



Dear Employee:

The U. S. government recently enacted the Affordable Care Act (ACA) which requires that you have medical insurance beginning January 1, 2014 or you will have to pay a penalty to the government. To help you make an informed decision about your medical insurance, Wabtec, and most employers, are *required* to send the enclosed basic information on the Health Insurance Marketplace, which is the name of the government insurance program.

Please note that the medical insurance offered by Wabtec meets the minimum essential coverage standard set by the ACA. This means that if you and your dependents are enrolled in any of the Wabtec medical plans, you will not be subject to the government penalty mentioned above and you do not need to take any action.

You still may choose , however to buy your medical insurance through the Health Insurance Marketplace. If you do so, and you are eligible for Wabtec insurance, please note the following:

- You probably will not qualify for the government subsidy to help pay the cost of coverage;
- Wabtec will not make any contribution to your premiums with the Marketplace; and
- You will pay for your coverage on an after-tax basis.

Attached is the official notice describing this program and a few commonly asked questions and answers. If you have any questions on the attached, please contact your local human resource representative or visit www.HealthCare.gov for more information.

Sincerely,

Yours truly,

A handwritten signature in black ink that reads "Scott E. Wahlstrom". The signature is written in a cursive style with a large, prominent "S" at the beginning.

Scott E. Wahlstrom
Vice President – Human Resources

New Health Insurance Marketplace Coverage

Options and Your Health Coverage General Information

General Information

When key parts of the health care law took effect in 2014, there is now a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment based health coverage offered by Wabtec.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2015 for coverage starting as early as January 1, 2016.

Does Wabtec Health Insurance Affect Eligibility for Premium Savings through the Marketplace?

Yes. Because you have been offered health insurance from Wabtec that meets certain minimum value standards ¹, you most likely will not be eligible for a tax credit through the Marketplace and may wish to enroll in Wabtec's health plan. Your cost for individual coverage from Wabtec is most likely less than 9.5% of your household income for the year, so you probably will not be eligible for a tax credit.

Note: If you purchase a health plan through the Marketplace instead of accepting health insurance offered by Wabtec, then you will lose Wabtec's contribution to your coverage. Also, this Wabtec contribution, as well as your employee contribution to Wabtec-offered coverage is excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by Wabtec, please contact your local human resource representative.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

1. An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.