



November 15, 2010

RE: Early Retiree Reinsurance Program (ERRP) Notice

To All Oakland County Retirees:

The U.S. Department of Health & Human Services requires that Oakland County provide notice to all plan participants that Oakland County is participating in the Early Retiree Reinsurance Program (ERRP) and may use any reimbursements to reduce plan participants' premium contributions, copayments, deductibles, co-insurance, or other out-of-pocket costs.

Oakland County will be receiving an amount of money from the government through the ERRP that will be used to help fund the VEBA (Voluntary Employees' Beneficiary Association) Trust. The VEBA funds the post-retirement medical benefits for qualified retirees of Oakland County and/or their spouses and dependents.

You may want to keep a copy of this notice for your records. Please note that by law, the ERRP program expires on January 1, 2014.

Please refer to the ERRP Notice attached. If you have questions regarding the ERRP program, more information can be found by visiting <http://www.errp.gov/>.

Sincerely,

A handwritten signature in cursive script that reads "Judy D. Fandale".

Judy Fandale, Retirement Administrator

Attachment

NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you have received this notice by email, you are responsible for providing a copy of this notice to your family members who are participants in this plan.