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**IMPORTANT NOTICE FROM DSM ABOUT  
YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE**  
(FOR THOSE ENROLLED OR ENROLLING IN A DSM MEDICAL OPTION AND WHO ARE ELIGIBLE OR WILL BECOME  
ELIGIBLE FOR MEDICARE IN THE NEXT 12 MONTHS)

*Please read this notice carefully and keep it where you can find it.* This notice has information about the prescription drug coverage under the DSM Medical Plan which is part of the DSM Consolidated Welfare Benefit Plan and the DSM Retiree Consolidated Welfare Benefit Plan (collectively, the “Plan”) and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare the DSM coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about DSM’s prescription drug coverage and Medicare’s prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. DSM has determined that the prescription drug coverage offered by the Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because the DSM coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (i.e., a penalty) if you later decide to join a Medicare drug plan.

**When Can You Join a Medicare Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> through December 7<sup>th</sup>. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

**What Happens to your Current Coverage if you Decide to Join a Medicare Drug Plan?**

**Active Employees.** Your coverage as an employee, or dependent coverage (including that of a spouse/domestic partner) of an active employee, will not be affected if you or your Medicare-eligible dependent enrolls in a Medicare prescription drug plan. However, if you and/or your dependent drop coverage with DSM and enroll in a Medicare prescription drug plan, you and/or your dependent will not be able to re-enroll for medical and prescription drug coverage until the next annual enrollment period, or upon a qualifying life event for which enrollment is permitted, if earlier (and only if you (or dependent, as applicable) are eligible for coverage at the time your reenrollment would be effective). In addition, the DSM coverage pays for medical expenses, in addition to prescription drugs, and if you choose to drop prescription drug coverage from DSM you must also drop your medical coverage.

**Retired Employees with Retiree Medical Coverage.** You must notify the DSM Benefits Center at 1-866-353-9740 if you or a covered dependent (including a spouse or domestic partner) joins a Medicare drug plan. When you are eligible to elect a Medicare prescription drug plan (generally when you reach age 65), and if you are eligible for and enrolled in a medical option under the DSM Retiree Consolidated Welfare Benefit Plan, you should keep in mind the following important information:

- DSM retiree medical and prescription drug coverage will be cancelled for you and/or your covered dependents, if you and/or your covered dependent enroll in a Medicare prescription drug plan. This means that Medicare will be the only source of medical and prescription drug coverage for you and/or your dependents, as applicable.
- If you enroll in a Medicare prescription drug plan and your (and your dependents') DSM retiree medical and prescription drug coverage is cancelled, you will not be able to re-enroll in the DSM retiree medical and prescription drug coverage. This means that you (and your dependents) will permanently lose retiree medical and prescription drug coverage through DSM if you enroll in a Medicare prescription drug plan.
- If you are not eligible for retiree coverage with DSM upon reaching age 65 or otherwise becoming eligible for Medicare, you should carefully consider your medical and prescription drug coverage options (including Medicare Part D) prior to losing DSM coverage.

As a result of these rules, before enrolling in a Medicare drug plan, you should carefully compare your current coverage, including which drugs are covered, with the coverage and cost of the Medicare drug plans in your area. Please refer to the DSM Health Summary Plan Description for more detailed information about coverage under the DSM medical options and when coverage terminates.

**When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?**

You should also know that if you drop or lose your current DSM coverage and don't join a Medicare drug plan within 63 continuous days after your DSM coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

**For More Information about this Notice or your Current Prescription Drug Coverage...**

Contact the DSM Benefits Center at 1-866-353-9740 for further information. You will receive this notice each year. You will also receive it before the next period you can join a Medicare drug plan, and if this coverage through DSM changes. You also may request a copy of this notice at any time.

**For More Information about your Options under Medicare Prescription Drug Coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. If you are Medicare-eligible or close to becoming Medicare-eligible, you will receive a copy of the handbook in the mail from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov).
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).**

Date:	August 7, 2020
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