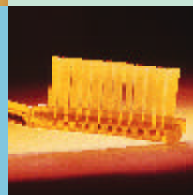
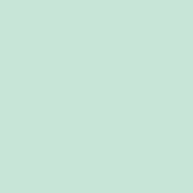
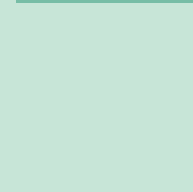
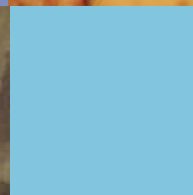
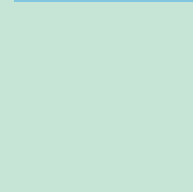
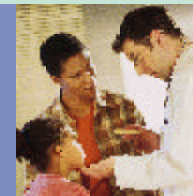
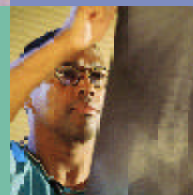
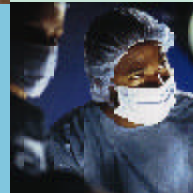
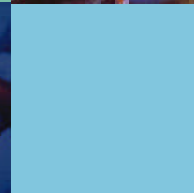
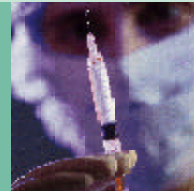
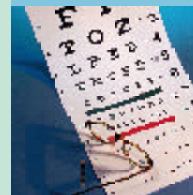
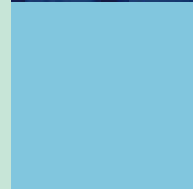
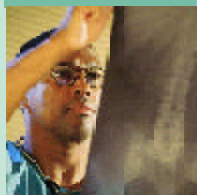


Benefits Open Enrollment Information 2005



ABX Air, Inc.
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Wilmington, Ohio 45177
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www.abxair.com
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Open Enrollment 2004

Dear Fellow Employee:

At ABX Air we strive to provide a premier benefit package for our employees. Like much of America, the cost of our healthcare plan is experiencing double-digit increases, and it has become necessary to share some of this increase. This brochure highlights the changes we are making to our benefits programs.

In deciding what changes to make, we considered your opinions expressed in the employee survey conducted in January 2003. Over 2,500 employees responded to this survey. In the survey many expressed the willingness to pay more ... particularly for those who use the coverage. But employees also expressed the need for affordable health insurance. We strived to balance these needs. Your input was valuable and appreciated. Your opinion counts.

We are also pleased to offer:

- A New Health Savings Account – PPO option (replaces Basic Plan)
- An opportunity for part-time employees to purchase family dental coverage
- An on-site medical center in Wilmington for employees
- Lower cost for the Universal Life Insurance benefits

If you have questions about the 2005 benefits package, be sure to attend one of the meetings in November (in person or on-line) or contact the Benefits Dept. at abx.benefits@abxair.com or call (800) 736-3973 ext. 3157 or 3085. ■

Sincerely,



Gene Rhodes

Vice President, Human Resources



Universal Life Insurance

Universal Life is an optional coverage that allows employees to purchase additional life insurance up to six times your salary. You also can purchase coverage for your spouse and dependent children.

Rates for Universal Life Insurance are decreasing by 28 percent for most employees effective Jan. 1, 2005.

Special Enrollment

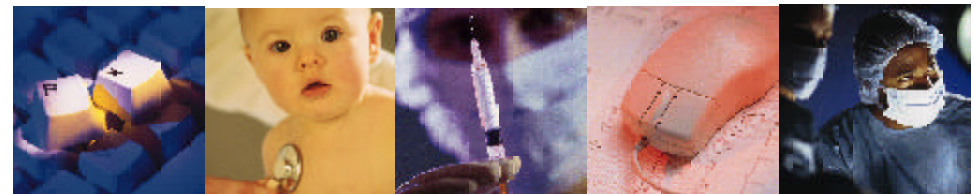
In addition, the ABX third-party administrator, Marsh@WorkSolutions is conducting a one-time special enrollment for employees between Nov. 1 and Nov. 24, 2004. Employees can sign up for up to two times salary coverage without providing evidence of good health. The only requirement is that you be actively at work (not on a leave of absence) at the time the coverage is effective.

This one time special enrollment will not be repeated next year. Information about your options will be mailed directly to your home, or you may visit www.personal-plans.com/abxair. ■

Flexible Spending Accounts

A flexible spending account allows you to pay for medical or child care expenses on a pre-tax basis. Unlike the Health Savings Account, this account is “use it or lose it” at year end, so you must budget your expenses carefully.

If you elect the Health Savings Account, you cannot elect the Flexible Spending Account for medical expenses at the same time. You are permitted to elect the Flexible Spending Account for child care expenses with the Health Savings Account. ■



(Prescription Drug List)

What are PDL drugs?

For some medical conditions, different brand name drugs provide the same therapeutic results. In situations where more than one drug treatment is available, United HealthCare negotiates the best price from the competing drug companies. This provides you with the best possible prices for your medications.

Non-PDL drugs are those for which the drug company does not provide the lowest price and for which an alternative viable therapeutic drug is available

A panel of physicians who specialize in pharmacology and pharmacists review the available medications and determine which drugs have viable therapeutic alternatives based on current scientific medical evidence. The PDL is updated several times a year.

For medical conditions in which only one brand name drug is available, that drug is placed on the PDL. Please review the PDL member reference guide in your packet or visit www.myuhc.com for more information. ■

Prescription Drug Home Delivery

Another way you can save money on your prescription drug cost is to take advantage of the Prescription Drug Home Delivery program. This program allows you to receive a three-month supply for the cost of two-month co-payments. When using this program be sure your doctor writes your prescription for three months – not a 30-day supply with three refills. ■

Healthcare Center

With quality, convenience, affordable, and choice in mind, ABX is pleased to announce the opening of an on-site medical center in Wilmington for all ABX employees who are enrolled in the ABX medical insurance programs. In early 2005, we expect to open to enrolled dependents as well. ■

(Option 1)

Enhanced PPO

Deductible

The deductible is increasing effective Jan. 1, 2005, and now will apply to all services except most office visits and prescription co-payments. Separate deductibles will apply for in-network and out-of-network services.

	Individual	Family
In-network	\$150	\$300
Out-of-network	\$300	\$600

Office Visit Co-Payments

The co-payment for an office visit at a in-network primary care physician remains the same while the co-payments for specialists increase effective Jan. 1, 2005. Primary Care Physicians include Family Practice, General Practice, Internal Medicine, Pediatricians, and OBGYNs.

Primary Care Physicians	\$15
Specialists	\$25

Prescription Drug Co-Payments

The prescription drug benefit is moving to three-tier co-payments based on a percentage of the discounted drug cost. Minimum and maximum limits on the co-payments protect you from the cost of very expensive drugs.

	Percent Plan Pays	Percent You Pay	Minimum Co-Pay	Maximum Co-Pay
Tier 1 (Generic)	90%	10%	\$10	\$20
Tier 2 (Prescription Drug List [PDL] Drugs)	80%	20%	\$25	\$45
Tier 3 (Non-PDL Drugs)	60%	40%	\$50	\$70

Chiropractic Care

Effective Jan. 1, 2005, chiropractic care is limited to 6 visits per year. ■



Health Savings Account (HSA) - PPO

(Option 2)

The company is introducing a new benefit option, a Health Savings Account (HSA) – PPO, effective January 1, 2005. This option combines the new Health Savings Account with a qualifying high deductible plan.

A Health Savings Account allows you and the company to contribute to a tax-free savings account, which you can use to pay for medical expenses. Money invested in your account earns interest. You control the account and decide when to use the money for your healthcare expenses. At the end of the year, any unused funds remain in your account. You also can use the account as a savings vehicle for future costs of retiree medical expenses. ■

The accompanying high deductible plan covers your catastrophic expenses. Highlights of the HSA – PPO Plan include: For more details, please see the 2005 schedule of medical benefits and the summary plan description in your packet.

Health Savings Account*	Individual	Family		
Company	\$500	\$1,000		
You	your choice	your choice	<i>(up to the deductible)</i>	
Deductible	Individual	Family		
In-network	\$1,250	\$2,500		
Out-of-network	\$2,500	\$5,000		
Office Visit Co-Payments [in network]	<i>(after deductible)</i>			
Primary Care Physicians	\$20			
Specialists	\$30			
Co-insurance				
In-network	80%			
Out-of-network	60%			
Out-of-Pocket Maximum	Individual	Family		
In-network	\$3,500	\$7,000		
Out-of-network	\$5,000	\$10,000		
Prescription Drugs	Percent	Percent	Minimum	Maximum
<i>(after deductible)</i>	Plan Pays	You Pay	Co-Pay	Co-pay
Tier 1 (Generic)	80%	20%	\$20	\$40
Tier 2 (PDL Drugs)	60%	40%	\$40	\$60
Tier 3 (Non-PDL Drugs)	50%	50%	\$60	\$80

* There is a \$5 set-up fee and a monthly \$3 fee for each HSA account. The company will contribute an additional amount to your account to cover these fees. Other banking fees may apply.



Employee Monthly Contributions

	Option 1 Enhanced PPO	Option 2 HSA-PPO
Employee Only	\$ 32	\$ 15
Employee & Child(ren)	\$ 96	\$ 39
Employee & Spouse	\$102	\$ 41
Employee, Spouse & Child(ren)	\$115	\$ 46

Visit www.myuhc.com to get to a health plan comparison calculator to help you decide which option is best for you and your family. ■

Family Dental for Part-time Employees

Family dental coverage under the Basic Dental plan will be available for purchase by part-time employees effective Jan. 1, 2005. Part-time employees also may choose single dental coverage under the Enhanced Dental Plan.

The monthly cost for part-time family dental coverage is:

Employee & Child(ren)	\$33
Employee & Spouse	\$46
Employee, Spouse & Child(ren)	\$79 ■

