

Overview of Available Benefits – Retiree Supplementals

IBM benefits

Your health. Your wealth. Our partnership: The benefits of working at IBM

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.

Retiree Supplemental employees are eligible for the following plans and programs which address health care and savings and are described briefly below: Medical, dental, and vision. Retiree Supplemental employees 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 a Retiree Supplemental, 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 a Retiree Supplemental 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, with the exception of the IBM Employees Stock Purchase Plan and health benefits, beginning with your first day of employment as a Retiree Supplemental. Health benefits are effective the first of the month following your date of hire.

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.

Medical cont'd

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 mental 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 mental health/substance use services. Contact Optum 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.

Live Well. Live Better Rewards Program

IBM wants you to be as healthy as you can be across all 5 Dimensions of Health: Physical, Mind, Social, Financial and Purpose. We take health and wellbeing support to another level with our Live Well. Live Better Rewards Programs. To enhance personal health and wellbeing, we offer program options to support physical activity, healthy eating, resilience, personal finance and more through CaféWell, our one-stop shop for health and wellbeing. Once you're registered on CaféWell, you can create (and update) your health profile, order your personal health devices, and earn your HSA incentives and be rewarded for completing programs. The programs are made available to you at no cost.

\$100 Device Voucher

All IBMers will have the opportunity to earn a \$100 device voucher by joining a recommended Live Well. Live Better. program on CaféWell. Device choices include a variety of health and fitness devices, including Fitbit, kitchen appliances, blood pressure monitor, strength kit, and more to support your health and wellbeing. Plus, take advantage of quarterly BluePoints drawings for new program completions each quarter.

Quarterly BluePoints Drawings

For each Live Well. Live Better Rewards program completed per quarter, eligible employees will be entered into the quarterly BluePoints drawing. 50 winners per quarter will be chosen to win 2,400 BluePoints (a \$600 value). Up to 4 completions per program will be possible *and* employees will earn additional BluePoints entries for each IBM rewardable program a covered spouse/partner completes. A full list of program options will be available on CaféWell beginning January 2, 2019.

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

Benefits options

IBM offers two options for vision care: the IBM Vision Plan, offered through Anthem Blue View Vision, which provides benefits for eye exams and eyewear, and the EyeMed Discount Plan, available at no cost, which helps you save money on eyewear purchases. You may choose either of these options, or you may decline vision coverage.

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

IBM's Employee Assistance Program (EAP), administered by Optum by United Behavioral Health, provides information, support and counseling to IBMers and their eligible family members. Through the EAP, you may receive up to eight face-to-face counseling sessions each year for each situation at no cost to you. Support and resources are available to help you deal with "the blues," premarital or marital counseling, bereavement and a wide range of other issues.

Paid Time Off

Retiree supplemental employees may be eligible for nationally observed holidays and those holidays recognized by the work location.

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, Lifeworks, Group Life Insurance (GLI), Matching Grants, Community Grants and the Thomas J. Watson Memorial Scholarship Program.

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.