

To: Medical Plan Participants in 2010

IMPORTANT INFORMATION ABOUT THE NICOTINE SURCHARGE

Please read the following questions and answers (Q&A), if you have gone through Annual Enrollment 2010 or you are a new hire or newly eligible for Plan Year 2010.

All employees enrolled in or enrolling in a medical plan must answer the question on nicotine use. Those that use nicotine products will pay a surcharge of \$11.54 (before-tax) per week.

1. Q. What is the nicotine surcharge?

A. This surcharge, effective January 1, 2010, is applicable to most medical plan participants who use nicotine products including, but not limited to cigarettes, cigars, and chewing tobacco. Smoking cessation products containing nicotine are not considered "nicotine products." The surcharge costs \$600 per year or \$11.54 per week (before-tax).

2. Q. What is considered nicotine use?

A. Nicotine use is the use of tobacco products, within the last 12 months, in such forms as cigarettes, pipes or cigars, snuff, or chewing tobacco. Using smoking cessation products that contain nicotine is not considered nicotine use.

3. Q. Why does Sodexo have a nicotine surcharge?

A. Sodexo cares about your well-being first and foremost. Using nicotine products is the leading cause of preventable death. It leads to such conditions as heart disease, cancer, and other life threatening conditions. Studies have shown that encouraging healthier behaviors through education and other programs such as a smoking cessation program have proven successful in the workplace. Moreover, the combination of financial incentives and educational programs to encourage better health habits has been shown to be even more effective than educational programs alone.

4. Q. I participated in Annual Enrollment 2010, did I need to answer the nicotine question?

A. Yes, if you participated in Annual Enrollment and were enrolling in or enrolled in a medical plan for 2010 (except Basic Net and Hawaii and Puerto Rico medical plans), you were asked to call DEXTER or go online at <https://mysodexobenefits.com> to answer the nicotine use question. *Those employees that failed to answer the question defaulted into the nicotine surcharge for 2010.*

5. Q. I do not use nicotine products and forgot to answer this question during Annual Enrollment. What can I do, and is there a way that I can still make a change to my election?

A. Yes. You will have until you receive your second paycheck in 2010 to designate that you do not use nicotine products or you will be charged the nicotine surcharge for the remainder of the plan year. Please call DEXTER by the time you receive your second paycheck for 2010. In addition, please contact DEXTER for additional information if you fail to meet this deadline and do not use nicotine products. You may still be able to eliminate the surcharge from future payroll deductions.

6. If I am a new hire or newly eligible, am I subject to answering the question on nicotine use?

A. Yes. Any employee enrolling in medical benefits (except for Basic Net and Hawaii and Puerto Rico medical plans), will need to answer the nicotine use question and may be assessed the surcharge accordingly.

7. Q. How often do I need to answer the nicotine use question?

A. This question will be asked only at annual enrollment or when a new hire or newly eligible employee is enrolling in one of the applicable medical programs. Once you answer the question, you do not need to change your answer unless you decide to quit by enrolling in a smoking cessation program. Please see below for additional information on how to change your answer.

8. Q. I currently use nicotine products and have answered “yes” to the nicotine use question but I am planning on quitting. How can I let you know that I am doing this and change my answer?

A. Sodexo cares about your health, and would like for everyone to quit. If you enroll in a smoking cessation program, such as the one Sodexo offers through LifeWorks, and provide the Plan Administrator with the necessary documentation, then the nicotine surcharge will be waived and no longer deducted from future paychecks. To learn more about the smoking cessation program offered by Sodexo, please go to <http://www.lamSodexo.com> > Lifeworks (ID: Sodexo, password: LifeWorks) or call 888 267 8126.

9. Q. What documentation do I need to show to let you know that I am trying to quit using nicotine products?

A. If you decide that you want to quit and are going to join a smoking cessation program, you will need to call DEXTER at 877 633 9837. You will be sent an affidavit that will need to be signed by you. Furthermore, you will need to provide us with documentation showing that you enrolled in a smoking cessation program (for example: a letter from the program or a confirmation from LifeWorks). Once the affidavit and the documentation is received and verified by the Plan, you will see the surcharge removed from your paycheck deductions.

10. Q. Does Sodexo offer any programs to help me quit using nicotine products?

A. Sodexo cares about employees' health and provides a smoking cessation program through LifeWorks iCan Health Coaching at www.LifeWorks.com (user ID:Sodexo, password: lifeworks) or call 888 267 8126. Also, prescription smoking cessation drugs are covered through the medical programs and the cost of over the counter products can be reimbursed through the Health Care Spending Account (HCSA).

In addition to the program offered through LifeWorks, there are several other local programs that you can join. Resources include:

- **Sodexo's Medical Plans:** Your medical plan may offer a Smoking Cessation Program
- **Database of local quit smoking programs:** <http://www.quitnet.com/library/programs/>
- **American Cancer Society:** www.cancer.org , 800 ACS 2345, press 3 to find a quit-line in your area.
- **American Lung Association:** <http://www.lungusa.org/stop-smoking/how-to-quit/getting-help/getting-help/>

Once you decide to join a smoking cessation program, see the previous question describing how to have the nicotine surcharge waived. For additional information, you can also contact DEXTER at 877 633 9837.

11. Q. What happens if I don't smoke or use nicotine products, but my spouse, who is on my medical plan as a dependent, does? Does he/she have to pay the surcharge?

A. No. Currently the surcharge is only for employees in the Sodexo medical plans (excluding Basic Net, Hawaii and Puerto Rico medical plans, and COBRA) and not for their dependents.

12. Q. Why are employees not subject to the surcharge if they are in the Basic Net, Hawaii and Puerto Rico medical plans?

A. The Health Insurance Portability and Accountability Act (HIPAA) sets forth guidelines on what percentage of a plan premium can be designated for a surcharge. The cost structures of the plans above do not support the surcharge.

13. Q. What if an employee uses nicotine products, but does not answer the question truthfully or accurately? What are the penalties if this is discovered?

A. If an employee uses nicotine products but indicates they do not use nicotine products, this will be considered a fraudulent act and will be subject to the consequences as noted in the medical plan Summary Plan Description in which they are enrolled.

14. Q. Do all the medical plans (PPO, Definity and HMO's) offer cessation drug reimbursement?

A. All of our self-insured programs (PPO, Definity Health, and Aetna HMO) cover smoking cessation drugs. Each HMO may or may not offer a smoking cessation program. Please check with your plan's member services for smoking cessation coverage options. All Sodexo employees are offered smoking cessation support through LifeWorks. Also, employees can obtain over the counter smoking cessation products on a pre-tax basis by enrolling in the Health Care Spending Account. Using these products alone, however, would not allow you to have the nicotine surcharge waived. As described above, you must join a smoking cessation program to avoid the surcharge.

15. Q. Do other companies have the nicotine surcharge or is it just Sodexo that implemented the charge?

A. Sodexo is not the first national employer going down the path of having a surcharge. In fact, 17% of national employers who have self-insured medical populations covering more than 10,000 lives already have surcharges in place.

16. Q. I am under a doctor's care for nicotine addiction but I answered yes to the nicotine use question. Because of my condition, I cannot quit using nicotine products. What do I do?

A. Please contact DEXTER at 877 633 9837. They will send you an affidavit to complete. You will need to fill out that documentation and provide a doctor's note.

17. Q. Is offering the surcharge legal?

A. Yes. The nicotine surcharge is being implemented as a Wellness Program for all standard Sodexo plans other than Basic Net, and is in compliance with HIPAA (the Health Insurance Portability and Accountability Act) guidelines.

Our goal is to encourage individuals to stop using nicotine products and live healthier lifestyles. With our plans covering smoking cessation products and LifeWorks providing counseling support, Sodexo hopes to help our employees.

18. Q. If I use nicotine products and join a smoking cessation program during the year, can I get reimbursed for the surcharge that was taken out of my paycheck?

A. No. Once you have joined a smoking cessation program, provided the Plan with the proper documentation and a signed Nicotine Status Change Affidavit, then the nicotine surcharge will no longer be deducted from future paychecks.