

OPTION TO WAIVE MEDICAL COVERAGE

You have the option to waive medical coverage for yourself and any dependents. Please review your alternate insurance coverage prior to making your decision to waive your coverage through Sandia's plan. Coverage for any eligible dependents is based on your coverage as a Sandia retiree; therefore, if you waive medical coverage for yourself, you are also waiving coverage for all dependents. If you waive medical coverage, the next opportunity to re-enroll will be the next annual Open Enrollment.

If you are waiving medical coverage for yourself and your dependents because of other medical coverage, and you and/or your dependents involuntarily lose eligibility for that coverage, you may be able to enroll yourself and your dependents during the plan year, provided that you request enrollment within 31 calendar days after the other coverage ends.

In addition, if you gain a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 31 calendar days after the marriage, birth, adoption, or placement for adoption.

You must complete the Waiver of Medical Coverage Form included in this booklet and it must be received by the Benefits Department by November 10, 2008. If you do not actively waive your medical coverage in Sandia's plan, you are thereby giving authorization to Sandia to deduct the appropriate premium from your pension check beginning January 1, 2009.

Dropping Medical Coverage:

Because you pay premiums on an after-tax basis, you can drop medical coverage for yourself and

your dependents at any time throughout the calendar year without an eligible mid-year election change event, with written notification to the Benefits Department, MS 1463.

Important: If you are a surviving spouse and you waive or drop coverage, you can never re-enroll in a Sandia-sponsored medical plan.

2009 Open Enrollment Appeals

Retiree election changes **after** November 10 will only be considered due to the following: if it is determined the enrollee experienced extenuating circumstance(s) (e.g., international/remote travel or medical emergency for yourself or immediate family member) to support the enrollment request after November 10, 2008. Failing to make your elections because you forgot or did not take the time, is not considered "extenuating circumstances."

If you believe you have experienced extenuating circumstances to support an enrollment change, contact HBES Customer Service (505) 844-HBES (4237) by December 5, 2008.

Waiver of Medical Coverage Form

To waive medical coverage for yourself and your dependents, you must fill out the information requested below and return it to the Benefits Customer Service Center at MS 1463 or Fax: 505-844-7535. (If mailing from outside Sandia, please see complete address below.) This form must be received by the Benefits Department by, November 10, 2008.

I, _____, SSN: _____ waive coverage for myself and all dependents in any of Sandia's medical plans effective January 1, 2009.

I understand the benefit I am waiving and that Sandia is not responsible for any medical expenses incurred by me and/or my dependents during the period in which these benefits are waived.

I also understand that my next opportunity to re-enroll in a Sandia medical plan will be during the Open Enrollment period for the next calendar year or based on an eligible mid-year election change event.

Note: If you waive/drop medical coverage for yourself and your dependents because of other medical coverage and you and/or your dependents involuntarily lose eligibility for that coverage, you may be able to enroll yourself and your dependents during the plan year, provided that you request enrollment within 31 calendar days after your other coverage ends. In addition, if you gain a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 31 calendar days after the marriage, birth, adoption, or placement for adoption.

Important: If you are a surviving spouse and you waive coverage, you can never re-enroll in a Sandia medical plan.

Retiree/Surviving Spouse/LTD Terminee Signature

Date

Sandia National Laboratories
PO Box 5800
Albuquerque, New Mexico 87185-1463
Attn: Benefits Customer Service Department, MS 1463