

Tobacco Surcharge Frequently Asked Questions

Q: What do I need to know about the tobacco surcharge?

A: During each annual enrollment or when you enroll in a DSM medical plan, you will be asked to attest to whether you have been a tobacco user in the past 6 months. If you are a tobacco user, then the \$300 annual surcharge will apply and will be deducted from your paycheck along with your other benefit deductions.

You will need to answer the same question for a spouse/domestic partner (DP) you enroll in a DSM medical plan. If your spouse/DP uses tobacco, he/she will also be subject to the \$300 annual tobacco surcharge. The surcharge does not apply to dependent children.

Q: What is considered a tobacco product?

A: Tobacco use is defined as any use of tobacco products, regardless of the frequency within the past 6 months. Tobacco products include cigarettes, cigars, pipes and smokeless tobacco (i.e. chewing tobacco). Use of nicotine patches, nicotine inhalers or electronic cigarettes will not require an employee or spouse/DP to pay the tobacco surcharge.

Q: When does the tobacco surcharge go into effect?

A: The tobacco surcharge will take effect starting with the new plan year on January 1, 2018.

Q: What happens if I want to keep all of my same elections and I don't indicate whether or not I use tobacco during annual enrollment?

A: If you do not take action during annual enrollment and complete the attestation, you and your covered spouse/DP will be defaulted to tobacco use status and the surcharge will apply. If you do not use tobacco, complete the attestation during annual enrollment to avoid the tobacco surcharge.

Q: What if I am not a tobacco user, do I still need to act?

A: If you will be enrolled in a DSM medical plan in 2018, you need to take action. If you do not act, DSM will assume you are a tobacco user and the surcharge will apply. This also applies to a spouse/DP you enroll in a DSM medical plan.

Regardless of whether you use tobacco products, you should take action during annual enrollment to review your benefit options and decide whether you want to keep your same elections. Everyone who enrolls a spouse/DP in a DSM medical plan in 2018 will also need to attest to whether their spouse/DP is eligible for medical coverage through their employer. If they are eligible for medical coverage through their employer, the spousal surcharge will apply.

Q: Why is DSM focusing on tobacco use?

A: DSM cares about your health and the health of your family. We hope that the tobacco surcharge brings additional attention to the harmful effects of tobacco use on the health of our employees and their families.

According to the Centers for Disease Control and Prevention, smoking harms nearly every organ of the body, causing many diseases and affecting the general health of smokers. Tobacco users have increased lifetime medical expenses and are absent from work more days than those who are not tobacco users. Statistics highlight the significance of this problem:

- More than 5 million deaths are the direct result of tobacco use
- 8.6 million live with a serious illness caused by smoking
- More than 600,000 deaths are the result of non-smokers being exposed to second-hand smoke

With the introduction of the tobacco surcharge in 2018, DSM is asking tobacco users to pay more for the cost of medical coverage in recognition of the greater health care costs associated with tobacco use. We recognize that support can help you quit. That's why DSM provides programs and resources to help you and your family members quit tobacco at no cost to you.

Q: Will I need to pay the tobacco surcharge if I smoke and only want to enroll in dental and/or vision?

A: No, the surcharge applies only to those who enroll in a DSM medical plan.

Q: What if I say I don't use tobacco products, but I do?

A: As with other aspects of your employment relationship with DSM, providing false information could be subject to disciplinary action, up to and including termination of employment or benefits.

Q: I am a tobacco user but want to quit now so I can avoid the surcharge – what do I need to do?

A: To certify as a non-tobacco user, you and/or your spouse/DP must not have used any tobacco products within the last 6 months (from the time you make your certification). The online certification process will begin during each annual enrollment period or when you enroll in a DSM medical plan. If you and/or your spouse/DP are tobacco users (you have used tobacco in the last 6 months), the surcharge can be removed after you successfully complete the Virgin Pulse tobacco cessation coaching program. To learn more about Virgin Pulse's tobacco cessation coaching program, contact Virgin Pulse after January 2, 2018.

Q: I am a tobacco user currently. What steps can I take to have the surcharge removed in 2018?

A: During annual enrollment you will need to complete the online certification process and attest that you are a tobacco user. Your first paycheck in 2018 will reflect the tobacco surcharge. After January 2, 2018, you can contact Virgin Pulse to enroll in the tobacco cessation program. After you complete the four coaching sessions, the tobacco surcharge will end in approximately two pay periods. You will not be reimbursed for any deductions for the tobacco surcharge prior to that time.

It's important that you maintain your tobacco-free status. Each year, you will be asked to complete the online certification and if you attest to being a tobacco user, you will need to complete the Virgin Pulse tobacco cessation program again.

Q: What if I stop using tobacco 6 months prior to certifying but start using tobacco again in 2018?

A: If you become a tobacco user at any time in 2018, you should notify the DSM Benefits Center so the surcharge can be applied.

Q: How can DSM help me quit using tobacco?

A: You can get help through the Virgin Pulse tobacco cessation program, which will be available starting January 2, 2018. To complete the program, you must enroll in the coaching program and complete four coaching sessions, either over the phone or online through the Virgin Pulse Portal. The coaching sessions typically take 12 to 16 weeks to complete. You will have access to unlimited texting, phone calls and helpful educational content during the program.

Additionally, DSM's medical plan covers the cost of tobacco cessation medications, such as prescription medications like Chantix, Nicotrol and Zyban, as well as many over-the-counter medications and products. Visit www.express-scripts.com or call 1-866-851-0145 for more information.

Q: What if I start the tobacco cessation program but do not complete it?

A: To stop paying the tobacco surcharge you must complete the entire Virgin Pulse tobacco cessation program, including the four coaching sessions. If you start the program and do not complete it, you will continue to pay the tobacco surcharge. Remember, you can always participate in the program again anytime during the year.

Q: What if I complete the tobacco cessation program but am not successful?

A: The surcharge will still be removed from your paycheck for the remainder of the year. We encourage you to continue using the resources DSM makes available to continue on your path of becoming tobacco free.