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## Overview of 2022 Available Benefits

Active Retiree  
(formerly Retiree Supplementals)



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# IBM Benefits

IBM offers a competitive benefits program, designed to help employees build a solid financial foundation for meeting a diverse array of needs — health care, income protection, and personal interests.

Active Retirees are eligible for the following plans and programs which address health care and savings and are described briefly below: Medical, dental, and vision. Active Retirees are also eligible for other benefits and services as outlined below. Please contact the IBM Benefits Center - Provided by Fidelity to obtain estimated annual cost for the medical options available in your ZIP code.

As an Active Retiree, you and your dependents will not be eligible to continue participating in the IBM Benefits Plan for Retired Employees. Instead, you and your dependents will be eligible to participate in the plan that active IBM employees are eligible for. The designs of these two plans are similar, but the amount you pay for coverage will vary. When your employment as an Active Retiree ends, you and your dependents will again be eligible to participate in the IBM Benefits Plan for Retired Employees.

# You are Eligible

...for these benefit programs, except for the IBM 401(k) Plus Plan, IBM Employees Stock Purchase Plan, and health benefits, beginning with your first day of employment as an Active Retiree. Health benefits are effective the first of the month following your date of hire. Important to note: Active Retirees are billed monthly for the cost of their coverage. Contributions are made post-tax.

Health care coverage (medical, dental and vision) is available for you, your spouse/partner (some health plans may not offer coverage for partners), and eligible children and other dependents (documentation supporting eligibility is required) at active rates. IBM provides a range of options, to allow employees to design a personalized program that meets their personal or family circumstances. In general, you are covered for pre-existing conditions under IBM's health plans.



# Medical

## Benefits Options

IBM's medical options include the IBM Preferred Provider Organization (PPO), IBM PPO Plus, IBM PPO with Health Savings Account (HSA), IBM Enhanced PPO with Health Savings Account (HSA), the IBM Exclusive Provider Organization (EPO), and health maintenance organizations (HMOs), where available. **Coverage under the IBM PPO/HSA plan is available at no cost for employee-only coverage.** Employees who decline medical benefits receive a "no coverage" credit of \$30 per month. IBM continues to invest in quality health programs, wellness and preventive care, which include providing you with a variety of resources to support your health and 100% coverage under most plans for routine check-ups and preventive services received in-network.

## **Comparing Medical Options**

Depending on your location, as an IBM employee you may choose from among several medical options, including the IBM PPO (preferred provider organization), IBM PPO Plus, IBM PPO with HSA, IBM Enhanced PPO with HSA, IBM Exclusive Provider Organization (EPO), and a health maintenance organization (HMO), if available in your area.

The medical options comparison chart (see separate document) provides a high-level summary of the coverage and provisions available under each of the medical options IBM offers, including prescription drug coverage and behavioral health/substance abuse benefits. If you have a specific question about coverage for a particular procedure or condition, you may call the health plan directly, or contact the IBM Benefits Center – Provided by Fidelity at 866-937-0720, (TTY: 800-426-6537). Support specialists are available weekdays from 8:30 a.m. to 8:30 p.m. Eastern time on business days (excluding holidays recognized by the New York Stock Exchange except Good Friday). Please note the IBM PPO plan options cover in-network services only with a few exceptions. Out of network coverage is still provided for most behavioral health/substance use services. Behavioral Health/Substance Use coverage will be provided by your medical carrier. Please contact your medical carrier for more details.

When you enroll in your health benefits on NetBenefits, you'll see a personalized list of your medical options and costs, along with health plan detail sheets which provide additional information on each of the plans available to you.

## Medicare-Eligible Retirees

If you are rehired after turning age 65 and were entitled to and/or receiving funding from a Health Reimbursement Account (HRA) through Via Benefits, your access to that account will cease for the duration of your active employment. Once you terminate, your eligibility will be restored to the HRA as long as you are enrolled in a medical and/or prescription drug plan through Via Benefits.

## Health Savings Account (HSA)

If you select the IBM PPO with HSA or IBM Enhanced PPO with HSA as your medical plan option, you will be eligible to earn up to \$800 in tax-free HSA contributions for self-only coverage or \$1,600 for family coverage. For the 2022 plan year, you will receive the full financial incentive for enrolling in an HSA medical plan option – there will be no program completion requirements.

In summary, you will be eligible for the following contributions directly into your HSA account:

	HSA Plan Options	
	Individual Coverage	Family Coverage
 <b>Base contribution</b>	<b>\$250</b>	<b>\$500</b>
<b>Additional Incentive Contribution</b>	<b>\$550</b>	<b>\$1,100</b>
<b>Total IBM contribution potential</b>	<b>\$800</b>	<b>\$1,600</b>

\* Note that part of the IBM contributions are pro-rated based on hire date and ongoing qualified life events. For individual HSA election, \$250 is prorated and for family HSA election, \$500 is pro-rated. The additional contributions are not pro-rated and are deposited to a qualified HSA account in mid to late January each calendar year.

HSAs offer triple tax advantages. You can make before-tax contributions to your account investments up to the annual contribution limit set by the Internal Revenue Service, earnings can grow tax-free, and funds withdrawn to pay for current and future qualified medical expenses are not subject to federal taxes.

Note: If you enroll in a medical plan option with an HSA and you also are Medicare-enrolled, there are some unique tax implications.

### **Unique Tax Implications if You are Medicare-Enrolled and Enrolled in a Medical Plan Option with an HSA in 2022**

**Important: If you are enrolled in the IBM PPO with HSA or IBM Enhanced PPO with HSA, and you are also Medicare-enrolled, you may have tax penalties if you contribute, or receive an IBM contribution, to your HSA. Remember: If you are actively working at IBM and enrolled in an IBM medical option and are also enrolled in Medicare, in most situations you will receive primary coverage through IBM.**

You are considered Medicare-enrolled if you are enrolled in any part of Medicare. As a reminder, Medicare has four parts:

- Part A: Hospitalization
- Part B: Physician and other services
- Part C: Medicare Advantage
- Part D: Prescription Drugs

If you will be considered Medicare-enrolled during 2022, you will want to consider stopping HSA contributions (and make sure your automatic IBM contributions to your HSA cease) at least six months in advance. Otherwise, you may have tax penalties (enrollment in Medicare Part A coverage is retroactive six months).

Even though contributions to your HSA while you are enrolled in Medicare may result in tax penalties, you can nevertheless use your HSA in the following ways:

- The balance in your HSA can be used to pay for qualified medical expenses.
- At age 65, you may start using funds from your HSA for any reason, with no tax penalty. Just be aware that if you use HSA funds for nonqualified expenses, you'll pay ordinary income tax on those amounts.

Determination of eligibility to contribute to your HSA is your responsibility and you are strongly encouraged to consult your tax advisor if you have any questions about your eligibility or any of the above information. You should also refer to IRS Publications 969 and 502 for a complete list of eligibility rules and details about limits and eligible expenses.

For 2022, IBM assumes you will receive the maximum IBM contribution possible and limits your HSA contributions as detailed below.

	Medical plan coverage level	
	Self-only	Family
<b>Total 2022 contribution limit per IRS regulations</b>	<b>\$3,650</b>	<b>\$7,300</b>
<b>Total 2022 contribution limit per IRS regulations</b> (including catch-up contribution of \$1,000 if you're age 55 or over)	\$4,650	\$8,300
<b>Maximum 2022 employee contributions</b>	\$2,850	\$5,700
<b>Maximum 2022 employee contributions through IBM payroll including catch-up contributions</b>	\$3,800	\$6,600

The HSA funds that you do not use roll over from year to year, stay in your account and can grow over time. You own the account, so it is yours to keep even if you leave IBM. What's more, interest and investment earnings are not subject to federal taxes.

You can use an HSA to pay for your share of eligible qualified medical expenses as defined by the IRS.

*Please note: According to IRS rules governing HSAs, you may enroll in either an HSA or the Health Care Spending Account, but not both*



### **Wellbeing Rewards Program**

IBM wants you to be the best you can be across all dimensions of health. To enhance your personal wellbeing and health management, we offer programs and experiential options to support resilience skills building, movement and physical activity, eating to fuel your mind and body, and more. You can access and benefit from the meQuilibrium on the US Benefits Hub, as well as Resources for Living, our Employee Assistance Program (EAP) and Ayco MoneySmart financial programs. Additionally, ongoing opportunities, including 1:1 EXOS Performance Coach and Nutrition consultations, Nutrition Tuesdays and Workout Wednesdays plus monthly well-being webinars will be available to support your ongoing needs.

## Dental

### **Benefits Options**

IBM offers two dental options, to meet a range of dental care needs. These include IBM Dental Basic and IBM Dental Plus.



# Vision

## **IBM Vision Plan**

This fully-insured option, administered by Anthem Blue View Vision, provides benefits for an annual eye exam, eyeglass frame and lenses or contact lenses. Benefits are available both in-and out-of-the Anthem Blue View Vision network. Additional discounts on extras and upgrades are available, in addition to these annual benefits.

## **EyeMed Discount**

The EyeMed Discount, provided by EyeMed Vision Care®, is available to you and your eligible dependents at no cost. This discount gives you access to savings of up to 40% on frames, lenses, lens options and contact lenses, and a discount on an annual eye exam at EyeMed Vision Care network provider locations.



## Other Benefits and Services

In addition to its competitive array of health care benefits, IBM offers some other programs to support employee needs.

## **Employee Assistance Program**

Your wellbeing is essential at IBM. **Whether or not you enroll in any medical coverage under the IBM medical plan**, the plan offers resources to support your behavioral and emotional wellbeing. Through IBM's Employee Assistance Program (EAP) -- Resources for Living -- you, your eligible dependents and all members of your household, can receive behavioral health support, as well as a variety of other services, including referrals for child and elder care, at no cost to you.

With Resources for Living (administered by Aetna), you can access up to 12 counseling session per incident or issue, for a range of topics such as:

- Elder and childcare services
- Relationship support
- Stress management
- Work/life balance
- Family issues
- Grief and loss
- Depression
- Anxiety
- Substance misuse
- Self esteem and personal development

Through Resources for Living, you can receive dedicated care from a licensed counselor through text, voice or video messages – anytime, anywhere. Resources for Living can help you find a counselor in your area and even make appointments for you.

## **Life Insurance Program**

IBM also offers to all active employees (including Retiree Supplemental employees), the opportunity to purchase employee-paid insurance under the IBM Group Life Insurance Plan from MetLife. This includes coverage options for you, as well as your dependents. There are two options available: Optional Term Life (OTL) and Accidental Death & Dismemberment (AD&D). You can choose to enroll in one or both.

## **MetLife Legal Plans**

MetLife Legal Plans are a group legal plan that provides many legal services to you.

Getting legal help shouldn't be difficult or unaffordable. But when the average rate for a lawyer is \$370/hour, common legal expenses can really dig into your savings. A legal plan covers professional legal counsel for everyday personal legal needs, at a reasonable rate, including:

- Access to legal advice and representation from a network of vetted attorneys
- Typically covers a wide range of legal matters, including but not limited to:
  - Wills/Living Wills
  - Power of Attorney (a document that let's someone conduct transactions on your behalf)
  - Health Care Proxy (appoint someone to make medical decisions on your behalf)
  - Landlord/Tenant Disputes
  - Creditor/Debt Collection
  - Reproductive Assistance legal services: These services cover you and/or your spouse/domestic partner for the first twenty hours of legal services and court work related to reproductive assistance matters including, but not limited to, as permitted by law: surrogacy, egg/ sperm/ gamete/ embryo donation, and embryo adoption.
  - 4 Hours for Non-Covered Services
- Access to Digital Estate Planning Services
- No copays, deductibles or waiting periods

*Note that MetLife Legal Plans are provided to you directly by MetLife. IBM does not sponsor or administer MetLife Legal Plans.*

## **Paid Time Off**

Retiree supplemental employees are eligible to receive paid time off for the IBM designated holidays.

## **Special Care for Children Assistance Plan (SCCAP)**

The IBM Special Care for Children Assistance Plan (SCCAP) is designed to help you meet expenses for certain treatment and therapy outside the scope of the coverage available under the IBM medical, dental, vision and behavioral health plan options for eligible children with behavioral, physical or developmental disabilities.

## **Transitional Medical Program (TMP)/COBRA**

The Transitional Medical Program (TMP) provides for continuation of health care coverage to IBM employees and their dependents who lose coverage due to termination, divorce, death, leave of absence without benefits and certain other circumstances. This coverage is not subsidized by IBM. TMP satisfies the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1987, also known as COBRA.

## **Travel Accident Insurance**

If you die or are injured as a result of an accident while traveling on official company business, the IBM Travel Accident Insurance Plan will pay up to five times your annual salary to help loved ones cope financially. "Travel" is considered being away from your regular home or job location on company business, not commuting. IBM pays the entire cost of the program; you pay nothing for this coverage.

*Please note that as IBM retirees, you remain eligible for the Employee Assistance Program, Matching Grants, Community Grants and the Thomas J. Watson Memorial Scholarship Program. You may also remain eligible for Group Life Insurance (GLI). Please contact the IBM Benefits Center – Provided by Fidelity to check.*

## **Important Notice**

This information included in this document is intended to provide an overview of certain benefits plans in which you may be eligible to participate. The official plan documents are the final authority and shall govern in all cases. The Plan Administrator retains exclusive authority and discretion to interpret the terms of the benefits plans. IBM reserves the right, at its discretion, to amend, change or terminate any of its benefits plans, programs, practices or policies, as the company requires. Nothing contained in this document shall be construed as creating a contract of any kind or an express or implied obligation on the part of IBM to maintain such benefits plans, programs, practices or policies. Because of the need for confidentiality, decisions regarding changes to IBM's benefits plans, programs, practices or policies are generally not discussed or evaluated below the highest levels of management. Managers and their representatives below such levels do not know whether IBM will or will not change or adopt, for example, any particular benefit, separation or retirement plan. Nor are they in a position to advise any employee on, or speculate about, future plans. Employees should make no assumptions about future changes or the impact changes may have on their personal situation until any such change is formally announced by IBM.

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