



Hello. In this presentation, I am going to discuss changes to the 2010 Salaried Retiree Health Care Plan and the benefits of a Health Savings Account.

You may want to print the notes pages of this presentation for your future use. They are available on the gmbenefits.com website.

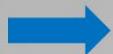
Today you will hear information about GM's Consumer Driven Health Plan offering for 2010, as well as Health Savings Accounts. Health Savings Accounts provide you with an opportunity to save funds on a tax-advantaged basis for your current and future health care expenses. This session will assist you as you make decisions about your 2010 Health Care election.

Table of Contents

Topic	Page	Topic	Page
Introduction	3	How the HSA Works	12
What is a Consumer Driven Health Plan?	4	How the HSA Fits In	13
Highlights of GM's 2010 Salaried Retiree CDHP	5	Why Save for Future Health Care Costs?	14
GM Salaried Retiree Health Care Plan 2010	6	How to Use the HSA – Qualified Medical Expenses	15
How CDHPs Work	7	What Happens When I Enroll in a Bank of America HSA?	16
CDHPs: Using In-Network Providers	8	Using the HSA – Withdrawing Money	17
CDHPs: Using In-Network Providers - Illustration	9	What Happens to an HSA in the Event of Death?	18
CDHPs: Two Party or Family Deductibles & Out of Pocket Maximums – The Smith Family	10	Key Concepts	19
What is a Health Savings Account (HSA)?	11	2010 Annual Enrollment and Resources	20

The information presented in this document briefly describes certain Salaried Retiree Health Care Plan features, as well as other programs and benefits. It does not cover all the details about the Programs — which are found in plan documents that have the final word over any other oral or written statement. General Motors reserves the right to amend, modify, suspend or terminate any of its benefit plans or programs at any time by the action of the Board of Directors, or individual or other committee expressly authorized by the Board to take such action. This document and the benefits described within — do not imply any guarantees.

New GM



New GM Salaried Health Care Plans

- Focus on your health
- Drive personal accountability in the purchase of health care products and services
- Provide a tax-advantaged tool to encourage retirees to save for current and future health care expenses



GM has been given a unique second chance, and it is not a viable option to go back to doing things 'the way things used to be'. As we continue to work on the reinvention of the company, it is vital that we are able to focus on becoming a lean and profitable company. This has lead to many changes impacting retiree health care, including the changes we will be covering today related to the 2010 Salaried Retiree Health Care Plan.

As part of GM's announcements on June 1, 2009, we acknowledged that our salaried retirees would be making significant sacrifices to support the reinvention of General Motors. At that time, we communicated that we would be reducing the obligations for certain retiree benefits by roughly two-thirds. Included in that announcement was that the Salaried Health Care Program for retirees would be impacted and further details would be provided during the 2010 Annual Enrollment. We have now finalized the changes. We are committed to providing you with the information you need. This presentation explains the changes to the medical plan and introduces a Health Savings Account, as well as identifying resources that are available to you. We encourage you to spend the time necessary to review the materials and to review this training course.

The 2010 Salaried Retiree Health Care Plan will:

- Focus attention on your health and your health care expenditures;
- Drive personal accountability in the purchase of health care products and services; and
- Provide a tax-advantaged tool to encourage retirees to save for current and future health care costs

As the last point indicates, an important goal of the design of the 2010 Salaried Retiree Health Care plans is to provide tools that will help you save for health care costs in a tax-advantaged manner. The 2010 Salaried Retiree Health Care Plan, along with the availability of a Health Savings Account are designed to work in tandem to facilitate decisions that will control costs today, and will allow you to save for your future health care costs as well.

The 2010 plan changes impact everyone regardless of your plan election for 2009, so it is essential that you review all of the materials available so you can begin to understand your options.

CDHP

What is a Consumer Driven Health Plan?



Modeled on the High Deductible Health Plan and approved by the IRS as Health Savings Account (HSA) qualified

All covered services must apply to the plan deductible, including medical, prescription drugs, durable medical equipment and mental health/substance abuse services, except for certain preventive services or preventive drugs

Health plan deductible must meet IRS minimum guidelines

There is a capped out-of-pocket maximum amount

Certain preventive medical care can be covered at 100% (not subject to deductible)

Certain generic preventive drugs can be covered prior to meeting the deductible (co-insurance applies)

4

You may have heard the term CDHP, which means consumer driven health plan.

- Consumer driven health plans put you in the driver's seat because "you" directly manage your current health care spending as well as savings for your health care expenses.

- These plans focus on health care management and they provide you with the opportunity to contribute to a Health Savings Account .

- The Internal Revenue Service, or IRS, defines what qualifies as a CDHP. They have set certain requirements that the plan must meet in order to be able to take advantage of an HSA :

- In order to qualify as a CDHP, all covered services must apply to the deductible, including medical, prescription drugs, mental health/substance abuse services and durable medical equipment. This means you pay 100% of the cost of the service or prescription drug, until you meet your annual deductible, with the exception of certain preventive services or preventive drugs.

- Certain preventive medical care may be covered at 100% prior to meeting your deductible, subject to Program standards. You pay no co-insurance for these services.

- Certain generic preventive drugs may be covered prior to the deductible being met (co-insurance applies)

- This type of health care plan has a higher deductible than most traditional plans.

- The annual out-of-pocket dollars cannot exceed a certain amount.

Highlights

of GM's 2010 Salaried Retiree CDHPs

- Monthly contributions, deductibles, and out-of-pocket maximums are increasing
- Coverage is available for certain preventive services and generic drugs before meeting your deductible
- Qualifies you to contribute to a Health Savings Account

5

Let's go over the highlights of GM's 2010 Salaried Retiree CDHP:

- Monthly contributions, deductibles and out of pocket maximums are increasing for GM Salaried Retirees.
- Coverage is available for certain preventive services prior to meeting the deductible.
- Certain preventive generic medications will be available at the co-insurance amount prior to meeting the deductible.
- Finally, a CDHP allows you to contribute to a Health Savings Account to help reduce current year health care costs or to save for future health care expenses.

GM Salaried Retiree Health Care Plan 2010	
Monthly Contribution (Single/Two Party/Family)	\$150 / \$206 / \$253
Annual Deductible * (Single/ Two party or Family)	\$2500 / \$5000 <i>(Applies to Medical, Prescription Drug, Durable Med Equip. and Mental Health/Substance Abuse)</i>
Out-of-Pocket Maximum (Single/ Two party or Family)	\$3500 / \$7000 <i>(Applies to Medical, Prescription Drug, Durable Med Equip. and Mental Health/Substance Abuse)</i>
Preventive Services (Not subject to deductible)	Child/Adult Wellness Exams & Immunizations Mammogram PAP Test PSA Screening Colon Cancer Screening
Preventive "Generic" Pharmaceuticals (Generic Prescription Copay Applies) (Not subject to Ded, applies to OOPM)	Statins (cholesterol lowering) Osteoporosis High Blood Pressure \$10 Retail / \$20 Mail Order
Medical Co-insurance (the amount you pay for eligible medical services after the deductible is met, up to the out-of-pocket maximum amount)	After deductible is met: 20% in-network 40% out-of-network
Prescription Drug Co-insurance (the amount you pay for eligible retail or home delivery prescriptions after the deductible is met, up to the out-of-pocket maximum amount)	After deductible is met: 20% in-network 40% out-of-network

*Deductible includes expenses for medical, prescription drugs, behavioral health and substance abuse, durable medical equipment, prosthetic and orthotics

6

Let's go over some important items related to the 2010 Plan:

- The CDHP offered to salaried retirees in 2010 is HSA-qualified.
- In a CDHP, the deductible applies to all of your health care costs. All expenditures for medical, prescription drug, durable medical equipment and mental health/substance abuse are applied to the deductible. One of the most visible aspects of this change is related to prescription drugs. In previous plan designs, prescription drugs were not subject to the medical plan deductible, and a co-pay was required for prescription drugs. In the 2010 Salaried Retiree CDHP plan, prescription drugs are subject to the deductible, and once the deductible is satisfied, a co-insurance, rather than a co-pay, is applied.
- The deductible amounts are increased in 2010.
- In a CDHP, if a two party or family contract is in place, the entire deductible amount must be met before the co-insurance phase begins- there is no separate individual deductible for a two-party or family CDHP.
- The 2010 Out of Pocket maximums are increasing.
- Finally- remember that dental, vision and Extended Care coverages will cancel for GM Salaried Retirees effective 1/1/10.
- Regarding vision, one vision exam per eligible family member will be covered annually in the 2010 GM Salaried Retiree CDHP, subject to normal cost sharing.
- You can visit gmretiree.com to learn about public resources for investigating the private purchase of dental and vision insurance.
- If you are interested in purchasing long term care insurance, you are encouraged to contact John Hancock at **1-800-200-6773**.

How CDHPs Work



7

So how does a CDHP work?

Let's go through the steps you follow when paying for your health care under GM's Salaried Retiree CDHP:

1. **STEP ONE-** you pay 100% of the cost until you meet the annual deductible
 - The deductible applies to medical, prescription drug, mental health and substance abuse, and durable medical equipment costs
 - The deductible for the Salaried Retiree Health Care Plan is \$2500 for individual coverage and \$5000 for 2-party or family coverage
 - The deductible works like your auto insurance- it is the amount that you must pay for covered services at 100% before GM begins to pay for covered services
2. **STEP TWO –you and GM share expenses:**
 - For most medical services, you pay 20% when receiving services in-network and 40% when receiving services out-of-network after the deductible is met. The percentage that you pay for covered services is known as the co-insurance.
 - For prescription drugs, you also pay 20% when receiving your prescriptions at an in-network pharmacy, and 40% when you get your prescriptions at an out-of-network pharmacy. This is a change from previous plan designs, in which GM retiree prescriptions were not subject to the deductible, and a co-pay was applied to covered prescriptions rather than a co-insurance.
3. **STEP THREE – Once you meet the out-of-pocket maximum, GM generally pays 100% of the cost for covered services**
 - The out-of-pocket maximum is \$3500 for individual coverage, and \$7000 for 2-party or family coverage.

It's important to note that for specific preventive services provided by in-network providers, such as annual physicals, certain immunizations and health screenings, GM pays 100% of the cost whether or not you have met your deductible or out-of-pocket maximum. Additionally, for certain generic prescription medications, you don't have to meet your deductible amount and are only responsible for paying your co-insurance. Currently, the generic drug classes that would be considered preventive include certain prescriptions for high blood pressure, cholesterol, and osteoporosis.

Also- keep in mind that monthly contributions do not count towards satisfying the deductible or out-of-pocket maximum.



CDHPs: Using In-Network Providers

- ✓ The maximum benefit that will be paid by the GM Salaried Retiree Health Care Plan is the amount that would be paid to an in-network provider- known as the **allowed amount**.
- ✓ If you receive services from an out-of-network provider, you are at risk of having to pay amounts the provider may charge over the **allowed amount**.
- ✓ Amounts that you pay to an out-of-network provider above the **allowed amount** are not applied to your deductible or out-of-pocket maximum

8

A Special note on using in-network providers:

The rules that determine the maximum benefits payable are not changing under the CDHP design. If you elect to use an out-of-network provider under the CDHP plan, the maximum benefit payable by GM is equal to the benefit payable if you had used an in-network provider, which is called the “allowed amount”. If you elect to use an out-of-network provider, you are at risk of having to pay any amounts the out-of-network provider may charge over the “allowed amount”, and any amounts you pay to an out-of-network provider above the allowed amount are not applied to your deductible or out-of-pocket maximum.

If you have not met your deductible: the amount that you would pay for a claim for covered services from an out-of-network provider would be what that provider charged for their service. If you had the same service from a network provider, the amount that you would pay would be the ‘allowed’ amount, which is an amount negotiated between the provider and the carrier, and could be substantially less than what the provider charges for the service. Any amounts you pay over the allowed amount do not count towards satisfying your deductible.

If your deductible has already been met (but your out-of-pocket maximum has not yet been satisfied): the maximum amount that GM will pay for a covered service is based on the allowed amount. Any amount you pay over the allowed amount does not count toward satisfying your out-of-pocket maximum.

Once you have satisfied the out-of-pocket maximum: the maximum benefit GM will pay is equal to the allowed amount. An out-of-network provider may bill you for any amount charged over the allowed amount.

Let's walk through an example on the next slide.



CDHPs: Using In-Network Providers

Claims illustration: \$1000 provider charge
\$ 800 allowed amount

	In-Network	Out- of-Network
Deductible not met	<ul style="list-style-type: none">You pay \$800\$800 applied to deductible	<ul style="list-style-type: none">You pay up to \$1000*\$800 applied to deductible
Deductible met; out-of-pocket maximum not met	<ul style="list-style-type: none">You pay \$160 (20% coinsurance x \$800)\$160 applied to your OOPM	<ul style="list-style-type: none">You pay up to \$520* (40% coinsurance x \$800)+\$200*\$320 applied to OOPM
Out-of-pocket Maximum met	<ul style="list-style-type: none">You pay nothing	<ul style="list-style-type: none">You pay up to \$200*

* Provider may choose to accept allowed amount, or may bill you for the amount over the allowed amount.

9

In this example, a provider charges \$1,000, but the carrier allowed amount is \$800.

If your deductible has not been met, and:

The provider is in-network: You pay \$800 (the allowed amount), and \$800 is applied to your deductible

The provider is out-of-network: You pay up to \$1000 (the provider charge for the service), and \$800 is applied to your deductible

If your deductible has been met, but you have not reached your out-of-pocket maximum and:

The provider is in-network: You pay \$160 (20% of the allowed amount), and \$160 is applied to your out-of-pocket maximum

The provider is out-of-network: You pay up to \$520 (40% of the allowed amount + the difference between the charged amount and the allowed amount, or \$320 + \$200), and \$320 is applied to your out-of-pocket maximum

If your out-of-pocket maximum has been met, and:

The provider is in-network: You pay nothing

The provider is out-of-network: You pay up to \$200 (the difference between the allowed amount and what the provider charged)

Keep in mind that you may be charged the difference between the allowed amount and the provider's actual charge if you receive services from an out-of-network provider.

CDHPs

2-Party or Family Deductibles and Out-of-Pocket Maximums

In CDHP 2-party or family contracts:

- There is no separate 'individual' deductible or out-of-pocket maximum (OOPM) on a 2-party or family contract
- Once the deductible or OOPM has been reached by the accumulation of expenses for any combination of family members, the deductible or OOPM is satisfied for the entire family.



10

I mentioned earlier that in 2-party or family CDHP contracts, there is no separate individual deductible or out-of-pocket maximum. What this means is that, for 2-party or family coverage, one person cannot satisfy a separate 'individual' deductible or out-of-pocket amount. The entire family deductible must be satisfied by any combination of family members before moving to the co-insurance phase, and the entire family out-of-pocket maximum must be met before all covered expenses are paid by GM at 100%.

Let's walk through an example:

The Smith family of four is enrolled in the GM Retiree Health Care Plan CDHP with a deductible of \$5000.

Mr. Smith incurs expenses of \$3800 due to an inpatient stay in the hospital.

Even though Mr. Smith has claims accounting for a large portion of the family deductible amount, any additional claims that he incurs will still be considered in the deductible phase until an additional \$1200 in health care expenses have been paid by the Smith family.

Once \$5000 has been paid by the Smith family for eligible health care expenses, regardless of which eligible family member incurred the expenses, the entire family has satisfied the deductible, and covered services will then be subject to co-insurance of 20% for in-network services or prescriptions, or 40% for out-of-network services or prescriptions. When \$7000 has been paid by any combination of Smith family members for eligible health care expenses, the entire out-of-pocket maximum has been reached, and GM generally pays 100% for any subsequent covered services or prescriptions provided in-network.



HSA What is a Health Savings Account (HSA)?

An account you use to pay for current health care costs and/or save for your future health care expenses.

HSAs have a triple tax advantage: you do not pay taxes on eligible contributions; any earnings on your HSA assets will be tax-free; and withdrawals are tax-free if used for qualified health care expenses!

Important- An HSA is only available if:

- You enroll in a CDHP (the GM Salaried Retiree Health Care Plan)
- You are not enrolled in any other medical plan (including Medicare, Full Purpose Flexible Spending Accounts, Veteran's Benefits, other spousal coverage, etc.) that is not subject to Consumer Driven Health Plan limits
- You cannot be claimed as a dependent on someone else's tax return

11

Now let's talk about the Health Savings Account – commonly referred to as an HSA:

- An HSA is an account you can use to pay for current health care costs and/or save for your health care costs in the future.
- An HSA provides you with a triple tax advantage –you are not required to pay taxes on eligible contributions, the earnings on your HSA assets will be tax-free, and withdrawals are tax-free if used for qualified medical expenses.

In 2010, if you enroll in the GM Salaried Retiree Health Care CDHP, you will have the option of opening an HSA with Bank of America, and GM will pay the monthly administrative fees for this account.

You are eligible to contribute to an HSA if:

- You enroll in the GM Salaried Retiree Health Care CDHP.
- You are not enrolled in other medical coverage that is not subject to Consumer Driven Health Plan limits- including Medicare, Full Purpose Flexible Spending Accounts, Veteran's Benefits, or other spousal benefits, for example.
- You cannot be claimed as a dependent on someone else's tax return.

Please note that if you are turning 65 during the year, you can only contribute to your HSA account until you turn 65, when you become eligible for Medicare. Please consult your tax professional for further information.

How the HSA Works

Step 1: You deposit tax advantaged funds to your account

You make contributions up to the 2010 annual maximum:

- \$3,050 for individual
- \$6,150 for 2-party or family
- Additional \$1,000 catch-up contributions allowed if age 55 & older

Step 2: You invest account funds

Money in your account **rolls over** from year-to-year, may grow with interest and investment returns* **tax-free**

Step 3: You can take money out, as needed

Withdrawals are:

- Tax-free** for qualified medical expenses
- Taxable** for other expenses

Note: Contact your financial institution for information regarding investment options. You may choose any financial institution that offers HSAs. GM pays the administration fees for HSAs opened through Bank of America.

* Bank of America HSA investments are not FDIC insured, are not bank-issued, and may lose value.

12

So, how does an HSA work?

•First, you deposit any amount up to \$3050 if you're single and \$6150 for a family. If you are age 55 or older, you are eligible to contribute an additional annual catch-up amount of \$1000. (Note: These are the contribution amounts for 2010 and may be indexed up for later years).

- You have an opportunity each year to decide how much to contribute up to the maximum.
- GM pays the administrative fees for HSAs opened with Bank of America.
- You can make tax-deductible contributions to the HSA, up to the maximum- you choose the amount and timing.
- In order to contribute the maximum amount, you must remain covered in a CDHP for 12 months. If you do not remain covered for this 12 month period, consult your tax professional regarding tax implications.
- Individuals age 65 or older generally cannot contribute to an HSA due to Medicare eligibility.
- And- according to IRS rules- if you contribute more than the maximum allowed during the year, you will have to pay a 6% excise tax on the excess contributions and any earnings on these excess contributions. Consult your tax professional for additional information about excess contributions.

•Second, your account may grow over time because any unused assets roll over and any account earnings are tax-free.

- Contributions to your Bank of America HSA are initially deposited into an FDIC insured money-market account.
- Once your Bank of America HSA account contributions have reached \$1000, you may choose investment options and allocate your funds according to your investment strategy. Note that Bank of America HSA investments are not FDIC insured, are not bank-issued, and may lose value.

•Finally, you can use your money in your account at any time as needed.

- Withdrawals from your account are tax-free if used for qualified medical expenses. See IRS Publication 502 (<http://www.irs.gov/publications/p502/index.html>) at www.IRS.gov for a complete listing and explanation of qualified expenses.
- Withdrawals are not limited to qualified medical expenses. However, withdrawals are subject to tax penalties if the funds are not used for qualified medical expenses if your age is less than 65. After age 65, you may withdraw funds for non-qualified expenses without penalty, but you still must pay taxes on the withdrawal.

Note: Although you have the option of enrolling in a Bank of America HSA during Annual Enrollment, and GM will pay the monthly administrative fee for your Bank of America HSA account, you can have an HSA at any financial institution. If you choose another financial institution, you are still subject to annual contribution limits, and you may be subject to administrative fees. Contact your financial institution for information regarding your investment options.

How the HSA Fits In

Use your HSA

funds to save for **FUTURE** health care expenses- tax-advantaged...funds are not forfeited if not used- there is no 'use it or lose it' rule



--OR--

Use your HSA

funds to cover your **CURRENT** health care expenses- tax advantaged

Deductibles

Co-insurance

Other current qualified medical expenses

13

This slide illustrates how the Health Savings Account fits in with the CDHPs :

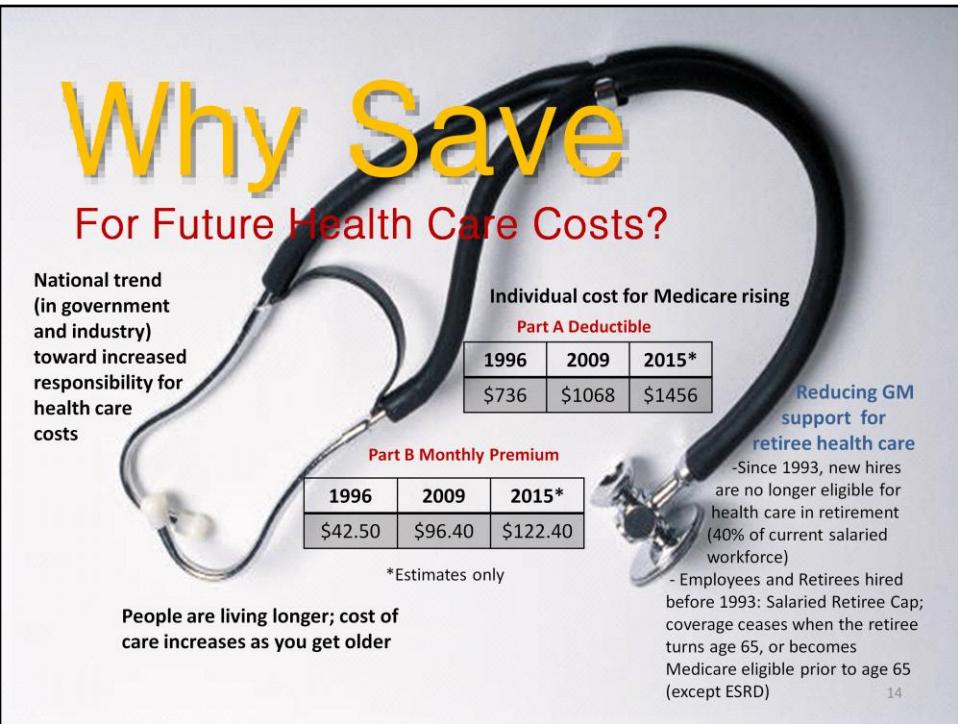
- Remember- you may save the funds in your HSA to pay for your future health care costs.

- Examples of future qualified medical expenses include:

- Medicare Part A deductible (also known as the hospitalization co-pay)
 - Medicare Part B premiums
 - Medicare Part D premiums

Note that Medicare supplemental insurance (also known as Medigap) premiums and monthly contributions for the GM Salaried Retiree CDHP are not qualified medical expenses.

- You may also use your tax-advantaged HSA funds to pay your current year deductible and co-insurance, as well as other current qualifying out-of-pocket health care costs.



Why should you save for future health care expenses?

The national trend shows more and more individual responsibility for health care costs. On this chart you see the individual cost for Medicare rising over time. In 2009 the Medicare Part A deductible is \$1068 and in 2015 it is expected to be \$1456.

As you know, salaried retirees hired before 1993 need to save for the increasing cost of coverage in retirement created by GM's salaried retiree cap. Each year, GM will adjust the cost-sharing provisions of the salaried retiree health care program (by increasing monthly contributions, deductibles, co-insurance, etc.) in order to ensure GM's overall cost for salaried retiree health care remains under the cap amount.

In addition, GM coverage cancels when a retiree turns 65 or becomes eligible for Medicare prior to age 65.

And,

Salaried retirees hired from 1993 forward are not eligible for GM- sponsored health care in retirement, and therefore are personally responsible for the full cost of health care coverage in their retirement.

Overall, people are living longer and the cost of health care as you age will continue to increase.

How to Use the HSA

Qualified Medical Expenses

Qualified medical expenses include,
but are not **limited to**:

- Your plan deductible and co-insurance
- Visits to the doctor
- Prescription drugs
- Dental and vision care
- Nursing care
- Psychiatric care
- Chiropractic care
- Weight loss programs
- Ambulance services



A complete list is in IRS Publication 502. Access at www.irs.gov.

Remember: You need to keep your receipts and be able to substantiate expenses to the IRS if audited.

15

•As we talked about earlier, you can choose to use the funds in your HSA account in the current year or in the future to pay your deductible and co-insurance (which are qualified medical expenses), as well as other qualified medical expenses.

•Other qualified medical expenses include but are not limited to:

- Visits to the doctor
- Prescription drug costs
- Dental and vision care
- Nursing care
- Psychiatric care
- Chiropractic care
- Weight loss programs
- Ambulance services

• Long Term Care premiums may be considered a qualified medical expense. However, certain restrictions apply.

• In addition, monthly premiums for Medicare Part B and Medicare Part D, as well as Medicare Advantage plans are considered qualified medical expenses. However, amounts paid for Medigap policies are not qualified medical expenses.

- *Note: You may not contribute to an HSA when you reach age 65 or become eligible for Medicare. However, any funds you have saved in your HSA, prior to becoming Medicare eligible can be used to pay for Medicare expenses.*

•A complete list can be found in IRS Publication 502, which you can access at www.irs.gov.

•You are solely responsible for determining if an expense qualifies. And you are responsible for keeping receipts, in case you are audited by the IRS.

•Remember that you also have the option to use your funds for other expenses not listed as qualified medical expenses, but such a withdrawal will be taxed as ordinary income in the year of the withdrawal and subject to a 10% additional tax penalty.

- Once you turn age 65, if you use the funds for expenses that are not qualified medical expenses, your withdrawal will be taxed as ordinary income, but you will not be subject to the 10% additional tax penalty

•Finally- you are not required to use the funds in your account to pay for any expenses in a given year. You will not forfeit the funds in your account at the end of the year. This allows you to invest and potentially grow the funds for future health care expenses.

What Happens When I Enroll in a Bank of America HSA?

- You will receive a Bank of America HSA Welcome Kit
- You will receive a Bank of America HSA VISA Debit Card
- You can choose the investment options
- GM pays the administrative fees



If you choose to enroll in a Bank of America HSA account, you will receive a Bank of America Health Savings Account Welcome Kit. This kit will explain how to manage your HSA. You will need to follow the instructions to set up your online ID so you can conveniently access and manage your HSA online anytime to check your balance, order Debit cards for your spouse or dependents or to request payment to a health care provider.

You will receive a Bank of America HSA Debit Card. Your HSA Debit Card allows you to pay for eligible health care expenses directly from funds in your Bank of America HSA.

Once you have contributed \$1000 to your HSA account, you may choose to invest the funds in your Bank of America HSA account in a wide range of solid performing investment options with varying levels of related risks and returns.

GM pays the administrative fees for Bank of America's Health Savings Account while you remain enrolled in an eligible GM CDHP.



Using the HSA Withdrawning Money

- The Bank of America debit card can be used to access the available balance in your HSA account- it can be used anywhere VISA is accepted, and no fees apply
- Or request a reimbursement from your HSA to pay out-of-pocket expenses, or pay a provider's bill online directly from your account

Remember: It's your account owned and controlled by you. And there is no "use it or lose it" rule – unused amounts are not forfeited. If you do not use the funds now, you can save and invest the funds to pay for future health care expenses.

17

- If you choose to use your HSA funds for current health care expenses, you can pay for services using the Bank of America debit card anywhere Visa is accepted – and no fees apply.
- You also have the option to request reimbursement to pay for out-of-pocket expenses; or
- You can pay a provider's bill online directly from your account.
- Remember that it's your account, owned and controlled by you and there is no "use it or lose it" rule- unused funds are not forfeited. Amounts that are not used for current health care expenses can be saved and invested as you choose and can be used to pay for health care expenses in the future.
- Finally- remember to keep your receipts when using your debit card. You may need your receipts for tax purposes.

What happens to an HSA in the event of death?

Remember to designate a beneficiary for your HSA. Upon your death if your:

- **Spouse is the designated beneficiary** of your HSA, it will be treated as your spouse's HSA after your death.
- **Spouse is not the designated beneficiary** of your HSA, the account stops being an HSA, and the fair market value of the HSA becomes taxable to the beneficiary in the year in which you die.
- **Estate is the beneficiary**, the value is included on your final income tax return.

The amount taxable to a beneficiary, other than the estate, is reduced by any qualified medical expenses for the decedent that are paid by the beneficiary within one year after the date of death.



•What Happens to an HSA in the Event of Death?

When you enroll for an HSA with Bank of America, you will be asked to designate a beneficiary. If your:

- **Spouse is the designated beneficiary** of your HSA, it will be treated as your spouse's HSA after your death.
- **Spouse is not the designated beneficiary** of your HSA, the account stops being an HSA, and the fair market value of the HSA becomes taxable to the beneficiary in the year in which you die.
- **Estate is the beneficiary**, the value is included on your final income tax return.

The amount taxable to a beneficiary, other than the estate, is reduced by any qualified medical expenses for the decedent that are paid by the beneficiary within one year after the date of death.

Key Concepts

- **Take charge** of your health and your health care expenditures
- **Investigate** tools and resources from GM and other sources
- **Act now** to save and invest for your current and future health care expenses
- **Utilize** your HSA, with its triple tax-advantage
- **Be an informed consumer** of health care products and services

19

In this presentation, we have covered a great deal of material that is new to you, as the changes to the 2010 Salaried Retiree Health Care Program impact everyone, regardless of what plan you enrolled in for 2009.

Some final thoughts:

Using the tools and information available , GM retirees can:

- Be accountable for their health and for their health care expenditures;
- Investigate tools and resources from GM and other sources;
- Act now to save and invest for their current and future health care expenses;
- Utilize the HSA, with its triple tax-advantage; and
- Be informed consumers of health care products and services.

Annual Enrollment

October 28 – November 18, 2009



If you have questions please contact:
GM Benefits & Services Center **1-800-489-4646** when Annual Enrollment begins
gmbenefits.com

20

Please look for additional information on 2010 Annual Enrollment at **gmbenefits.com**. You may enroll online, or, you may contact the GM Benefits and Services Center when Annual Enrollment begins on October 28th.

Thank you for your participation today.