



**To:** ABX Air, Inc. Full-time and Part-time Employees & Interested Parties  
**From:** Dawna Kennedy, ABX Air HR Dept.  
**Date:** 12/6/10  
**Re:** Summary Annual Reports, QDIA and Medicare Creditable Coverage Notice

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### **Summary Annual Reports 2009**

The Internal Revenue Service requires employers to provide an annual financial summary of the employee benefit plans to employees. The purpose of the summary is to provide information regarding the financial status of each plan and to comply with your rights to the information required by law.

The attached Summary Annual Reports from ABX Air, Inc. summarize the data provided to the IRS for each benefit plan for the plan year 2009, and are required to be distributed to employees and interested parties annually. Some of the plans included may not apply to you because eligibility for benefits is determined by employment status.

The attached Qualified Default Investment Alternative (QDIA) Notice is required for all participants in the Capital Accumulation Plan (401(k)). This notice is an annual requirement regarding the default investment if you do not make an investment election.

The attached Medicare Creditable Coverage notice is required for all members of an ABX Medical plan whom may be eligible for Medicare Prescription Part D coverage. It does not apply to any who are not eligible for Medicare Part D coverage.

If you have any questions about eligibility or about this information, please email us at [ABX.Benefits@abxair.com](mailto:ABX.Benefits@abxair.com) or call the ABX Air Benefits Department at ext. 62150.



## **Summary Annual Report**

### **For Capital Accumulation Plan**

This is a summary of the annual report for Capital Accumulation Plan, Employer Identification Number 91-1091619, Plan No. 002 for the period January 1, 2009 through December 31, 2009. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### **Basic Financial Statement**

Benefits under the plan are provided through a trust fund. Plan expenses were \$56,671,186. These expenses included \$26,107 in administrative expenses and \$56,422,469 in benefits paid to participants and beneficiaries and \$222,610 in other expenses. A total of 5607 persons were participants in or beneficiaries of the plan at the end of the plan year.

The value of plan assets, after subtracting liabilities of the plan, was \$127,736,718, as of December 31, 2009 compared to \$149,548,539 as of January 1, 2009. During the plan year, the plan experienced a decrease in its net assets of \$21,811,821. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$34,884,029, including employer contributions of \$1,856,818, employee contributions of \$4,702,896, other contributions of \$74,167, and earnings from investments of \$28,250,148.

### **Your Rights To Additional Information**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. financial information and information on payments to service providers;
2. information regarding any CCTs, PSAs, MTs, or 103-12Ies;
3. an accountant's report;
4. assets held for investment;

To obtain a copy of the full annual report, or any part thereof, write or call ABX Air, Inc., 145 Hunter Drive, Wilmington, OH 45177, (937) 382-5591.

You also have the right to receive from the Plan Administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the Plan Administrator, these two statements and accompanying notes will be included as part of that report.

You also have the legally protected right to examine the annual report at the main office of the plan at ABX Air, Inc., 145 Hunter Drive, Wilmington, OH 45177, and at the U.S. Department of Labor in Washington, D.C. or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

## **Summary Annual Report**

### **For ABX AIR, INC PROFIT SHARING PLAN**

This is a summary of the annual report for ABX AIR, INC PROFIT SHARING PLAN, EIN 91-1091619, Plan No. 001, for period 01/01/2009 through 12/31/2009. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### **Basic Financial Statement**

Benefits under the plan are provided through a trust fund. Plan expenses were \$17,485,898. These expenses included \$282,960 in administrative expenses, \$1,771,053 in account transfers and \$15,431,885 in benefits paid to participants and beneficiaries. A total of 2,233 persons were participants in or beneficiaries of the plan at the end of the plan year, although not all of these persons had yet earned the right to receive benefits.

The value of plan assets, after subtracting liabilities of the plan, was \$62,740,878 as of 12/31/2009, compared to \$68,816,373 as of 01/01/2009. During the plan year the plan experienced a decrease in its net assets of \$6,075,495. This decrease includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. The plan had total income of \$11,410,403, including employer contributions of \$643,282, earnings from investments of \$10,757,561, and other income of \$9,560.

### **Your Rights To Additional Information**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

1. an accountant's report;
2. financial information;
3. information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates;

To obtain a copy of the full annual report, or any part thereof, write or call the office of ADVISORY COMMITTEE FOR THE PLAN OF ABX AIR, INC at 145 HUNTER DRIVE, WILMINGTON, OH 45177-9390(937) 382-5591.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan (ADVISORY COMMITTEE FOR THE PLAN OF ABX AIR, INC, 145 HUNTER DRIVE, WILMINGTON, OH 45177-9390) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

## **SUMMARY ANNUAL REPORT**

### **For ABX Air, Inc. Cafeteria Plan**

This is a summary of the annual report of the ABX Air, Inc. Cafeteria Plan, EIN 91-1091619, Plan No. 501, for period January 01, 2009 through December 31, 2009. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

### **Insurance Information**

The plan has contracts with Life Insurance Company of North America, Metropolitan Life Insurance Company, International Insurance Company of Hannover Limited and Prudential Insurance Company of America to pay certain benefit claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2009 were \$6,331,924.

### **Your Rights To Additional Information**

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

- insurance information, including sales commissions paid by insurance carriers;

To obtain a copy of the full annual report, or any part thereof, write or call the office of ABX Air, Inc. at 145 Hunter Drive, Wilmington, OH 45177-9390, or by telephone at (937) 382-5591.

You also have the legally protected right to examine the annual report at the main office of the plan (ABX Air, Inc., 145 Hunter Drive, Wilmington, OH 45177-9390) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

## **2010 Annual QDIA Notification**

**Subject: Important Information regarding your 401(k) plans**

Dear Employee;

You are receiving this notice because you may have contributions which are currently being invested in, or you have a balance in the designated default fund on your 401(k) Plan. The current default plan is your age-appropriate Fidelity Freedom Fund. Under the Plan, any contributions for which you do not provide investment direction will be invested in the Plan designated fund. For description and fee information regarding this fund, go to [www.401k.com](http://www.401k.com).

You have the right under the Plan to direct the investment of your existing balances and future contributions to any available Plan investment options. Unless you provide alternative direction, your contributions and/or account balance will continue to be invested in the Plan designated fund.

To obtain information about other plan investment options, please log onto NetBenefits® at [www.401k.com](http://www.401k.com) or call 1-800-835-5095 to speak to a representative. You may also make changes to your investment elections for future contributions and/or exchange all or a portion of your existing balance into other options available under the Plan via NetBenefits or by phone. We encourage you to review your investment mix and deferral percentage and update as appropriate.

**Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.**

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

The investment options available through the plan reserve the right to modify or withdraw the exchange privilege.

Unless otherwise noted, transaction requests confirmed after the close of the market, normally 4 p.m. Eastern time, or on weekends or holidays, will receive the next available closing prices.

**This notice is a requirement regarding the default investment if you do not make an investment election.**

**THIS IS A REQUIRED FEDERAL NOTICE TO BE DISTRIBUTED TO  
ALL ELIGIBLE FOR THE ABX AIR, INC. MEDICAL PLANS**

**Important Notice from ABX Air, Inc. 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 ABX Air, Inc. and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.**

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription 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. ABX Air, Inc. has determined that the prescription drug coverage offered by the ABX Air, Inc. Medical Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.**

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**Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.**

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15<sup>th</sup> through December 31<sup>st</sup>. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

**If you do decide to enroll in a Medicare prescription drug plan and drop your ABX Air, Inc. Medical Plan prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.**

**Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.**

You should also know that if you drop or lose your coverage with ABX Air, Inc. Medical Plan and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

ABX Air, Inc. employees have the choices of the following prescription coverage in their medical plans:

| Medical Plan Features  | <b>Enhanced</b>  |   | <b>Value</b>   |   | <b>HSA</b>  |   |
|--|--|---|--|---|---|---|
|  | For NETWORK providers the Plan pays . . .  | For NON-NETWORK providers the Plan pays . . . | For NETWORK providers the Plan pays . . .  | For NON-NETWORK providers the Plan pays . . . | For NETWORK providers the Plan pays . . .   | For NON-NETWORK providers the Plan pays . . . |
| <b>Outpatient Prescription Drugs</b><br><br>Tiers as determined by the United HealthCare Prescription Drug List (PDL). See <a href="http://www.myuhc.com">www.myuhc.com</a> for the most current list. | Tier 1 - 90% (\$10 min/\$20 max)<br>Tier 2 - 80% (\$25 min/\$45 max)<br>Tier 3 - 60% (\$50 min/\$70 max)<br><b>Mail Order</b> (90-day supply)<br>Tier 1 - 90% (\$20 min/\$40 max)<br>Tier 2 - 80% (\$50 min/\$90 max)<br>Tier 3 - 60% (\$100 min/\$140 max) (deductible/out-of-pocket maximums do not apply) | Not covered                                   | Tier 1 - 90% (\$10 min/\$20 max)<br>Tier 2 - 80% (\$25 min/\$45 max)<br>Tier 3 - 60% (\$50 min/\$70 max)<br><b>Mail Order</b> (90-day supply)<br>Tier 1 - 90% (\$20 min/\$40 max)<br>Tier 2 - 80% (\$50 min/\$90 max)<br>Tier 3 - 60% (\$100 min/\$140 max) (deductible/out-of-pocket maximums do not apply) | Not covered                                   | Tier 1 - 80% (\$20 min/\$40 max)<br>Tier 2 - 60% (\$40 min/\$60 max)<br>Tier 3 - 50% (\$60 min/\$80 max)<br><b>Mail Order</b> (90-day supply)<br>Tier 1 - 80% (\$40 min/\$80 max)<br>Tier 2 - 60% (\$80 min/\$120 max)<br>Tier 3 - 50% (\$120 min/\$160 max) (deductibles/out-of-pocket maximums apply) | Not covered                                   |

**For more information about this notice or your current prescription drug coverage...**

Contact the ABX Benefits office for further information (937) 366-2150. 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 this coverage through ABX Air, Inc. changes. You also may 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 prescription drug plans. For more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number) for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.**

Date: 11/29/2010  
 Name of Entity/Sender: ABX Air, Inc.  
 Contact--Position/Office: Benefits Dept.  
 Address: 145 Hunter Dr.  
 Wilmington, Ohio 45177  
 Phone Number: 937-366-2150