

## 2017 Benefits Contacts

Benefit	Group	Phone	Website
Medical Plan	UnitedHealth Care	800.326.5506	myuhc.com
Medicare Plans	OneExchange	888.825.2664	<a href="https://medicare.oneexchange.com/xcelenergy">https://medicare.oneexchange.com/xcelenergy</a>
Pharmacy	Express Scripts	800.336.3847	express-scripts.com
Dental Plan	Delta Dental of MN	800.448.3815	deltadental.org
Vision Plan	VSP	800.877.7195	vsp.com
COBRA	Flex Compensation	800.333.5597	flexcompensation.com
401(k)	Vanguard	800.523.1188	vanguard.com
Pension Check	Wells Fargo Retiree SC	866.647.4595	(Address, direct deposit, tax withholding changes)
Miscellaneous	Xcel Energy HR Service Center	800.689.7662	<a href="https://www.hr.xcelenergy.com">https://www.hr.xcelenergy.com</a>



## Non-Bargaining Retirement Guide

2017

414 Nicollet Mall, 401-5 | Minneapolis, MN 55401 | P: 800.689.7662 | F: 612.330.5807 | 8am - 6pm CST

Access myHR from home at: <https://www.hr.xcelenergy.com>



# Congratulations on becoming an Xcel Energy Retiree!

As you retire from Xcel Energy, there are several tasks to complete before transitioning from an active employee to a retiree. Please read through this entire guide.

If you have any questions, the HR Service Center is here to help. Call **800.689.7662** weekdays between 8 a.m. and 6 p.m. Central Time.

## A few things you should know....

### Personnel Action Form (PAF)

When you retire, your manager must submit a Personnel Action Form (PAF) changing your status with the company from an active employee to a retired employee. It is very important this is submitted in a timely manner.

**The Employee Retirement Department cannot process your pension payment until your PAF has been submitted.**

### Final Paycheck(s)

Your final regular paycheck will be paid on the next normal payroll cycle. Any remaining earned, unused PTO will be paid on the payroll cycle following your last regular payroll check.

### Retirement Gift

Shortly after you retire, you will receive a retirement gift announcement in the U.S. Mail including directions on how to select your gift. Please allow 6-8 weeks for delivery once your gift has been ordered.

### myHR

You can continue to access myHR to review information regarding the benefit plans you are enrolled in, including Summary Plan Descriptions. Your password will change after you retire because you will no longer have network access. To get your password reset, call the HR Service Center at **800.689.7662**. myHR can be accessed from the Internet at <https://www.hr.xcelenergy.com>.

## Staying in Touch

### Communicating with Xcel Energy

You will need to inform Xcel Energy of any address changes so the company can continue to communicate with you and your family during your retirement years. Update your information by contacting the HR Service Center at **800.689.7662** or at [HRSC@xcelenergy.com](mailto:HRSC@xcelenergy.com). Please include your employee ID if corresponding by email.

### Staying in Tune with Xcel Energy

As a retiree, you can continue to follow Xcel Energy by reading Xtra, the company's magazine. Please choose one of the following options:

- Go online and view Xtra at [www.xcelenergy.com/retirees](http://www.xcelenergy.com/retirees)
- Have it delivered to your home. If this is your choice, call the HR Service Center at **800.689.7662** to make this selection.
- You can also decide not to receive Xtra. If you choose this option, no action is necessary.

## Retiree Groups

We encourage you to stay involved with us by joining one of Xcel Energy's retiree groups. These groups provide excellent opportunities to stay in touch with fellow retirees and help others in the community. Following is a brief overview. To learn more about participating in a retiree group, visit [www.xcelenergy.com/retirees](http://www.xcelenergy.com/retirees).

### Colorado Pioneers Club

In Colorado, retirees and active employees with 20 years or more of service with Xcel Energy are members of the Pioneers Club. This club has a formal board of directors and an annual luncheon each May. The Pioneers Club coordinates and provides volunteer opportunities (such as drivers and cooks for the Gas Grill Program), sponsors a shred-it day to help prevent identity theft, and arranges social activities. At club events, they collect donations of toiletries and non-perishable food items for the Salvation Army and new items for infants and toddlers for Florence Crittenton Services for Colorado. The club also sends a quarterly newsletter on current senior scams and identity theft warnings, updates on the club, stories on retirees and friends, and much more.

### Minnesota Pioneers in Public Service (PIPS)

In Minnesota's Twin Cities metro area, Xcel Energy's PIPS retirees and their spouses volunteer on behalf of our company at various community events in partnership with numerous nonprofit organizations. For more than

25 years, PIPS volunteers (primarily in groups/teams) have helped to build Habitat homes, applied markings to appliances of visually impaired customers, repaired and assembled furniture for families in need, volunteered at Xcel Energy's United Way and Safety Fair events. Annually, PIPS members provide more than 3,500 hours of volunteer service to our communities on behalf of Xcel Energy!

### Texas Retiree Group

In Amarillo, retirees meet the first Tuesday of each month. At these lunches, speakers from Xcel Energy and the community present information on such topics as safety for seniors, life insurance, etc.

### Wisconsin Retiree Group

In Wisconsin and Michigan, there are many volunteer partnership opportunities for Xcel Energy retirees such as Meals on Wheels delivering meals to seniors, supporting Girl Scouts events, and teaching young people the economics of life through Junior Achievement.

### United Way

As a retiree, you can elect to make contributions to Xcel Energy's annual United Way campaign. You will be contacted each fall with information on how you can participate. Contributions will be matched dollar for dollar by Xcel Energy, just as they were when you were an active employee.

### Minnesota Utility Investors, Inc. (MUI)

An organization of people that have invested in Minnesota energy utilities. MUI offers social as well as informational opportunities to its members. If you are interested in a free one-year complimentary membership—please contact **888.850.5171** or [mui@mutilityinvestors.org](mailto:mui@mutilityinvestors.org). For additional information their website is: [www.mutilityinvestors.org](http://www.mutilityinvestors.org).

### Wisconsin Utility Investors, Inc. (WUI)

A nonprofit grassroots organization that serves as an effective voice for investors before the Wisconsin Legislature and Public Service Commission. If you are interested in a free one-year complimentary membership—please contact WUI at **608.663.5813** or [www.wuiinc.org](http://www.wuiinc.org) for more information.



## Health Care Benefits Overview

As you move into retirement, you have options with respect to continuing your benefits. **Be aware some decisions you make now cannot be changed in the future.** You and your dependents cannot be covered at the same time under active and retiree Xcel Energy plans. Xcel Energy reserves the right to amend the benefits described at any time. If you have questions on your health care benefit options, call the HR Service Center at **800.689.7662**.

### Xcel Energy Retiree Benefits

As an Xcel Energy retiree, you can choose medical coverage for yourself and your eligible dependents, or you can waive coverage. Once you waive medical coverage, you are not eligible for coverage in the future. Domestic partner coverage is only available if he/she is currently covered.

### Dependent Deferral Process

Dependents can be added to coverage in the future only if they are listed on your enclosed Retiree Benefit Enrollment Form. If you have dependents that currently have other benefit coverage available to them, even if it is Xcel Energy coverage, you must complete and return the Retiree Benefits Enrollment form listing them as a deferred dependent if you want to add them to your coverage at a later date.

### Paying for Your Benefits

Your retiree premiums depend on your plan, if you enroll dependents, and your Medicare eligibility. If you elect the High Deductible Health Plan (HDHP) or PPO 200 coverage and receive a monthly pension check larger than your total benefit premium amount, your premium will be deducted from your pension check each month. Otherwise, you will receive a monthly bill for your premium. Coverage will be terminated if your premium is not paid on time. If you are Medicare eligible and elect coverage through OneExchange, you will be billed for your coverage directly from the individual insurance carrier you select.

### Changing Coverage

Your benefit choices will remain in effect until Dec. 31, 2017, unless your Medicare status changes. Make your decisions carefully as you have limited ability to make mid-year changes for a spouse or domestic partner that you deferred.

If you wish to add a deferred dependent, you can only do so when you experience a qualified life event or during Annual Enrollment. The HR Service Center must be notified within 31 days of a qualified life event to be eligible for coverage.

You may discontinue coverage at any time. To do so, contact the HR Service Center at **800.689.7662**. As a reminder, you will not be able to re-elect coverage after you waive. Coverage will end on the last day of the month your request is made. Each year during Annual Enrollment, you can review and change your benefit choices for the upcoming year.

### ID Cards

You will receive new ID cards if you elect retiree group medical coverage through Xcel Energy or an individual Medicare plan through OneExchange.



### COBRA Continuation

Federal law requires that you receive details regarding your COBRA rights for the health care coverage you had as an active employee. If you elect to continue coverage through COBRA, the premiums for your coverage(s) will be 102 percent of the full cost of employee coverage. **This continuation is for an 18-month period only.** You are not able to elect Xcel Energy retiree medical coverage or enter the individual market through Xcel Energy's relationship with OneExchange following this 18-month period.

You will receive information regarding this option directly from Xcel Energy's COBRA administrator, Flex Compensation. After receiving your packet, questions regarding COBRA continuation can be directed to Flex Compensation at **800.333.5597**. **Again, if you elect COBRA continuation you cannot elect Xcel Energy retiree medical coverage once your COBRA benefit is exhausted. Your COBRA coverage will only last 18 months.** Below are the 2017 monthly rates for COBRA continuation coverage.

### COBRA Continuation vs. Xcel Energy Retiree Benefits

You may choose to continue your medical benefits by electing Xcel Energy retiree medical, an individual Medicare plan through OneExchange or COBRA continuation. Please be aware you should not elect medical coverage under more than one of these options.

Dental and/or vision coverage are also available through COBRA.

Life insurance coverage is only available through MN Life continuation, which will be included in your COBRA packet.

If you are enrolled in the PSCO Grandfathered Life Insurance, Xcel Energy will continue a retiree life insurance benefit for you at no cost. The amount of this benefit is 50 percent of the amount of life insurance you had just prior to your retirement.

### Survivor Benefits

Should you die before your covered spouse or domestic partner, continuation of the medical coverage options will depend on his/her Medicare status.

- If your spouse or domestic partner is non-Medicare eligible at the time of your death, he/she will be offered the opportunity to continue medical coverage through Xcel Energy.
- If your surviving spouse or surviving domestic partner remarries or becomes eligible for other coverage, excluding Medicare, he/she will no longer be eligible for the medical plans offered by Xcel Energy. COBRA continuation will be offered at that time. Additionally, if premiums are not paid on time, coverage will be terminated.
- If your spouse or domestic partner is Medicare eligible at the time of your death, he/she will be offered the opportunity to continue medical coverage through OneExchange.

### 2017 COBRA Continuation Rates

	HDHP Medical	Basic Dental	Enhanced Dental	Vision
<b>Employee Only</b>	<b>\$552.50</b>	<b>\$25.92</b>	<b>\$37.46</b>	<b>\$6.50</b>
<b>Employee &amp; Spouse</b>	<b>\$1,215.48</b>	<b>\$54.60</b>	<b>\$77.98</b>	<b>\$15.64</b>
<b>Employee &amp; Child(ren)</b>	<b>\$966.82</b>	<b>\$57.10</b>	<b>\$75.10</b>	<b>\$14.36</b>
<b>Employee &amp; Family</b>	<b>\$1,657.42</b>	<b>\$89.52</b>	<b>\$122.80</b>	<b>\$22.18</b>

Retiree medical plan rates are reflected on your Retiree Benefit Enrollment Form.

## Non-Medicare Medical Plan Options

### High Deductible Health Plan (HDHP) and PPO 200

If you are a non-Medicare eligible retiree, or are Medicare eligible but have dependents who are not, your plan options are the HDHP or the PPO 200. **If you waive coverage, you will not be eligible for medical coverage in the future.** The one exception is if you waive coverage because you are a dependent under another Xcel Energy medical plan. You may then enroll in a retiree medical plan during a future Annual Enrollment period, or if your spouse experiences a qualified life event.

### Creditable Coverage

As you consider your healthcare options, be aware that if you or your dependents are Medicare eligible and covered under the HDHP in 2017 the plan is not creditable. This is important to understand since Medicare eligible members who do not enroll in Medicare Part D when first eligible and do not have creditable prescription drug coverage for any period of 63 days or longer will likely have to pay a higher Part D premium of one percent (1%) per month for late enrollment. This penalty is assessed when you enroll in an individual Medicare Part D plan in the future.

Take time to do the math. Compare the costs since there are multiple options:

- Enroll in HDHP and have the Medicare eligible person also enroll in a Medicare Part D plan
- Enroll in HDHP and know there will be future penalties when you or your Medicare eligible dependent enrolls in a Medicare Part D plan
- Enroll in PPO 200 which is a creditable plan



plan year  
**2017**

	PPO 200 In-network benefits	High Deductible Health Plan (HDHP) In-network benefits
<i>Benefit</i>	<i>Retiree Costs</i>	
<b>Deductible</b>	\$200 individual \$400 family	\$2,750 individual (medical & pharmacy) \$5,500 family (medical & pharmacy)
<b>Annual Out-of-pocket Maximum*</b>	\$1,500 individual \$3,000 family	\$3,500 individual (medical & pharmacy) \$7,000 family (medical & pharmacy)
<b>Preventive Visit</b>	20%, No deductible	\$0
<b>Office Visit/ Co-insurance</b>	20% after deductible	10% after deductible
<b>Specialist Visit/ Co-insurance</b>	20% after deductible	10% after deductible
<b>ER Co-pay/Co-insurance</b>	20% after deductible	10% after deductible
<b>Inpatient Hospital</b>	20% after deductible	10% after deductible
<b>Chiropractic Co-insurance</b>	20% after deductible 20 visits per year	10% after deductible 20 visits per year
<b>Mental Health Office Visit Co-insurance</b>	20% after deductible	10% after deductible
<b>Durable Medical Equipment</b>	20% after deductible	10% after deductible
<b>Ambulance</b>	20% after deductible	10% after deductible
<b>Prescription Drug Co-pay/ Co-insurance</b>	Generics- 20% (\$10 min, \$20 max) Formulary Brand- 20% (\$20 min, \$50 max) Non Formulary Brand- 50% (\$35 min, \$90 max)	After deductible: Generics- 20% (\$10 min, \$20 max) Formulary Brand- 20% (\$20 min, \$50 max) Non Formulary Brand- 50% (\$35 min, \$90 max)

\* Office visit co-insurance/co-pays accumulates towards the annual out-of-pocket maximum on PPO 200 and HDHP. Prescription drug co-insurance only accumulates towards the annual out-of-pocket maximum with HDHP.

## Non-Medicare Medical Plan Options Continued

### Health Savings Account (HSA)

This section is intended to be informational only. HSA guidelines are subject to change per IRS regulations. For specific information, you should seek advice from a tax advisor or refer to IRS Publication 969. (<http://www.irs.gov/publications/p969/index.html>).

### HSA Contributions

If you are not Medicare eligible, you may contribute to your HSA on an after-tax basis if you are enrolled in the HDHP. During the year of your retirement, ensure that all HSA contributions have been deposited prior to making any additional contributions to avoid exceeding the IRS limits.

Once you retire, you will receive information in the mail from Optum Bank regarding your HSA.

As long as you remain eligible, you can contribute after-tax funds directly to Optum Bank. You will then be able to receive the tax advantage when you complete your income taxes. More information on HSAs can be found in IRS Publication 969 or by contacting Optum Bank at **800-326.5506**.

**Once you are entitled to Medicare (eligible and enrolled), you can no longer make HSA contributions.** However, you will

be able to continue to use your HSA balance on eligible medical expenses until the account is depleted and/or closed.

### Maximum HSA Contribution

The IRS sets the annual maximum contribution into an HSA. If you are only covering yourself, you are limited to \$4,400 in 2017. If you cover dependents, then your maximum is \$7,750 in 2017. These maximum contributions include the \$1,000 age 55 and older additional contribution. If you and your spouse both participate in an HSA, your combined maximum contribution is \$7,750. Keep in mind the potential Xcel Energy contribution for the Rally Health Survey (HS) and My Health Choices count toward the IRS contributions limits. You are only eligible for HA and MHC while you are an active employee. The reward you will be eligible for as part of the My Health Choices program will be the amount you have earned by the end of the month you retire.

If you choose not to continue participation in the HDHP upon retirement, your 2017 HSA contribution limit is prorated based on the number of months you were a participant in the plan. Seek advice from a tax advisor if you have further questions.

### Eligible HSA Expenses

Examples of eligible HSA expenses include: medical expenses (paid while meeting the deductible or out-of-pocket maximum), prescription drugs, long-term care premiums, and COBRA premiums. Dental and vision expenses are also eligible HSA expenses.

HSA dollars used to reimburse eligible expenses are non-taxable. However, you are not prevented from using your dollars for ineligible expenses. If you or a family member accidentally uses funds for ineligible expenses, you can fix this by working directly with Optum Bank.

Ineligible expenses are subject to income tax and a 20 percent penalty. Once you reach age 65, the penalty is removed and the funds are only subject to income tax.

**Note:** The IRS excludes domestic partners and their children as eligible dependents for HSA funds unless specific criteria is met. The IRS or your tax advisor can provide additional information for your individual situation.

### IRA Rollover to Your HSA

IRS regulations allow for a once per lifetime rollover of an IRA into an HSA. Contact Optum Bank for additional details on this option at **800 326.5506**.

### Becoming Medicare Eligible

When you or your dependent become eligible for Medicare due to a disability or by turning age 65, you are **required** to enroll in Medicare Part A and Part B. Failure to do so may result in significantly lower claims payment from the health plan. Claims will be processed as if Medicare paid primary, whether you enrolled in Medicare or not. You will be responsible for the Medicare portion of payments if you do not enroll in Medicare A & B. Please notify the HR Service Center of this change as new plan options may become available to you.

If you and your dependents are not Medicare eligible you will be able to choose between the Xcel Energy group HDHP or PPO 200. Both plans are available to the Medicare eligible retiree who covers a non-Medicare eligible dependent. However, if you and your dependent(s) are all Medicare eligible, your coverage will transition to the individual Medicare plans made available through OneExchange, a Medicare Exchange.

### OneExchange—a Medicare Exchange

After a thorough evaluation of the health care options available through the individual Medicare market, Xcel Energy concluded these plans provide broad, comprehensive coverage at affordable costs. In many cases, they provide more value than the plans Xcel Energy can offer.

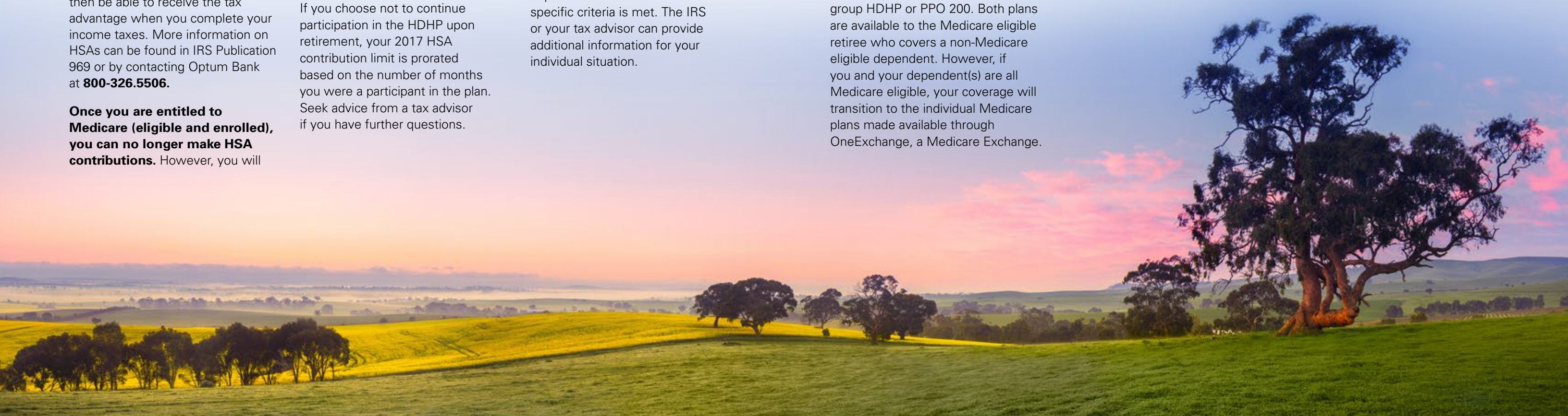
Based on these findings, Xcel Energy no longer offers a group-sponsored retiree medical plan for Medicare eligible retirees and their Medicare eligible dependents.

Instead, you will have a choice of medical, prescription drug, dental and vision plans through the individual Medicare market—each with different coverage options offered from various insurance companies. OneExchange will assist you through the process.

As a retiree of Xcel Energy, you will be able to work directly with a licensed OneExchange benefit advisor to choose and enroll in the plan that best meets your needs. Additionally, you will also be able to call OneExchange at any time with questions about your coverage or benefit changes. OneExchange will send a packet to you about 60 days before you become Medicare eligible outlining your plan options.

### Request Medicare Information

If you and your covered dependents are Medicare eligible at the time you retire, you are encouraged to contact OneExchange at **888.825.2664** Monday through Friday from 7 a.m. to 8 p.m. Central Time, or visit <https://medicare.oneexchange.com/xcelenergy>. A Getting Started Guide and Enrollment Guide will be mailed to your home directly from OneExchange after you contact them.



## Other Benefits

### Dental and Vision Insurance

You have the option of choosing an individual plan or COBRA for both dental and vision coverage. Once you become Medicare eligible, you will also have the option to select a plan through OneExchange.

- COBRA options are available for a maximum of 18 months. The costs of the plans are 102 percent of the current active plan costs. You will automatically receive enrollment information in the mail from Flex Compensation upon your retirement.
- Individual plans can be purchased directly through Delta Dental and VSP. For plan options and pricing information, contact the vendors directly. Delta Dental will require you to work with the organization in the state you reside. The chart below provides contact information for individual dental plans. You contact VSP directly at **800-877.7195**.

### Delta Dental

**CO:** 888.899.3736  
**MN:** 866.764.5350  
**TX:** 800.422.4234  
**WI:** 888.899.3729  
**NM:** 877.395.9420  
**AZ:** 888.335.8214

### Life Insurance

If you are enrolled in life insurance (Basic, Supplemental and Dependent) as an active employee, you are eligible for continuation through Minnesota Life Continuation. You will receive information and an election form directly from Flex Compensation regarding continuing this coverage.

If you are enrolled in the PSCo Grandfathered Life/AD&D Insurance, Xcel Energy will continue a retiree life insurance benefit for you at no cost. The amount of this benefit is 50 percent of the amount of life insurance you had just prior to your retirement. The other 50 percent will be offered as MN Life Continuation through Flex Compensation.

### Accidental Death & Dismemberment (AD&D)

Any AD&D insurance (including PSCo Grandfather Life/AD&D) you carry as an active employee may be available to convert directly with The Hartford. Contact the HR Service Center at **800.689.7662** for more information and a conversion application. Applications must be filed with The Hartford within 31 days following your retirement.

## Reimbursement Accounts

### Health Care Reimbursement Account (HCRA), Limited Purpose Flexible Spending Account (LPFSA), Dependent Care Reimbursement Account (DCRA) and Transportation Reimbursement Account (TRA)

If you are a participant in the HCRA, LPFSA, DCRA, or TRA your participation ends on the day you retire. You can continue to request reimbursement for expenses incurred before your retirement date. You have until March 31 of the following year to file your claims for all but the TRA. Claims for TRA must be submitted within six months of the date the expenses were incurred.

If your retirement date is prior to December, you will be offered the opportunity to extend the time you are eligible to participate in HCRA, LPFSA and DCRA on an after-tax basis through COBRA continuation for the remainder of the calendar year.

**Note:** While an active employee you can cease contributions to your TRA at any time by contacting the HR Service Center at **800.689.7662**.

## 401(k) Savings Plan

Xcel Energy will notify Vanguard that you have retired. A letter outlining your payment options will be mailed to your home address approximately two weeks after your retirement date.

If your account balance is more than \$1,000, you can defer distribution until a later date. If you choose to defer payments, you must start taking annual distributions by April 1 following the year you turn age 70 ½.

If your account balance is \$1,000 or less, and you do not request a distribution within 90 days of retirement, Vanguard will schedule a payment date and you will automatically receive a taxable distribution.

To request a direct rollover, lump sum distribution or installment payments, log on to **vanguard.com** or contact Vanguard at **800.523.1188**.

If you are not registered for online account access, log on to **vanguard.com/register**; **you will need your plan number (091809)**.

**Note:** You will not be able to request an immediate distribution. You must wait seven days after you register to access your account online.



# Notice of Creditable Coverage

## Important Notice from Xcel Energy about Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Xcel Energy and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare’s prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least

a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. Xcel Energy has determined that the prescription drug coverage offered by the High Deductible Health Plan (HDHP) for non-Medicare covered individuals where the HDHP is primary payer, PPO 200, PPO 400, LSDP, Pre ‘88, ‘88-’90, and M&M plan designs are, on average, for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

### When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

### What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Xcel Energy coverage will not be affected.

**Please Note:** If you enroll in a Medicare prescription drug plan, you will not receive coordinated coverage. You will only receive a prescription drug benefit from your Medicare plan or your Xcel Energy plan, but not both. Contact the HR Service Center at **800.689.7662** if you have additional questions about what happens to your coverage if you enroll in a Medicare prescription drug plan.

If you do decide to join a Medicare drug plan and drop your current Xcel Energy coverage, be aware that you and your dependents will not be able to get this coverage back if you are a retiree. Active employees may re-elect coverage on an annual basis.

### When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Xcel Energy and don’t join a Medicare drug plan within 63 continuous days after your current

coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage.

For example, if you go 19 months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium.

You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

### For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the Xcel Energy HR Service Center at **800.689.7662**.

**Note:** You will receive this notice annually and at other times in the future, such as before the next period you can enroll in Medicare prescription drug coverage, and if the coverage through Xcel Energy changes. You may also request a copy.

### For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You’ll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit **medicare.gov**
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their telephone number) for personalized help
- Call **800.MEDICARE (800.633.4227)**. TTY users should call **877.486.2048**.

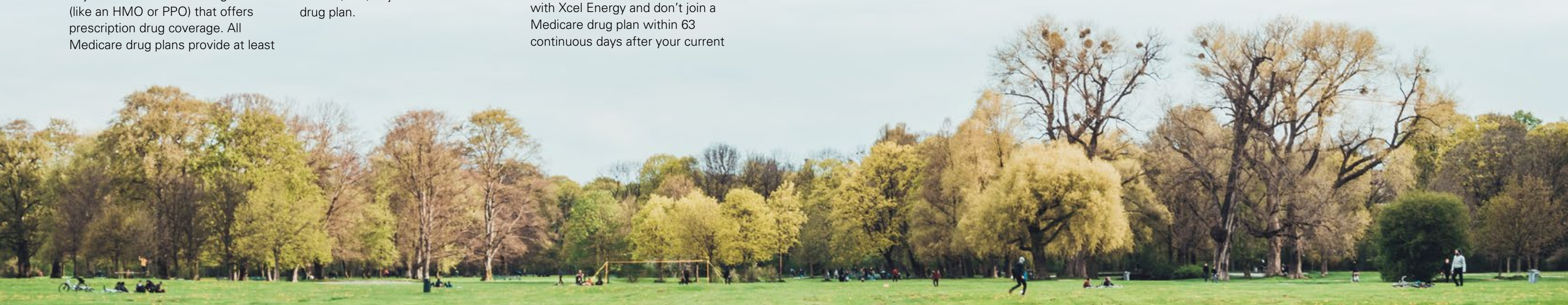
If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at **socialsecurity.gov**, or by phone at **800.772.1213 (TTY 800.325.0778)**.

**Remember:** Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

#### Creditable Plan Designs Include:

- PPO 200
- PPO 400
- LSDP
- Pre ‘88
- ‘88 - ‘90
- M&M
- HDHP\*

\*when Medicare is the secondary payer



# Notice of Non-creditable Coverage

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There are three important things you need to know about your current coverage and Medicare's prescription drug coverage:

**1.** Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

**2.** Xcel Energy has determined that the prescription drug coverage offered by the High Deductible Health Plan (HDHP) is, on average for all plan participants who have Medicare as their primary payer, NOT expected to pay out as much as standard Medicare prescription drug coverage pays when Medicare is the primary payer. Therefore, if you have Medicare as your primary insurance coverage your coverage is considered Non-Creditable Coverage under the HDHP. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the HDHP. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.

**3.** You can keep your current coverage from the HDHP. However, when your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully—it explains your options.

## When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from Oct. 15 to Dec. 7. However, if you decide to drop your current coverage with Xcel Energy, since it is employer sponsored group coverage, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under the HDHP. Since you are losing creditable prescription drug coverage through Xcel Energy, you are also eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

## When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

Since the coverage under the HDHP, is not creditable, depending on how long you go without creditable prescription drug coverage you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that's creditable, your monthly premium may go up by at least 1% of the

Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 19 months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

## What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Xcel Energy coverage will not be affected.

**Note:** If you enroll in a Medicare prescription drug plan, you will not receive coordinated coverage. You will only receive a prescription drug benefit from your Medicare plan or your Xcel Energy plan but not both. Contact the Xcel Energy HR Service Center at **800.689.7662** if you have additional questions about what happens to your coverage if you enroll in a Medicare prescription drug plan. If you do decide to join a Medicare drug plan and drop your current Xcel Energy coverage, be aware that you and your dependents will not be able to get this coverage back.

## For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the Xcel Energy HR Service Center at **800.689.7662**.

**Note:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan and if this coverage through Xcel Energy changes. You also may request a copy of this notice at any time.

## For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

**The HDHP is ONLY Non-creditable when Medicare is the primary payer. As a retiree, Medicare pays primary when you are enrolled in Medicare A and B.**

For more information about Medicare prescription drug coverage:

- Visit **medicare.gov**
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call **800.MEDICARE (800.633.4227)**. TTY users should call **877.486.2048**.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at **socialsecurity.gov**, or by phone at **800.772.1213 (TTY 800.325.0778)**.

**Name of Entity/Sender: Xcel Energy**  
**Contact: Xcel Energy HR Service Center**  
**Address: 414 Nicollet Mall, 401-5**  
**Minneapolis, MN 55401-1927**  
**Phone Number: 800.689.7662**