibility. If you do not send the requested documents to Budco by the deadline, your dependent will not have health care coverage in 2017.

Below is a brief summary of McClatchy's benefit plan options. More detailed information, including plan design comparisons, Summary of Benefits and Coverage documents, and the Open Enrollment Elections Worksheet are available on the LiveWell website at www.mcclatchylivewell.com.

1. Medical Coverage

- Your Aetna medical coverage choices are the Savings Advantage or Classic Care plans. The Savings Advantage plan has higher deductibles but lower employee payroll contributions than the Classic Care plan. Additionally, the Savings Advantage plan includes a Health Savings Account (HSA).
- Do you want help choosing a medical plan? ALEX is an easy-to-use interactive tool that can help you decide which medical plan makes the most sense for you. A link for Alex is available on the LiveWell website.
- Adult children can be covered up to age 26 regardless of their financial dependency, residency, student status, marital status, or other health coverage available from their employer.
- You will receive a new Aetna identification card if you change medical plans. If you do change plans, you should destroy your old card and show the new ID card at your first doctor visit in 2017.

New Prescription Drug Benefit Manager

- Beginning in 2017, CVS/caremark will be the new pharmacy benefit manager for both of McClatchy's Aetna medical plans. You will be able choose from more than 68,000 pharmacies nationwide, including independent pharmacies, chain pharmacies such as Walmart, Walgreens, Costco and Rite Aid, as well as 9,600 CVS pharmacy locations

- The prescription drug plan designs will remain the same and will continue to use a 3-tier formulary. However, as part of the transition there will be some brand name drugs that will switch formulary tiers. For these medications, your cost may increase or decrease as a result of the change. Approximately 1% of our employee prescriptions will increase in cost as a result of the change; approximately 2% will decrease in cost. In December, CVS will notify employees who are taking the affected medications.
- You will continue to have both retail and mail-order pharmacy options.
- As part of this transition, the mail order and specialty pharmacies will change from Aetna to CVS/caremark. If you have a mail order or specialty prescription with open refills at the end of 2016, the prescription information will be transferred from Aetna to CVS mail order or CVS Specialty Pharmacy. You will need to contact CVS mail order and/or CVS Specialty to order refills in 2017.
- Currently, in rare circumstances, a medication requires “Prior Authorization” from your physician before the prescription can be filled. Any valid Prior Authorizations in Aetna’s system will be transferred to CVS.
- You will receive a Welcome Kit from CVS/caremark in December with additional detailed information. You will also receive a new ID card in December with CVS benefit information. You must present the new card the first time you visit a pharmacy in 2017.

2. *Health Savings Account (HSA)*

- If you enroll in the Savings Advantage plan, you may be eligible for an HSA. An HSA allows you to set aside pre-tax funds to pay for qualified medical, dental or vision expenses. The HSA contribution limits for 2017 are \$3,400 for employee only coverage and \$6,750 for family coverage. In addition, you can contribute another \$1,000 as a catch-up contribution if you are over the age of 55. The HSA is administered by PayFlex.
- Your 2016 HSA contribution pledge will automatically carry over to 2017, unless you make changes during Open Enrollment. You can then change your HSA contribution rate at any time during 2017.
- You must be enrolled in the Savings Advantage plan in order to open an HSA. Also, you cannot enroll in an HSA if:
 - » You are covered by another medical plan (unless the other medical plan is an HSA-eligible high deductible health plan), or
 - » You are enrolled in Medicare, Medicaid, or Tricare (health coverage for people in the military), or
 - » You are claimed as someone else’s tax dependent, or
 - » You or your spouse is enrolled in a health Flexible Spending Account (FSA) or Health Reimbursement Account.
- The Company will make a contribution to your HSA in January and July. The contribution amounts are listed on the LiveWell website. To receive the contribution, you must be enrolled in the Savings Advantage plan, have a McClatchy HSA, and be an active employee eligible to contribute to an HSA at the time the Company contribution is made.

- If you are newly enrolled in the HSA, you will receive an HSA welcome kit with more information from PayFlex. Information on new HSA participants must be verified through a program called Customer Identification Program (CIP), in accordance with the U.S. Patriot Act. McClatchy will send information to PayFlex to satisfy this requirement, but if additional verification is needed to confirm your name, physical address, date of birth, or social security number, you will need to provide the requested documents in order to open the account. The account must be opened in order to receive McClatchy's contributions.

3. *Dental Coverage*

- Your Cigna dental plan options for 2017 are the Basic and Comprehensive plans. The Basic plan generally covers preventive care only, such as cleanings and exams. The Comprehensive plan covers preventive care and many restorative services, such as fillings, root canals and crowns.
- Children over age 18 are not eligible to be covered under the dental plans. Once children reach the age of 19, they are dropped from the plan and offered COBRA to continue coverage.

4. *Vision Coverage*

- Your VSP vision plan options for 2017 are the Basic and Comprehensive plans. The Basic plan generally only covers eye exams. The Comprehensive plan covers eye exams and has an allowance for prescription glasses or contact lenses.
- Children over age 18 are not eligible to be covered under the vision plans. Once children reach the age of 19, they are dropped from the plan and offered COBRA to continue coverage.

5. *Flexible Spending Accounts (FSA)*

- You can enroll in the Health Care Reimbursement Plan (HCRP) FSA to pay for qualified health care expenses ONLY if you are enrolled in the Classic Care plan or waive medical coverage. If you are enrolled in the Savings Advantage plan, you are not eligible for the HCRP.
 - » You can contribute up to \$2,550 of before-tax earnings to the HCRP. Claims must be incurred between Jan. 1, 2017 and Dec. 31, 2017 and must be submitted for reimbursement by March 31, 2018.
- You can enroll in the Dependent Care Assistance Plan (DCAP) FSA to pay for daycare expenses. You are eligible to enroll in the DCAP regardless of your medical plan coverage.
 - » You can contribute up to \$5,000 of before-tax earnings (or \$2,500 if your spouse participates in a different DCAP program) to the DCAP. Claims must be incurred between Jan. 1, 2017 and Dec. 31, 2017 and must be submitted for reimbursement by March 31, 2018.
- **Enrollment in an FSA plan does not automatically carry over from year to year.** You must enroll during Open Enrollment in order to contribute to either FSA next year.
- PayFlex is the third party administrator for the FSA. You can reach PayFlex at 888-678-8242.
- More information about the PayFlex debit card and a complete list of health care expenses eligible for reimbursement can be found on the PayFlex website at <https://www.payflex.com/>.
- **The IRS requires that any unclaimed funds at the end of the reimbursement deadline be forfeited. You should be conservative when determining your 2017 annual pledge amounts.**

6. *Life Insurance*

- There are no changes in the life insurance premiums for 2017. However, your premium may increase if you have moved into a new age bracket. Your 2017 rates are based on your age as of Dec. 31, 2016. Rates can be found on the Open Enrollment Worksheet on the LiveWell website.
- You can increase or decrease supplemental life insurance coverage.
 - » Employee Supplemental Life – Evidence of Insurability (EOI) will be required if you currently do not have supplemental life insurance and want to add coverage. EOI will also be required for increases of more than \$50,000 or requests for total life insurance in excess of \$250,000. You must designate a beneficiary for your employee supplemental life coverage.
 - » Spouse/Domestic Partner Supplemental Life – Any increase in coverage will require EOI. You are automatically designated as the beneficiary for this life insurance coverage.
 - » Child Supplemental Life – No EOI is required and you are automatically designated as the beneficiary for this life insurance coverage. Child Supplemental Life coverage continues until the child is age 26, regardless of student status.
- If you are on a leave of absence, any approved increase in supplemental life insurance will not become effective until you have returned to work.

7. *Long-Term Disability (LTD)*

- The company provides eligible employees with a 50% LTD benefit.
- Eligible employees may purchase an additional 10% of buy-up coverage (for a total LTD benefit of 60%). Rates for this coverage are on the 2017 Open Enrollment Elections Worksheet posted on LiveWell. New requests to enroll in the LTD buy-up coverage will require EOI.

8. *Questions?*

- Visit the LiveWell website at www.mcclatchylivewell.com, contact your human resources department, or send an e-mail to livewell@mcclatchy.com.

This document is only a summary of the benefits program and rules; the official plan document will govern in case of any omission or conflict between this document and the official plan text.

Benefits are subject to collective bargaining. Some benefits may not be available to certain union members based on their collective bargaining agreement.