



THE FOLLOWING IS A SUMMARY OF HOW MEDICARE AND THE LUBRIZOL HEALTH PLANS INTERACT. IT IS ONLY A SUMMARY, AND YOUR PERSONAL CIRCUMSTANCES MAY CREATE A DIFFERENT RESULT. LUBRIZOL BELIEVES THE INFORMATION IN THE SUMMARY TO BE ACCURATE BUT CANNOT PROVIDE A GUARANTEE. THIS SUMMARY SHOULD NOT BE CONSTRUED AS TAX ADVICE, AND LUBRIZOL CANNOT PROVIDE TAX ADVICE TO YOU. WE ENCOURAGE YOU TO CONTACT THE CENTERS FOR MEDICARE AND MEDICAID SERVICES AND/OR SOCIAL SECURITY TO CONFIRM THE IMPACT OF CHOOSING TO ENROLL OR DELAY ENROLLMENT IN MEDICARE ON YOUR PERSONAL SITUATION.

If you are turning 65 and becoming Medicare eligible while you are still an active employee and covered by one of Lubrizol's Consumer Driven Health Plans (CDHP), it is important that you understand how Medicare and the Lubrizol health plans interact.

When you or your spouse become eligible for Medicare at age 65, you or your Medicare-eligible spouse have two options: (1) defer application for Medicare Part A (hospitalization), Part B (medical), and Part D (prescription drug) until your retirement, or (2) apply for Medicare benefits.

Deciding when to enroll in Medicare is an important decision with financial impacts for you and your family. Below is some information about Medicare enrollment and your Lubrizol medical coverage to consider as you plan your Medicare enrollment. **Every personal financial situation is different, and we recommend checking with the Centers for Medicare and Medicaid Services and Social Security, as well as consulting a financial or tax advisor, for assistance in making the decision that is right for you.**

Medicare Enrollment Before Your Retirement

If you or your spouse chooses to enroll in Medicare and you elect Lubrizol medical and prescription coverage, your medical plan through Lubrizol is the primary payer while you remain employed, according to current Social Security regulations.

Once you enroll in Medicare, per IRS guidance you will not be eligible to make or receive contributions to a Health Savings Account (HSA). This includes your own HSA contributions as well as Lubrizol employer contributions. If you want to remain eligible to make or receive contributions to your Lubrizol HSA, you should defer enrollment in Medicare Part A and Part B. You will be able to avoid the 10% per year late enrollment penalty with proof of your enrollment in Lubrizol medical coverage. **However, you must timely enroll in Medicare after your retirement to avoid the penalty.** The Social Security office will provide you with a form that your benefits representative will complete for you.

You are not able to delay enrollment in Medicare Part A if age 65 and collecting Social Security benefits. If you are receiving Social Security benefits at the time you turn 65, you will automatically be enrolled in Medicare Part A. If enrolled in Medicare Part A, you will not be eligible to make or receive contributions to an HSA.

If you enroll in any part of Medicare instead of deferring enrollment while you are an active employee, you may choose either to waive Lubrizol's medical and prescription coverage or to select the Core Plan without the HSA component. If you decide to enroll in Medicare while you are enrolled in a Lubrizol CDHP with the HSA (the Standard or the Plus option), you may want to consult a tax advisor about the tax impact for your HSA, including whether you need to stop contributions to your HSA in advance of your Medicare enrollment to avoid tax penalties.

Medicare Enrollment When You Retire

If you are not receiving Social Security benefits prior to retirement, you may apply for both Social Security and Medicare at the same time. Your Lubrizol benefit coverage will end on the last day of the month in which you retire. For example, if your retirement date is March 6, your active coverage will end on March 31. In this example, your Medicare coverage will

need to be effective on April 1 to avoid a gap in coverage. Therefore, once you have determined the month in which you will retire, contact the Social Security office at 800-772-1213 to inquire when you should apply for Medicare benefits.

You may apply for Medicare online at www.medicare.gov, in person at your local Social Security office (an appointment may be required) or by calling 800-772-1213.

If you have any questions, please contact Corporate Benefits at (440) 347-5358.

Corporate Benefits
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