2012 Benefits Open Enrollment

Important changes in your benefits coverage will take effect on January 1, 2012. So during this year’s open enrollment it will be important for you to take a close look at the new medical, dental and vision plan options as well as the new voluntary benefits program. We strongly encourage you to actively enroll yourself and eligible family members in the plans you want during open enrollment.

It takes just a few minutes to log in to the Vbas enrollment website to review and update your benefit elections for 2012. If you do not actively make new plan elections, you and your eligible dependents currently enrolled for health care benefits will automatically be enrolled in the following plans:

- SutterSelect EPO with Wellness
- Basic Vision Plan through VSP
- Delta Preferred
- No flexible spending accounts
- Current life insurance elections remain in force

Key Enrollment Dates and Events

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<th>ACTIVITY</th>
<th>DATE</th>
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<tr>
<td>Vbas Benefits Enrollment System Opens</td>
<td>October 17, 2011</td>
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<tr>
<td>On-site Benefit Meetings — Bechtel Room</td>
<td>October 24, 2011</td>
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<td>8 am to 5 pm</td>
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<td>November 3, 2011</td>
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<td>8 am to 5 pm</td>
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<td>Vbas Benefits Enrollment System Closes</td>
<td>November 11, 2011</td>
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<td>Confirmation Statements in the Mail</td>
<td>January 2012</td>
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<tr>
<td>2012 Benefits Take Effect</td>
<td>January 1, 2012</td>
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Open Enrollment Checklist

- Read this 2012 Enrollment Newsletter.
- Enter new FSA elections. Participation in the Health Care and Dependent Care Flexible Spending Accounts (FSAs) is not automatic. You must actively enroll during open enrollment, even if you participated in 2011.
- Check your health plan elections. Now is the time to add or drop medical, dental and vision coverage AND add or delete dependents from your health insurance coverage.
- Confirm that all of your dependents are still eligible for coverage. If a child will reach the age 26 by the end of 2011, be sure to remove him/her from your list of eligible dependents during open enrollment.
- To enroll a domestic partner for health and/or supplemental life insurance coverage, you must complete a Domestic Partner Affidavit including proof of relationship and financial inter-dependence for coverage effective January 1, 2012.
- Update your supplemental life insurance elections — you may increase or decrease your coverage amount and/or add or drop eligible dependents. Be sure to complete a Statement of Health form if you are increasing coverage or adding eligible dependents to your coverage.
- Review your life insurance beneficiary designations and update as necessary.
- Log into the Vbas online enrollment site at www.vbas.com/sutter and enter your 2012 benefit elections.
- Complete your enrollment by midnight November 11th.
What's New for 2012

New Medical Plans through SutterSelect
These options are similar to our current EPO and PPO options. See the enclosed SutterSelect flyer for details on the new plans. Refer to your 2012 Health Plan Comparison Chart and Rate Sheet for coverage and rate information.

New Dental Plan Options
Three new dental plans will be available to you: DeltaCare, Delta Premier and Delta Preferred. While the DeltaCare and Delta Premier Plans are similar to our current dental plans there are slight differences in coverage. The Delta Preferred dental option is a brand new plan for SMU. Take a close look at your new dental plan options. Refer to the enclosed Health Plan Comparison Chart and Rate Sheet for details.

New Vision Plan Option
We are pleased to announce that a new vision plan option has been added for 2012. In addition to the basic VSP coverage provided to SMU employees, you will now have the opportunity to "buy-up" to a higher level of coverage by selecting the VSP Plus option. Please review the Health Plan Comparison Chart and Rate Sheet in your enrollment packet for detailed information.

New Life Insurance Carrier
Beginning January 1, 2012, MetLife will replace Standard Insurance the carrier for our basic life and AD&D insurance, Long Term Disability and voluntary life insurance programs. This change will provide you with the same level of coverage for basic life, accidental death and dismemberment and Long Term Disability as you had before. However, employees will now be able to elect up to $1,000,000 in voluntary life insurance coverage for themselves and $500,000 in coverage for their spouse/domestic partner. This represents a significant increase in the voluntary life insurance options available to you.

New Voluntary Benefits
We will be offering voluntary benefits from MetLife for 2012. Available benefits include Auto Insurance, Legal Assistance, Critical Illness Insurance and Pet Insurance (offered through VPI). You will have the opportunity to enroll in these benefits each year during Open Enrollment. Any voluntary coverage you select will be paid by convenient payroll deductions on an after-tax basis.

When you enroll for benefits on Vbas you can elect to receive more information from MetLife on these optional benefits. MetLife representatives will also be onsite later this month to answer your questions and help you enroll in the coverage you want. Look for a schedule of meetings coming soon.

New EAP
We will be replacing our current Employee Assistance Program (EAP) with the Sutter EAP as of January 1, 2012. The Sutter EAP has a robust network of licensed clinicians, extensive resources, experienced staff and informative website. It is easily accessible 24 hours a day, seven days a week.

The Sutter EAP provides a full range of counseling and referral services for a variety of issues and can help you and your family in areas such as managing stress, controlling drug and alcohol use, improving parenting skills, managing life changes and much more. Whatever your concern, Sutter EAP can help you find a solution. Contact with Sutter EAP is strictly confidential. Look for additional information later this year.

Onsite Benefit Meetings
Benefits representatives will be on-site October 24 and November 3 to meet with SMU employees about the changes in their health plan coverage. MetLife will also be available to review the new Voluntary Benefits available. Plan to stop by the Bechtel Room anytime between 8 am and 5 pm to learn more about your new benefits coverage.
FSA Reminders

Your current contributions to the Health Care and Dependent Care Flexible Spending Accounts will end on December 31, 2011.

- You must actively enroll during open enrollment to participate in the FSAs in 2012
- Health Care FSA accounts allow you to pay for out-of-pocket health care expenses for you and your family on a pre-tax basis
- Dependent Care accounts allow you to pay for child care and elder care expenses on a pre-tax basis
- Remember, as the result of Health Care Reform, over-the-counter medications, with the exception of insulin, will no longer be eligible for reimbursement from the Health Care FSA, unless prescribed by a physician

Make Your Benefit Elections for 2012

To actively enroll for medical, dental, vision and flexible spending accounts in 2012 you must enter your new elections through the Vbas online enrollment system. The system is available 24 hours a day, throughout the open enrollment period — October 17 – November 11, 2011. You can always go back and change your elections any time before open enrollment closes. When you’re ready to update your elections for 2012, follow these simple steps...

- Go to www.vbas.com/sutter
- To log in, enter your user name (employee number) and your password (the last four digits of your Social Security number and your full year of birth)
- Click on SIGN IN
- You will be prompted to change your password
- Click the SAVE button to proceed
- Follow the benefit enrollment screens and enter or change your benefit elections
- View and Print your Open Enrollment Election Summary

Important Information for Employees Electing a "with Wellness" Option

If you enroll in a “with wellness” option for 2012, you must sign up to participate in either the Live Well for Life or the Physician-Directed wellness option next March to qualify for the premium reduction. Current “with wellness” members must meet the requirements of your wellness option every year to continue to qualify for the premium reduction.
Confirmation Statements
After you enroll, you will receive a confirmation statement in January listing the benefit choices you made. Please review this statement carefully. Make sure it correctly lists the benefits you selected and the dependents you wish to cover. If there is an error, call Sutter Health East Bay Region HR Services within 15 days from the date of the statement.

Changing Your Benefits During the Year
The elections you make during open enrollment will determine your benefits coverage for 2012. You can make changes during the year only if you have a qualifying life event, such as marriage, divorce, or birth/adoption of a child. Any change in elections you make during the year must be consistent with the life event (such as adding or deleting a dependent) and be made within 31 days of the event. If you have a qualifying life event and want to make a benefits change, go to: www.vbas.com/sutter.

Important Note: If you add a new dependent to your health care coverage, you must provide evidence of their eligibility. Acceptable documentation includes birth certificates, marriage license and adoption papers. Coverage will not begin until this documentation is received.

Questions?
If you have any questions about your benefits or the enrollment process, contact Sutter Health East Bay Region HR Services at (877) 786-0007 toll free or (510) 869-6100 or by email to shebrhrsvec@sutterhealth.org.

This newsletter provides an overview of the 2012 open enrollment process. Complete details on your benefits are provided in the Summary Plan Descriptions or Evidence of Coverage booklets for each of the health plans. If there is a discrepancy between the information contained here and these official plan documents, the plan documents will govern. Samuel Merritt University reserves the right to amend or terminate employee benefit programs at any time. This newsletter does not create a contract of employment between Samuel Merritt University and any of its employees.