

August 14, 2006

## IMPORTANT NOTICE – VERIFICATION OF DEPENDENT ELIGIBILITY

This alert serves as a reminder to employees of how ABX Air defines an eligible dependent for purposes of the ABX Air Health plan.

**➔ ALL EMPLOYEES ARE REQUIRED TO RESPOND TO THIS LETTER AND ➔  
PROVIDE PROOF OF DEPENDENT STATUS BY SEPTEMBER 15, 2006.**

### **Providing Proof of Dependent Status**

At this time, each and every audited employee will be required to respond and provide proof of dependent status as outlined in this letter for all dependent(s) listed on the Enrolled Dependents Sheet. Proof of dependent status must be received no later than September 15, 2006; otherwise coverage will be terminated for the dependent(s) listed on the Enrolled Dependents Sheet. Please see the enclosed sheet for more information about Acceptable Forms of Proof and the Definition of Eligible Dependents.

Any ineligible individuals that you remove from coverage will no longer be entitled to any benefits under ABX Air's Health plan effective immediately. If you have any questions, if there is any uncertainty regarding the definition of an eligible dependent under ABX Air's Health plan, or you require additional information regarding those individuals you have identified as eligible, please see the enclosed definition of eligible dependents under the ABX Air Health plan enclosed or contact Customer Service at 877-372-3757.

Generally, ineligible dependents are not entitled to COBRA continuation coverage. However, if your ineligible dependent previously was an eligible dependent but lost that status within the last 60 days (for example, a child who attained the maximum age or who stopped being a full-time student), you must notify the plan administrator of that loss of status, and COBRA coverage will be made available to the former eligible dependent.

### **Periodic Audits and Ramifications of Covering Ineligible Individuals**

It is your responsibility to assure individuals listed as covered dependents meet, and continue to meet, the requirements for eligible dependents under the ABX Air Health plan. *ABX Air will periodically audit dependent coverage on an ongoing, regular basis.* Eligible employees who elect to cover ineligible individuals will be subject to appropriate actions, including reimbursement to ABX Air of benefit costs and, in appropriate cases, disciplinary action up to and including dismissal or exclusion from coverage altogether under the ABX Air health plan.

If you have questions about this letter or requirements for eligible dependents, please contact Customer Service at 877-372-3757.

Sincerely,  
Mercer Administration

### **Definition of Eligible Dependents**

Under the terms of the ABX Air health benefits program, an eligible employee may list for enrollment:

- ◆ Legal spouse.
- ◆ Unmarried children under age 19, including your natural children, legally adopted children, children placed for adoption, stepchildren residing with you and any other children supported solely by you and permanently residing with you, provided you are their legal guardian or you claim the children as dependents for federal income tax purposes.
- ◆ Unmarried children from age 19 until age 23 who are registered students in full time attendance at an accredited university or similar institution of learning and who are dependent on you for support and for whom you are entitled to an income tax exemption.
- ◆ Unmarried child who is incapable of self-sustaining employment by reason of developmental disability or physical handicap, provided such child was covered under this Plan at the time of disability and immediately prior to his or her 19th birthday (23rd if a student).

### **Acceptable Forms of Proof**

The following will be considered appropriate documentation to provide proof of dependent status:

- ◆ Spouse –
  - Copy of legal marriage certificate (state or county document will be acceptable, a church certificate will NOT be accepted)
  - Affidavit of common law marriage in states where legal (please call Mercer to receive copy of required affidavit form)
- ◆ Unmarried natural or adopted children under age 19 –
  - Copy of county or state issued birth certificate
  - Copy of hospital birth certificate if certified and contains names of parents
  - Copy of legal adoption paperwork
  - Qualified Medical Child Support Order (QMCSO) You may not remove child, even if amnesty letter indicated removal.
- ◆ Unmarried stepchildren and/or any other children under age 19 –
  - Copy of legal guardianship paperwork issued by the courts
  - Federal tax return papers indicating dependents (can black out financial information) plus documentation from school, daycare, or pediatrician stating the child lives in the employee's home
- ◆ Unmarried child (natural, adopted, stepchildren, or other) from age 19 to 23 –
  - Proof of dependent child status as listed in sections above, PLUS official university/college documentation that indicates full-time student status in Summer 2006 or Fall 2006
- ◆ Disabled child over age 19 –
  - Proof of dependent child status as listed above, PLUS documentation from Social Security or Physician

*This list is not all-inclusive. Other forms of proof may be acceptable depending upon the situation. If you are unable to provide proof from this list, please contact us at 877-372-3757 for further assistance.*

➔ **You must return this form with Proof of Eligibility by Sept. 15, 2006.** ←

**MERCER**

Mercer Administration  
A Service of Seabury & Smith, Inc.  
2610 Northgate Drive  
Iowa City, IA 52245  
877-372-3757  
[www.mercerHR.com](http://www.mercerHR.com)

**ENROLLED DEPENDENTS**

*(Dependents as listed on ABX medical coverage as of 6/23/2006 unless removed during amnesty period)*

Each audited employee is required to respond and provide proof of dependent status as outlined for all dependent(s) listed below. **Proof of dependent status and this form must be received no later than 9/15/2006**, otherwise coverage will be terminated for the dependents listed below. If you have a question about this letter or requirements for eligible dependents, please contact Customer Service at 877-372-3757.

**Employee:** name  
**Employee #:** 00000  
**Plan:** ABX Air Health Plan

<u>DEPENDENT'S NAME</u>	<u>SSN (Last Four Digits)</u>	<u>DOB</u>	<u>DISABLED</u>	<u>REMOVE FROM COVERAGE</u>

**Please mail documentation and this form to the address listed below:**

Mercer Administration  
ABX Air Dependent Eligibility Audit  
PO Box 4543  
Iowa City, IA 52244-4543

**THIS FORM AND ALL DOCUMENTATION VERIFYING DEPENDENT ELIGIBILITY  
MUST BE RECEIVED NO LATER THAN SEPTEMBER 15, 2006.**

**Employee Name**  
**Address 1**  
**Address 2**  
**City, State Zip**