

ABenefits Xtra

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FSA and LTD Contributions Postponed

The introduction of a Health Care Flexible Spending Account (FSA) at ABX has been postponed. Originally planned for July, the Company is now evaluating the feasibility of introducing this new benefit for next year.

“Unfortunately we ran into some unexpected complications as a result of the merger between Airborne and DHL and the spin-off of ABX Air that will prevent us from implementing this benefit on the original schedule,” said Corporate Director Human of Resources **Gene Rhodes**. “The merger agreement requires a 'quiet period' for benefits, which means we cannot make changes to the benefits program at this time.

“We still think this benefit has a lot of interest among employees,” said Gene. Results from the employee benefits survey showed strong interest.

“There was also strong interest
Continued on page 2.

Paperless Enrollment Coming Soon!

The Benefits Department along with the Information Systems Department currently is testing a new paperless benefits enrollment software package. This new system is called *E-BEAM*.

E-BEAM will allow employees to enroll or make changes to their benefits by going on-line to a secure web site. After entering their employee numbers and assigned passwords, employees will be able to see their benefits and enrolled dependents and make authorized changes.

E-BEAM stands for **Electronic Benefits Enrollment & Administration Module** and is an integrated software package that interfaces directly with the Infinium Human Resources and Payroll software. “We considered outsourcing benefits enrollment to a third party vendor, but the cost was excessive,” said Manager of Information Systems **Mark Spicer**.

“The proposed annual cost to outsource benefits enrollment was over \$1 million plus the implementation costs. By using E-BEAM we will be able to keep the annual cost under \$13,500, a significant savings,” said Mark.

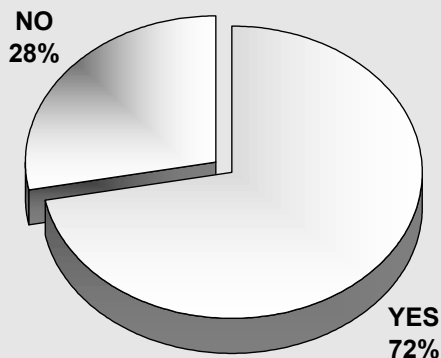
E-BEAM will eliminate the need for paper enrollment forms and will provide a more efficient method of data entry. It eliminates the cost of filing paper copies, is more environmentally friendly, and allows everything to be tracked electronically. “We are planning to roll out E-BEAM for this autumn’s open enrollment,” said ABX Benefits Supervisor **Jeff Walling**.

On the employee Benefits Survey over 70 percent of employees indicated they had internet access at home. “We think on-line enrollment is the way to go,” said Jeff. “We have had great success with the on-line 401(k) enrollment offered by Fidelity. But we recognize not everyone has internet access at home, and we will make arrangements to accommodate those without access.”

More information about E-BEAM will be shared with employees as the open enrollment period gets closer.

ABX Snapshot

Internet Access @ Home



Source: ABX Employee Benefits Survey

Questions & Answers

Q. What's the status of an on-base medical center at ILN?

A. The Company has received four bids from outside vendors to build and staff an on-site medical center for ABX Air employees. The bids currently are being evaluated, as several options must be considered in each bid. Among the options under consideration are an employee-only clinic or a clinic for employees and families. Also under review is the staffing level needed to successfully run the clinic. The feasibility of an on-site pharmacy also is being considered. And of course, the cost to run the clinic is a consideration.

The Company expects to make a decision on whether or not to proceed once the Airborne/DHL transaction is final.

Q. My child recently graduated from college. How long is he or she eligible for coverage under the ABX health plan?

A. Health coverage ends on the last day of the month in which the dependent graduates. If the new graduate still needs health coverage, he or she is eligible to enroll in COBRA continuation coverage. Contact the Benefits Department at ext. 2567 within 30 days of the end of coverage to receive a COBRA enrollment package.

Send your Benefits questions to 2061-B or E-mail abx.benefits@airborne.com

PESSO in Network

Medical services provided by Professional Emergency Specialists of Southern Ohio (PESSO) at the CMH After Hours Clinic on Rombach Avenue in Wilmington will become a UnitedHealthCare (UHC) network provider effective July 1, 2003. PESSO provides physician services for the CMH After Hours clinic, the Clinton Memorial Hospital Emergency Room, and the Hillsboro Urgent Care. PESSO became a UHC participating provider at the latter two locations on April 1, 2003.

By becoming a network provider, the number of claims issues employees see when using this location should be greatly reduced. Bringing PESSO into the UHC network was a joint effort of many people. "I would like to especially thank Dr. Michael Choo and Kathy Johnson of PESSO for all the hard work in making this happen," said ABX Benefits Supervisor **Jeff Walling**. "Their willingness to work with UHC, Clinton Memorial Hospital, and ABX to find a resolution is greatly appreciated."

Employees who have incorrectly paid bills from PESSO first should contact UHC customer service at (888) 350-5607 to try to resolve the claim. If after one attempt UHC is unable to satisfactorily resolve the issue, the employee should contact ABX Benefits Coordinator **Edna Rickard**, at (937) 382-5591 ext. 2567 for further assistance.

"It's important for employees to contact UHC first so claims issues can be properly tracked by UHC," said Edna. "When employees bypass the UHC customer service office by bringing something directly to me first, they bypass UHC's quality control process, thus making identification of trends more difficult."

"But certainly, if after one attempt the employee is unable to resolve a claim issue directly with UHC customer service, he or she should contact me for further assistance."

Edna is available to assist employees with claims issues between 7 a.m. and 3:30 p.m. ET on weekdays. She also can be reached at abx.benefits@airborne.com.

FSA and LTD Contributions Postponed

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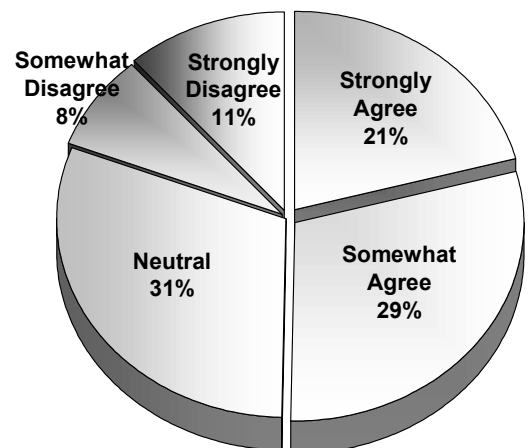
expressed in the Benefits Town Hall meetings held earlier this year, judging from the number of questions asked on this topic," said Gene.

LTD Contributions on Hold

Plans to introduce employee contributions toward the Long-Term Disability (LTD) benefits are also on hold. All full-time employees not covered by a collective bargaining agreement automatically are covered by the LTD benefit after one year of full-time service with the Company. The Company currently pays the full cost of this benefit for employees. The Company will continue evaluating the feasibility of introducing employee contributions for this benefit for next year.

ABX Snapshot

ABX should implement a Flexible Spending Account



Source: ABX Employee Benefits Survey