

[COMPANY LETTER HEAD OR STATIONARY]

Dear ABC Company Employee,

After careful consideration, we are excited to announce new and improved health benefits. As of [March 1st, 2019], we will no longer offer the Aetna group health insurance policy.

Instead, we are offering a new Defined Contributions using Health Savings Accounts (HSA) that will allow you to purchase an individual health insurance policy and we will make a monthly tax-free contribution to your HSA.

Starting [April 1st 2019], you will receive a tax-free monthly allowance you can spend on any health insurance expenses. You and your family can purchase a health policy that best fits your needs. The company will fund the set amount of [\$100] per month to your Health Savings Account.

By offering health benefits in this way, [COMPANY NAME] will reduce costs both for our company and for you and your family. There are several upsides to individual health insurance that lead us to believe it will better serve you and your family.

- Your new health insurance will be portable, which means you won't lose it if you leave the company. You'll also be able to choose between a number of different policies, and your final decision will be up to you, not the company.
- Since you'll choose your own policy, you can pick one that includes your doctor and prescriptions instead of hoping a group policy will cover them.
- Your allowance is completely tax-free, so the amount we're giving you is the amount you can spend. It will not be reported as income. The funds are yours if and when you leave the company
- The HSA works much like a 401k with investment and tax saving advantages.

Our group health insurance costs have become unsustainable. Instead of cutting benefits, we've decided to provide a monthly tax-free allowance toward your own individual health insurance.

We have contracted with **Mid Michigan Health Insurance Advisors LLC (MMHIA)** to make this process easy for everyone. Please follow the on-boarding steps to get enrolled:

- [STEP 1] Go to WWW.MMHIA.COM website
- [STEP 2] Schedule Enrollment appointment (Click Schedule Consultation button on site)
- [STEP 3] Get enroll in to a High Deductible Health Plan, establish Health Savings Account

When scheduling please indicate you are scheduling for enrollment for [YOUR COMPANY NAME]. They are available from 9am to 9pm for enrollment consultation Monday through Friday, and 9am to 1pm Saturday (est). Once your enrollment is complete MMHIA will provide us your information, please have your enrollment completed by [March 15th 2019] in order for us to start compensating your plan by [April 1st 2019]

We look forward to helping you transition to the individual insurance platform and providing you with the most superior health benefits available.

Sincerely,

[NAME OF] President and CEO or Human Resource Manager