

# ELEMENTS

CHEVRON PHILLIPS CHEMICAL COMPANY LP (CHEVRON PHILLIPS CHEMICAL)



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## Total Advantage Benefits

Chevron Phillips Chemical is committed to offering comprehensive, competitive benefits, often referred to as “Total Rewards.” Total Rewards at Chevron Phillips Chemical are designed to help you achieve your personal and professional goals in three key areas:

- **Health** – Comprehensive health, life and disability benefits and the resources to achieve overall wellness. This year, we’re enhancing our health benefits by adding an exciting new medical plan option—the Value Consumer-Directed Health (CDH) Plan, which offers you the opportunity to open a Health Savings Account (HSA). See pages 3 and 5 for details.
- **Wealth** – Competitive base pay and bonus opportunities through the annual incentive plans, plus two types of retirement benefits to help you prepare for a secure financial future—the Retirement Plan, which provides a pension benefit at retirement, and the 401(k) Savings and Profit-Sharing Plan, which gives you the opportunity to save money for retirement and to receive both Company matching and profit-sharing contributions\* from Chevron Phillips Chemical.
- **Career** – On-site learning and development opportunities, training and tuition reimbursement designed to assist in your personal growth and development.

Chevron Phillips Chemical wants you to take full advantage of all that the Company offers. With that goal in mind, we’re making changes to the way we communicate with employees, starting with this year’s annual Open Enrollment communication.

We know it’s important to provide information in a variety of ways—in print and online—to meet the needs of our diverse employee population. So, in addition to mailing this newsletter and an annual Open Enrollment packet, we’re providing more online resources than ever before, including a Plan Selection & Cost Estimator Tool that enables you to estimate and compare your costs under our medical plan options, an online Open Enrollment presentation that provides details on our 2011 benefit program, and presentations from Aetna and Fidelity to help you learn more about the new Value CDH Plan and HSAs. All are available on Benefitium at [www.benefitium.com](http://www.benefitium.com) under “2011 Open Enrollment.”

\*These profit-sharing enhancements are applicable to all participating Chevron Phillips Chemical employees (other than Chevron Phillips Chemical Puerto Rico Core employees), Salaried Performance Pipe employees and Performance Pipe employees paid on an hourly basis at Reno and Knoxville hired prior to January 1, 2004.

## Total Balance: Smarter. Healthier. Better.

2011 Open Enrollment starts October 21 and ends at midnight Central time on November 5, 2010.



With benefits Open Enrollment just a few weeks away, it’s time to start thinking about your benefit needs for the coming year. There are several important changes you need to know about before this year’s Open Enrollment begins:

- We’re introducing a new medical option that allows you to take greater control of your health care usage and budget
- We changed the names of your medical benefit options to capture each plan’s unique features, and
- We updated and enhanced certain plan features.

You can learn more about each of these changes as you read through this newsletter. As you choose your benefits for next year, think about how your and your family’s situation has changed since the last time you took a close look at your coverage. Use this newsletter, your Open Enrollment packet and the Open Enrollment tools to choose your benefits for 2011. Once you decide what coverage is right for you, enroll online at [www.cpchembenefits.mercerhrs.com](http://www.cpchembenefits.mercerhrs.com) or over the phone through the Chevron Phillips Benefits Service Center at 1-800-446-1422, option 1. Representatives are available Monday through Friday from 8:00 am to 5:00 pm Central Standard Time.

### Forgot Your Benefits Service Center PIN?

Go to the Benefits Service Center home page and follow the “forgot password” prompts, or call a Benefits Service Center representative at 1-800-446-1422, option 1.

### Has Your Personal Information Changed?

Call the Employee Service Center at 1-800-446-1422, option 3, to update your personal information, such as your address, so you don’t miss out on important communications, including your Open Enrollment packet.



## You Talked, We Listened

Chevron Phillips Chemical continually evaluates its benefit programs to ensure they remain competitive and continue to meet employees' needs.

With that goal in mind, we conducted several employee focus groups in May 2010 to collect feedback on our benefit plans—in particular, our medical and retirement plans. In response to your feedback, we're making several enhancements to our benefits for 2011.

- **We heard that for many of you, the high cost of medical coverage is a concern. You asked for more medical plan options—in particular, an option that costs less in per-paycheck contributions.** We're pleased to announce that we're introducing a new medical plan option for 2011: the Value CDH Plan. See pages 3 and 5 for more information about this new option.
- **You told us there are service issues with Aetna and Express Scripts.** We continually monitor our vendors and are working with them to enhance the customer service they deliver to Chevron Phillips Chemical employees.
- **You are generally satisfied with benefit communications, especially annual Open Enrollment communication, but would like more online tools and information designed to help you learn about your benefits.** The



Company is committed to providing the tools and information you need to make informed benefit decisions. This year, we're providing more information online than ever before.

- **We learned that you value your retirement (pension and 401(k)) benefits, but there is concern about the pension plan's lump sum distribution option.** We want you to know that the pension plan was designed with protections

in place, so that the lump sum value of your pension benefit will never be lower than it is on December 31, 2012. In addition, the annuity value of your pension benefit will continue to grow as long as you remain with the Company. And, contrary to what you may have heard, there are no plans at this time to eliminate the lump sum payment option. More information about your retirement benefits will be available in early 2011.



## Benefit Changes for 2011 — What You Should Know

### New Medical Plan Option with HSA

In response to your feedback, Chevron Phillips Chemical is adding a new, low-cost medical plan option for 2011. The **Value CDH Plan** gives you more control over how you spend—and save—your health care dollars.

- **Your per-paycheck contribution for coverage is much lower** under the Value CDH Plan, which means you have both 1) more money to spend on out-of-pocket health care costs during the year and 2) the option to save for current and future health care expenses.
- **The Value CDH Plan also includes an optional Health Savings Account (HSA).** If you enroll in the plan, you can contribute and invest tax-free dollars in an HSA, administered by Fidelity. You can use your personal HSA to pay current or future medical expenses, as your plan balance carries over from year to year. See "Six Reasons To Consider the Value CDH Plan" on page 5 to learn more. (Please note that if you choose the Value CDH Plan option, you cannot contribute to a regular Health Care Flexible Spending Account.)

### New Medical Plan Option Names

Although most of the basic plan features of the two current medical plans are not changing, we are renaming each option for 2011 to better describe the unique features provided under each.

- The Core Plan will be named the **Select EPO Plan**.
- The Cost-Saver Plan will be named the **Choice PPO Plan**.

The Select EPO Plan provides access to Aetna's exclusive provider organization (EPO) network and pays benefits only when you receive care from in-network providers, except in an emergency.

The Choice PPO Plan and the Value CDH Plan options both offer the more inclusive preferred provider organization (PPO) network, and both pay benefits when you receive care from either in- or out-of-network providers, although you pay less when you use in-network providers and take advantage of negotiated rates.

The major difference between the three options is that when you pay more up front for your medical coverage, you pay less when you need to use it, and vice versa.



**Preventive Care Pays**

We all value our personal health, but did you know your good health is also good for your budget? It's true. People who take better care of themselves tend to have lower health care costs. While we often think we have no control over how much we spend on health care, there is much that we can do to make a difference in what percentage of our budget goes toward these costs. Several plan enhancements for 2011 are designed to help you do just that:

- **100% preventive coverage** – Next year, all three medical plan options cover all preventive medical services you receive in-network at 100% with no deductible or copay. This includes routine vaccinations such as childhood immunizations and periodic tetanus shots for adults; preventive care services such as breast and colon cancer screenings, screening for diabetes, blood pressure and cholesterol; annual wellness checkups; and preventive care for children. See the Preventive Care Guide located on Benefitium.
- **\$10 copay for preventive Rx** – Designated prescription drugs that help you avoid or delay

the onset of certain chronic conditions will be covered for a \$10 retail copay (for a 30-day supply) or \$20 mail order copay (for a 90-day supply) and will not be subject to the prescription drug deductible\*. This change is particularly good news if you take preventive prescription medication on a routine basis. (See Benefitium for a list of drugs that qualify.)

**Enhancing Your Plan To Cover Additional Health Conditions**

**Foot orthotics are now covered under the medical plans** – In response to employee requests, foot orthotics are now included under your Durable Medical Equipment (DME) benefit as prosthetic devices. Foot orthotics can include orthopedic shoes and other supportive devices for the feet.

**Impact of Health Care Reform**

In 2011, there will also be changes related to health care reform:

- **Medical coverage for eligible dependents to age 26** – Beginning next year, you can cover your adult children up to but not including age 26

under your medical, dental and child dependent life policies. You may add your eligible children to your Chevron Phillips Chemical medical and dental coverage during Open Enrollment (coverage effective January 1, 2011) regardless of their marital, student and employment status.

- **Changes to eligible Health Care Flexible Spending Account expenses** – Also beginning January 1, 2011, over-the-counter (OTC) drugs such as pain relievers, sinus medicine and acid controllers will not be eligible for reimbursement through your Health Care Flexible Spending Account (FSA) unless you have a prescription from your doctor. Other OTC medical supplies and products, including bandages and wraps, braces and supports, catheters, contact lens solutions and supplies, contraceptives and family planning items, denture adhesives, insulin and diabetic supplies, will continue to be eligible without a prescription. If you have a balance remaining in your current Health Care FSA, you may want to use a portion of those funds to take advantage of the pre-tax reimbursement for OTC medications before December 31, 2010.

\*Mandatory mail order still applies.

**Introducing the Value CDH Plan**

Our new **Value CDH Plan** offers an innovative alternative to the **Select EPO Plan** and **Choice PPO Plan**. The Value CDH Plan consists of two components:

- **A consumer-directed health plan.** This plan works much like our current Cost-Saver Plan, but it has a higher deductible. Once the deductible has been met, the plan pays 70% of in-network costs and 50% of costs from out-of-network providers. Like the two other plans, the Value CDH Plan has an out-of-pocket limit to protect you from high medical bills.
- **A Health Savings Account.** If you enroll in the

new Value CDH Plan, you can open a Health Savings Account (HSA) administered by Fidelity to save money for health care expenses through pre-tax payroll deductions. You can use funds from this account to pay your qualified health care expenses such as deductibles, your portion of coinsurance (the percentage not covered by the plan) and various other eligible health care expenses. The funds deposited into this account and any related investment gains are tax free. Once your account balance reaches \$2,500, you may choose to invest the balance in a broad selection of investment options at Fidelity, including Fidelity and non-Fidelity mutual funds,

ETFs, CDs and individual stocks and bonds. Your HSA is also portable if you choose to change HSA providers for any reason.

You should look at each plan closely and ask yourself how much health care you and your family expect to incur in 2011. The Value CDH Plan and HSA is not the right option for everyone. If you expect to have significant medical expenses every year and will spend more on out-of-pocket expenses than you will save from the Value CDH Plan's lower paycheck contributions, then you should consider enrolling in the Choice PPO Plan or Select EPO Plan.

**FSA or HSA – Which Is Right for You?**

The Health Care Flexible Spending Account (FSA) and Health Savings Account (HSA) offer similar attractive features. Both accounts let you set aside approximately \$6,000 per family per year tax free to pay your health care deductibles, your portion of coinsurance, and the cost of prescription medications and products and services that are medically necessary but are not covered by the plans. However, the accounts also have several important differences, as shown in the table on the right. When considering which health plan is right for you, be sure to also consider the value of enrolling in an HSA or FSA.



HSA	FSA
You must be enrolled in a high-deductible health plan such as the Value CDH Plan to enroll (federal law does not allow you to contribute to an HSA if you enroll in the Select EPO or Choice PPO)	You don't need to be enrolled in the Company's health plans to contribute to an FSA; however, if you or your spouse contribute to an FSA, federal law prohibits you from also contributing to an HSA
Your balance rolls over from year to year, enabling you to accumulate tax-free money to pay future qualified medical expenses	You forfeit any unused balance at the end of the plan year
You may set aside up to \$3,050 in tax-free savings per year for yourself or up to \$6,150 if you also cover your spouse or family	You may set aside up to \$6,000 in tax-free savings per year for yourself and/or your family
Your account earns interest and/or you may invest your balance in various investment options	Your balance does not earn interest and cannot be invested
Your balance can be used to pay COBRA premiums, long-term care and Medicare premiums	Your balance CANNOT be used to pay COBRA premiums, long-term care or Medicare premiums
Your HSA belongs to you, is portable (you can take it with you if you change employers) and can be moved to another HSA provider at any time	Your FSA is not portable; any unused balance is forfeited if you leave the Company unless you elect to continue coverage through COBRA
You may only use the funds that are in your account	You may use your full year's FSA election amount any time during the plan year
You may change your annual election amount at any time	You may only change your annual election amount during Open Enrollment or as a result of a qualified status change



## Benefit Changes for Expatriate Employees

Chevron Phillips Chemical is making the following changes to expatriate benefits beginning January 1, 2011:

- **Medical coverage for eligible dependents to age 26** – Beginning next year, you can cover your adult children up to but not including age 26 under your medical, dental and child dependent life policies. You may add your eligible children to your Chevron Phillips Chemical medical and dental coverage during Open Enrollment (coverage effective January 1, 2011) regardless of their marital, student and employment status.
- **100% preventive coverage** – All preventive medical services you receive, including vision and hearing screenings, will be covered 100% with no copay.
- **Unlimited hospice lifetime maximum** – Lifetime hospice benefits will be unlimited.

- **Smoking cessation benefit** – Claims for smoking cessation programs and prescriptions filled in the U.S. will be covered without an increase in your premium.
- **Foot orthotics coverage** – Foot orthotics are now included under your Durable Medical Equipment (DME) benefit as prosthetic devices. Foot orthotics can include orthopedic shoes and other supportive devices for the feet.

### SPECIAL NOTICE TO EXPAT EMPLOYEES

As an expatriate employee, you are not eligible to participate in the new Value CDH Plan. However, you may want to learn about the features and benefits of this new option, because you will be eligible to take advantage of the Value CDH Plan and HSA if you repatriate to the U.S.

## Your 2011 Benefits at a Glance

A high-level overview of your 2011 benefits is provided in the table below. For additional information, refer to your Open Enrollment packet and visit Benefitium at [www.benefitium.com](http://www.benefitium.com).

DOMESTIC BENEFITS	EXPATRIATE BENEFITS
<p><b>Medical</b></p> <ul style="list-style-type: none"> <li>• Select EPO Plan, formerly Core Plan (Aetna Select<sup>SM</sup> Open Access network)</li> <li>• Choice PPO Plan, formerly Cost-Saver Plan (Aetna Choice POS II Open Access network)</li> <li>• NEW Value CDH Plan (Aetna Choice POS II Open Access network)</li> <li>• HSA (for participants enrolled in the Value CDH Plan)</li> <li>• Prescription Drug Plan, administered by Express Scripts (available with all three medical options)</li> </ul>	<p><b>Medical</b></p> <ul style="list-style-type: none"> <li>• Aetna Global Benefits</li> <li>• Prescription Drug Plan, administered by Aetna Global Benefits</li> </ul>
<p><b>Dental</b></p> <ul style="list-style-type: none"> <li>• Comprehensive Dental Plan (Aetna PPO/PDN with PPO II network)</li> <li>• Preventive Dental Plan (Aetna PPO/PDN with PPO II network)</li> </ul>	<p><b>Dental</b></p> <ul style="list-style-type: none"> <li>• Aetna Global Benefits</li> </ul>
<p><b>Wellness</b></p> <ul style="list-style-type: none"> <li>• Employee Assistance Plan administered by Aetna Behavioral Health (EAP) – 100% paid by the Company for you and your dependents whether or not you are enrolled in a medical plan.</li> <li>• Free &amp; Clear Quit for Life Smoking Cessation Program – 100% Company-paid for you and your spouse; in addition, certain smoking cessation drugs will be covered under the Company's Prescription Drug Plan beginning in 2011.</li> <li>• Diabetes Management Program – Benefits available to you and your dependents from Diabetes America under the Select EPO Plan and Choice PPO Plan for a \$10 copay, and under the Value CDH Plan (deductible and coinsurance apply).</li> <li>• Weight Watchers at Work – Weight loss programs for full-time Chevron Phillips Chemical employees; Company pays 50% of fees.</li> <li>• 24-Hour Nurse Line – Access to medical advice and support at 1-800-556-1555.</li> </ul>	<p><b>Wellness</b></p> <ul style="list-style-type: none"> <li>• International Employee Assistance Plan administered by Aetna Global Benefits.</li> <li>• Free &amp; Clear Quit for Life Smoking Cessation Program – 100% Company-paid for you and your spouse; in addition, certain smoking cessation drugs prescribed in the U.S. will be covered through the Aetna Global Benefits Prescription Plan beginning in 2011.</li> <li>• Diabetes Management Program – Benefits available to you and your dependents from Diabetes America for a \$10 copay while in the U.S.</li> <li>• Online Weight Watchers Program – 20% discount on weight loss programs and online subscription.</li> <li>• International Disease Management Program – Tools, resources and dedicated nurses to help you manage a chronic condition while on an international assignment.</li> <li>• 24-Hour International Member Service Center – 24-hour access to service professionals who can assist with international benefit needs and a 24-hour nurse line available at 1-800-231-7729. Collect calls are accepted worldwide at 1-813-775-0190.</li> </ul>

### BENEFITS AVAILABLE TO DOMESTIC AND EXPATRIATE EMPLOYEES

#### Flexible Spending Accounts

- Health Care FSA
- Dependent Care FSA

#### Vision

- Aetna Vision Discount Program included with all medical and dental options

#### Basic Income and Survivor Protection

- Basic Life Insurance
- Basic Accidental Death and Personal Loss (AD&PL) Insurance
- Occupational AD&PL Insurance
- Business Travel Accident Insurance

#### Voluntary Income and Survivor Protection

- Supplemental Life Insurance
- Spouse Life Insurance
- Dependent Child Life Insurance
- Supplemental AD&PL Insurance
- Long-Term Disability Insurance (choice of either a 50% option or a 60% option)

## Pre-Pay or Pay-As-You-Go?

Let's think about the differences between the Select EPO, Choice PPO and the Value CDH Plans in terms of renting a car for a trip. One of the first things you're asked when renting a car is whether or not you want to pre-pay for gas.

With the Select EPO Plan, it's like you pay for the whole tank in advance. You know what the cost is up front, and it may be more convenient, but you

pay for the entire tank whether or not you use it.

With the Choice PPO Plan, it's like you pay for half a tank in advance and pay for additional gas as needed.

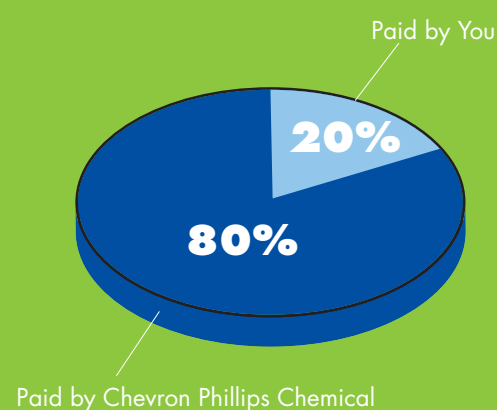
With the Value CDH Plan, you only pay a small portion up front, and then "pay-as-you-go" any time you need health care.

KEY FEATURES	PRE-PAY		PAY-AS-YOU-GO	
	SELECT EPO	CHOICE PPO	VALUE CDH	
Monthly Contribution				
Employee only	\$90.80	\$47.68	\$11.28	
Employee + 1	\$197.92	\$103.88	\$24.56	
Employee + 2 or more	\$236.96	\$124.36	\$29.40	
Annual In-Network Deductible	\$300 to \$900	\$550 to \$1,650	\$1,200 to \$2,400	
Annual In-Network Out-of-Pocket Maximum	\$2,000 to \$6,000 (only coinsurance applies)	\$3,000 to \$9,000 (only coinsurance applies)	\$5,950 to \$11,900 (all out-of-pocket costs, including deductible, apply)	
In-Network Coinsurance	Generally 90% to 100% after copay	80% after deductible	70% after deductible	
What To Consider	<ul style="list-style-type: none"> <li>Highest premium whether or not you use your plan during the year</li> <li>Lowest deductible, but you can contribute to an FSA to meet the deductible</li> <li>Preventive care covered 100%</li> <li>Fixed copays and 100% coverage for physician office visits; you pay 0% to 10% for most services after deductible is met</li> <li>Minimal incentive to shop around for the best deal</li> </ul>	<ul style="list-style-type: none"> <li>Mid-level premium</li> <li>Mid-level deductible, but you can contribute to an FSA to meet the deductible</li> <li>Preventive care covered 100%</li> <li>You pay 20% for most services after deductible is met, including office visits</li> <li>Some incentive to shop around for the best deal</li> </ul>	<ul style="list-style-type: none"> <li>Lowest premium — so if you don't need much health care during the year, you save money</li> <li>Highest deductible, but you can contribute to an HSA to meet the deductible</li> <li>Preventive care covered 100%</li> <li>You pay 30% for most services after deductible is met, including office visits</li> <li>Greatest incentive to shop around for the best deal</li> </ul>	

**Be "in the know" before you go!** Find the cost of medical procedures using Aetna's Cost of Care tool by logging on to Aetna Navigator at [www.aetna.com](http://www.aetna.com).

## Your "Hidden Paycheck"

During annual Open Enrollment, you may spend time thinking about the amount you pay for medical and dental coverage...but you may not give a lot of thought to what Chevron Phillips Chemical pays for that coverage. On average, the Company pays more than \$10,400 per employee each year to provide medical and dental coverage—that's more than \$39 million combined. It's a big part of our budget—and is reflective of our commitment to providing Total Rewards that are competitive and help you achieve personal and professional well-being.



## We're All in This Together

Did you know that our health plans are "self-insured"? This means that Chevron Phillips Chemical actually pays each medical plan's portion of all medical bills—not an insurance company. Companies like Aetna and Express Scripts only process claims and provide access to networks so we can get the best discounts possible. Chevron Phillips Chemical pays claims and sets contribution rates based on the plan's actual and expected expenses.

Over the past 20 years, inflation in health care costs has increased twice as fast as inflation in all other goods and services. This fact has a dramatic effect on our plan's actual expenses—and since we are self-insured, this ultimately has an effect on the rates you pay for your medical coverage.

Chevron Phillips Chemical is committed to continuing to offer quality medical benefits at a reasonable cost to employees and to the Company. Remember, we are all in this together. Every wise lifestyle choice you make affects health plan costs, the rates you and your fellow employees pay for health coverage, and most importantly, your quality of life.

## Six Reasons To Consider the Value CDH Plan

Below are six reasons the Value CDH Plan is worth considering:

- 1. Pay less for medical coverage out of each paycheck.** The Value CDH Plan costs less in per-paycheck contributions than the Select EPO Plan and Choice PPO Plan options.
- 2. Save money for future qualified medical expenses.** If you enroll in the Value CDH Plan, you're eligible to set up a Health Savings Account (HSA) and set aside up to \$3,050 for employee-only coverage (\$6,150 for other coverage levels) in 2011.
- 3. Put yourself in the driver's seat.** With the Value CDH Plan, you have more control over how and when you spend your health care dollars. You also control how much to contribute to your HSA (up to your annual maximum contribution limit per IRS rules), how to invest your savings, and whether to use your HSA to pay current or future medical expenses.
- 4. Get protection against big medical bills.** Similar to the Select EPO and Choice PPO Plans, the Value CDH Plan protects you against catastrophic medical bills. The maximum you pay "out of pocket" under the Value CDH Plan is \$5,950 per employee or \$11,900 per family.
- 5. Take advantage of the opportunity for tax-free savings.** Your HSA savings are never taxed as long as they're used to pay qualified medical expenses.
- 6. Watch your health savings grow.** Unused HSA dollars roll forward each year, and there is no limit to how high your HSA balance can grow. Your account earns interest, and once you've accumulated \$2,500 in your HSA, you can invest it in a broad selection of investment options at Fidelity.

For more information on the Value CDH Plan and HSAs, visit Benefitium at [www.benefitium.com](http://www.benefitium.com) and click on the 2011 Open Enrollment link on the home page.

## Decision Tools You Can Use

It's important for you to make educated decisions regarding your benefit coverage choices. Chevron Phillips Chemical offers three important tools to help:

- **Personal Open Enrollment Worksheet** – Your per-paycheck contributions for your 2011 benefit options can be found on the worksheet in the Open Enrollment packet you'll receive at your home in early October.
- **Plan Selection & Cost Estimator Tool** – Chevron Phillips Chemical has worked with Aetna to provide a new online tool that will be available to you in early October to help you select the medical plan that best meets your needs. This tool enables you to:

- Compare costs associated with our three medical plans, such as deductibles and coinsurance amounts.
- Input information to compare your Chevron Phillips Chemical medical plan options to a spouse's plan.
- Use your Aetna medical claims history (excluding prescription drug usage) from the previous 12 months to budget for health care services for yourself and your dependents; if you do not have claims experience with Aetna, you can use the pre-populated average default or manually input your claims experience.
- Use the average default prescription drug usage pre-populated by Aetna or obtain

and input customized total cost projections specific to your prescription drug usage with the Express Scripts Preview Web Site detailed below.

- Model your potential medical plan costs and HSA balance under various scenarios.

To access more information on how this tool works, log on to [http://www.aetna.com/creativeservices/flash/psce\\_tool/](http://www.aetna.com/creativeservices/flash/psce_tool/). This link will also be located on Benefitium under "2011 Open Enrollment."

- **Express Scripts Preview Web Site** – Express Scripts offers an interactive tool to help you see which medical plan is right for you based on your prescriptions. Check it out at <https://member.express-scripts.com/preview/cpchem2011>.



## Which Plan Is Right for You? Click. Compare. Enroll.

When it comes to buying medical coverage, many of us tend to purchase more than we really need or use. The truth is most of us spend more time researching our auto insurance costs and options than we do considering our health care coverage costs and options.

After you consider your needs for health care, it's important to think about what your total costs might be under each of the medical plan options. Here's how the costs add up for three representative employees with very different needs.



KEY FEATURES	SELECT EPO PLAN	CHOICE PPO PLAN	VALUE CDH PLAN ✓
Expected Cost of Health Care Services	\$105	\$105	<b>\$105</b>
Annual Paycheck Premium Amount	\$1,090	\$572	\$135
Employee Pays			
Deductible	\$0	\$0	\$0
Copays & Coinsurance & Other	\$0	\$0	\$0
Services Not Covered	\$0	\$0	\$0
<b>Total Employee Costs (includes premiums)</b>	\$1,090	\$572	<b>\$135</b>
Health Plan/Employer Pays			
Preventive Care	\$105	\$105	\$105
Other Benefits	\$0	\$0	\$0
<b>Total Health Plan/Employer Costs (excludes employer premiums)</b>	\$105	\$105	<b>\$105</b>

### Bill

Bill is 25 years old, single, healthy and just getting started. He doesn't see the doctor much, but he knows it's important to have coverage "just in case." He's excited about the new Value CDH Plan because of the low contributions and opportunity to save and invest money in an HSA.

Bill uses the Plan Selection & Cost Estimator Tool to compare his plan options. The only care he

expects he'll need is an annual physical from an in-network doctor, which costs \$105 but is covered 100% under all three medical plans.

Bill knows that if he enrolls in the Value CDH Plan, he'll pay roughly \$1,000 less for coverage than if he enrolled in the EPO—and he could invest the \$1,000 savings in an HSA.

After considering his options, Bill chooses the Value CDH Plan. It covers the wellness care he needs, protects him from catastrophic medical bills "just in case," and enables him to build up a balance in his HSA. Bill anticipates that he'll have \$1,000 left in his HSA at the end of the year—money that will be available to pay medical expenses in the future.



KEY FEATURES	SELECT EPO PLAN	CHOICE PPO PLAN ✓	VALUE CDH PLAN
Expected Cost of Health Care Services	\$4,644	<b>\$4,644</b>	\$4,644
Annual Paycheck Premium Amount	\$2,844	\$1,492	\$353
Employee Pays			
Deductible	\$500	\$1,066	\$2,400
Copays & Coinsurance & Other	\$876	\$637	\$695
Services Not Covered	\$0	\$0	\$0
Total Employee Costs (includes premiums)	\$4,220	<b>\$3,195</b>	\$3,448
Health Plan/Employer Pays			
Preventive Care	\$743	\$743	\$743
Other Benefits	\$2,525	\$2,198	\$806
Total Health Plan/Employer Costs (excludes employer premiums)	\$3,268	<b>\$2,941</b>	\$1,549

## Grace

Grace is 39 years old, married and the mother of two children. She’s looking for a plan that will give her affordable coverage and effective treatment for her allergies and her son’s asthma. She’s leaning toward the Choice PPO Plan, but she also likes the Value CDH Plan because, like the PPO, it gives her the flexibility to see the doctor of her choice. Coverage under the Value CDH Plan also costs a lot less—almost \$1,140 less than the PPO and nearly \$2,500 less than the EPO. She decides that if she enrolls in the Value CDH Plan, she’ll invest \$2,600 in an HSA.

Grace logs on to the Plan Selection & Cost Estimator Tool and pulls in her claims information for the past 12 months. She budgets for annual physicals for herself and her husband and wellness exams for herself and her children (\$551), immunizations for her children (\$192), four PCP visits for herself (\$316), and two in-network specialist visits to treat her son’s asthma (\$158). She also projects her prescription drug costs—\$1,376 for her son and \$207 for herself. She compares her options and sees that the Value CDH Plan is the best choice so far. But what if her son needs to visit

the ER for an asthma attack, as he has in the past? Grace adds in the cost of an ER visit (\$1,844) and that tips the scales in favor of the PPO Plan. The cost of an ER visit would wipe out Grace’s HSA balance, and she’d need to come up with an extra \$495 from other savings to cover the cost.

Grace decides to enroll in the PPO Plan, but plans to reconsider the Value CDH Plan next year—especially if she thinks her family won’t need as much health care as it has in the past.



KEY FEATURES	SELECT EPO PLAN ✓	CHOICE PPO PLAN	VALUE CDH PLAN
Expected Cost of Health Care Services	<b>\$38,526</b>	\$38,526	\$38,526
Annual Paycheck Premium Amount	\$2,375	\$1,247	\$295
Employee Pays			
Deductible	\$800	\$1,300	\$2,400
Copays & Coinsurance & Other	\$4,836	\$5,906	\$9,500
Services Not Covered	\$0	\$0	\$0
Total Employee Costs (includes premiums)	<b>\$8,011</b>	\$8,453	\$12,195
Health Plan/Employer Pays			
Preventive Care	\$559	\$559	\$559
Other Benefits	\$32,331	\$30,761	\$26,067
Total Health Plan/Employer Costs (excludes employer premiums)	<b>\$32,890</b>	\$31,320	\$26,626

## Richard

Richard is 58 years old, married and the father of three grown sons. He and his spouse (also 58) have serious health conditions, and both need surgery next year.

As Richard considers his health plan options, he finds the Value CDH Plan appealing for several reasons. He’s currently contributing the maximum to the 401(k) and likes the idea of supplementing his savings with a tax-free HSA. He also likes the

flexibility to see any doctor. If he enrolls in the Value CDH Plan, he’ll contribute the maximum (\$6,150) to the HSA with the goal of having money left over at the end of the year.

Richard logs on to the Plan Selection & Cost Estimator Tool and budgets for his 2011 health expenses: physicals and wellness exams for himself and his wife (\$559); PCP and specialist visits (\$869); tests, surgery and hospital stays for himself and his wife (\$32,297); and medication

(\$2,957). He also adds in the cost of a potential ER visit (\$1,844).

Richard sees that in a year with extraordinary health care costs, he’s best off selecting the Select EPO Plan. The plan’s low deductible and coinsurance make up for the much higher annual contribution for coverage. He enrolls in the EPO but plans to reevaluate his plan options next year.



Chevron Phillips Chemical Benefits Service Center

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## Important Dates

- **October 21, 2010:** 2011 annual Open Enrollment begins.
- **November 5, 2010:** 2011 annual Open Enrollment ends.
- **December 1, 2010:** If you elect the Value CDH Plan, you need to open your HSA if you want to take advantage of tax-free savings via automatic payroll deduction. Log in to [www.netbenefits.com](http://www.netbenefits.com) to set up your HSA starting December 1, 2010.
- **December 31, 2010:** Last day to purchase OTC drugs with your 2010 Health Care Flexible Spending Account.
- **January 1, 2011:** Benefit plan year begins.
- **March 31, 2011:** Last day to file an FSA claim for 2010 eligible expenses.

## If You Don't Enroll

All employees are encouraged to actively enroll, especially since there are changes for 2011. If you don't enroll, your coverage defaults as follows.

IN 2010, IF YOU...	YOUR DEFAULT ENROLLMENT FOR 2011 IS...
Enrolled in the Core Plan	Select EPO Plan
Enrolled in the Cost-Saver Plan	Choice PPO Plan
Waived medical coverage	No medical coverage
Enrolled in a Flexible Spending Account (FSA)	No FSA. You must re-enroll each year to participate in the Health Care FSA and/or the Dependent Care FSA. FSA elections don't roll over from year to year.
Enrolled in other voluntary coverage (dental and/or voluntary income and survivor protection benefits)	Same coverage elected for 2010

This is only an overview of the changes to your Chevron Phillips Chemical benefits for next year. You'll receive more details in your annual Open Enrollment packet to help you determine which benefits are right for you and your family in 2011 before you enroll. If you do not receive your Open Enrollment packet by October 18, call the Chevron Phillips Benefits Service Center at **1-800-446-1422, option 1**, Monday through Friday from 8:00 am to 5:00 pm Central Standard Time.