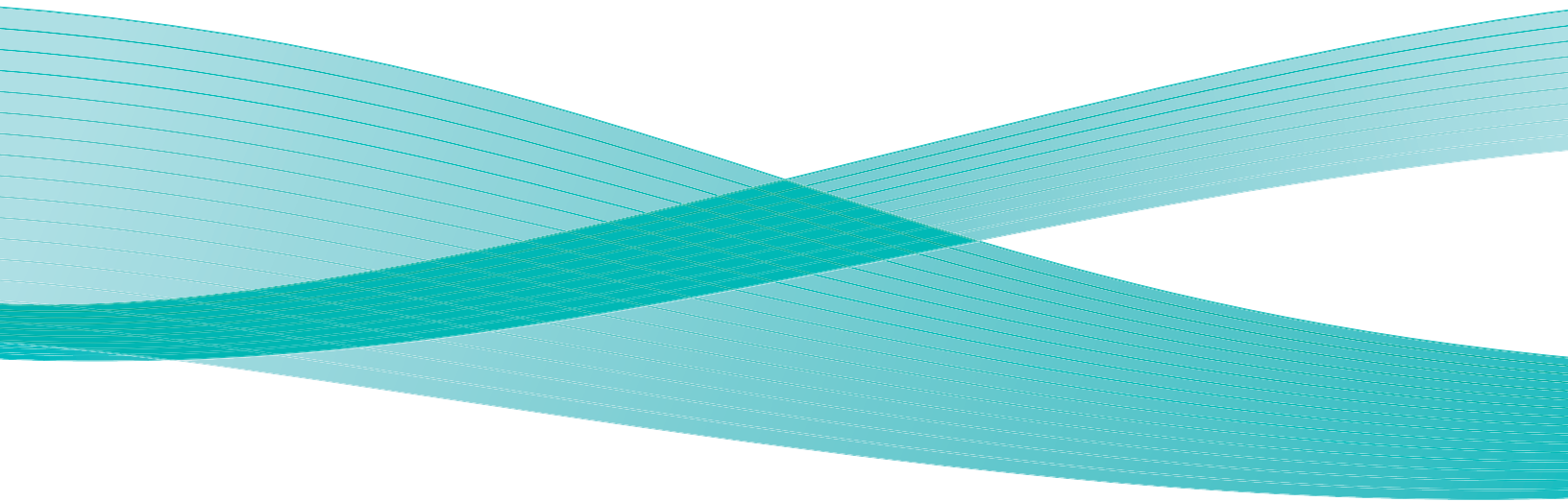


2009 Matter of Choice Enrollment Guide



Important

The following items constitute a summary of material modifications:

- The 2009 *Matter of Choice* Enrollment Guide
- The 2009 *Matter of Choice* Making Your Benefit Elections brochure
- The 2009 Summary of Covered Medical Services
- The 2009 Summary of Covered Dental Services
- The 2009 Summary of Covered Vision Services
- The 2009 Hawaii Summary of Covered Medical Services (XMP and XMP Plus)
- The 2009 Medical Options Schedule of Services Coverage brochure

This summary of material modifications, along with the most recent edition of the summary plan description, is only a summary of your benefit options and does not create a contract between the Company and any employee.*

The official plan names of the plans affected by the changes are:

- The Xerox Medical Care Plan, which includes the Coinsurance, Blended, and High Deductible options; the Xerox Employee Assistance Program (XEAP); as well as the CVS Caremark Prescription Drug Program; and, in Hawaii, the Xerox Medical Plan (Hawaii XMP) and Xerox Medical Plan Plus (Hawaii XMP Plus).
- Xerox Insured Medical Care Plan, which includes the local Health Maintenance Organizations (HMOs)/Exclusive Provider Organizations (EPOs), and XEAP.
- The Xerox Dental Care Plan, which includes the MetLife Dental, MetLife Dental Plus, and the Aetna DMO options.
- The Xerox Vision Care Plan.

Details of these plans and programs can be found in the plan documents or HR policies that govern all aspects of the plan or program or, if applicable, in the agreements between the HMOs/EPOs and the employees who elect them. In the event of a discrepancy between the information contained in this enrollment guide and the applicable HR policies, agreements, or plan documents, the relevant HR policies, HMO/EPO agreements, or plan documents shall be controlling. The Company reserves the right to amend or terminate the plans or programs at any time for any reason.

* Temporary employees (except for certain cases in Hawaii) and independent contractors, including (without limitation) leased employees, supplemental contract workers, consultants, or anyone classified as such by the Company, or any other third-party personnel, or anyone classified by the Company as such, who perform services for the Company, are neither eligible for nor covered by the plans and programs summarized herein (unless they qualify as eligible dependents).

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If you or a covered dependent is eligible for Medicare, it's important for you to know that your Xerox Medical Plan prescription drug coverage provides creditable coverage – coverage that, overall, is at least as good as the Medicare Part D standard plan – if you elect the Coinsurance or Blended options or an HMO/EPO. If you elect the High Deductible option or opt-out of medical coverage, you will have non-creditable coverage with Xerox in 2009. Refer to “Creditable Prescription Drug Coverage Information” on page 26 for more information.

Welcome to Annual Enrollment 2009

Xerox offers a broad range of benefit plans designed to meet your needs for health care, income protection, and long-term savings. This comprehensive array of benefits lets you select options that best fit your situation. That's why we call the program *Matter of Choice*.

Each fall during annual enrollment, you can choose and/or change your benefit options and the family members you cover. We hope you'll use this annual enrollment opportunity to think about whether your current coverage options still make sense, or whether it's time to make some changes.

Either way, it's a matter of choice – *your* choice.

Annual Enrollment Checklist

Use this checklist for help in evaluating your 2009 *Matter of Choice* options.

- Review your annual enrollment materials to learn more about your benefits and what's new for 2009.
- Compare the coverage you have now with your other available options, including your spouse's or domestic partner's options.
 - Discuss your options with any family members who may be affected.
 - If you determine that your spouse/domestic partner's employer offers coverage that is more appropriate for you and your family, you can opt-out of Xerox coverage during annual enrollment.
- Review your dependents.
- Visit Your Benefits Resources, your online source for benefits information and support.
- Take advantage of Xerox's Health Incentives, described on page 4.
- Enroll online at Your Benefits Resources™ by your enrollment deadline, which is either Friday, November 7, or Friday, November 14, depending on your enrollment wave (see page 3). Whether your enrollment deadline is Friday, November 7, or Friday, November 14, on that date you have until midnight Eastern time, 11:00 p.m. Central time, 10:00 p.m. Mountain Daylight time, 9:00 p.m. Pacific time, and 6:00 p.m. Hawaii time to make your elections.

Your Benefits Resources™ is a trademark of Hewitt Management Company LLC.

Questions?

For questions about enrollment or your *Matter of Choice* benefits, visit Your Benefits Resources at <http://resources.hewitt.com/xerox/> or call the Xerox Benefits Center at **1.888.979.9961** (TTY: call your local relay service). Representatives are available Monday through Friday, from 9:00 a.m. to 6:00 p.m. Eastern time, 8:00 a.m. to 5:00 p.m. Central time, 7:00 a.m. to 4:00 p.m. Mountain Daylight time, 6:00 a.m. to 3:00 p.m. Pacific time, and 3:00 a.m. to 12:00 p.m. Hawaii time.

Enrolling for Coverage

You are assigned an annual enrollment period, or wave, based on where you live as of October 1, 2008. Certain employee groups are assigned to the second wave, regardless of where they live. Your annual enrollment wave is the period of time when you can enroll in or change your benefits for the coming year. You can also find your wave dates on Your Benefits Resources.

If You Live In:	Your Enrollment Wave Is:
Alabama, Alaska, Colorado, Connecticut, Georgia, Guam, Hawaii, Idaho, Indiana, Iowa, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virgin Islands, or Wisconsin	October 20 – November 7
Arizona, Arkansas, California, Delaware, Florida, Illinois, Kansas, Kentucky, Maryland, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Puerto Rico, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Washington DC, West Virginia, or Wyoming	October 27 – November 14
If You Are An:	Your Wave Is:
Expatriate or an employee on long-term disability (LTD) or COBRA – regardless of where you live	October 27 – November 14
Inpatriate	Based on the US state in which you currently live; see above.

Online Instructions

To enroll, log on to Your Benefits Resources at <http://resources.hewitt.com/xerox/> from any computer with Internet access. Enter your user ID and password to access your personalized benefits information. (If you have forgotten your user ID or password, click on the “Log On Help” link on the top right of the Web page.)

- Choose the “Annual Enrollment” tab.
- Click on the “Enroll Now!” link.
- Click on the “Enroll” button.
- Follow the step-by-step prompts to complete your enrollment.

After you enroll, you can return to Your Benefits Resources or call the Xerox Benefits Center to change or review your elections on file as many times as you like before your enrollment wave ends. Once your wave ends, your 2009 elections are final.

If you don’t have Internet access, you may enroll by calling the Xerox Benefits Center at **1.888.979.9961**. Representatives are available Monday through Friday, from 9:00 a.m. to 6:00 p.m. Eastern time, 8:00 a.m. to 5:00 p.m. Central time, 7:00 a.m. to 4:00 p.m. Mountain Daylight time, 6:00 a.m. to 3:00 p.m. Pacific time, and 3:00 a.m. to 12:00 p.m. Hawaii time.

If you’re a new hire, once you submit and confirm your elections, you **cannot** return to Your Benefits Resources to make changes.

Don’t forget this year’s online enrollment deadlines – **Friday, November 7, or Friday, November 14, depending on your wave** – at midnight Eastern time, 11:00 p.m. Central time, 10:00 p.m. Mountain Daylight time, 9:00 p.m. Pacific time, and 6:00 p.m. Hawaii time. **Remember:** If you wish to enroll or make changes by phone, Xerox Benefits Center representatives are available only until 6:00 p.m. Eastern time, 5:00 Central time, 4:00 Mountain Daylight time, 3:00 p.m. Pacific time, and 12:00 p.m. Hawaii time.

If you don’t have a password, or if you don’t remember it, contact the Xerox Benefits Center right away, so that you will have your password handy when your enrollment wave begins.

The Rewards of Good Health

Xerox understands the value of good health. That's why the Company offers you several opportunities to reduce your share of the cost of medical coverage. All you have to do is demonstrate your commitment to do your part to be and stay healthy. More information about the rewards for good health is available on Your Benefits Resources.

Incentive	How You Earn It	Total Amount You Can Save Each Year
Health Assessment	<p>You and your spouse/domestic partner may each complete the Health Assessment.</p> <ul style="list-style-type: none"> You can get to the Health Assessment in three ways: <ul style="list-style-type: none"> Directly from https://xerox.myhealthways.com From the 2009 Open Enrollment site on the <i>WebBoard</i>: www.xerox.com/OpenEnrollment Or click on the "Contact Us" or "Other Sites" page on Your Benefits Resources at http://resources.hewitt.com/xerox/ If you don't normally have Internet access at work, you will receive a hard copy of the Health Assessment in the mail. If you do normally have Internet access at work, but wish to complete the Health Assessment on paper, you may request a hard copy from Healthways at 1.866.205.7066. Representatives are available Monday through Saturday, between 8:00 a.m. and 9:00 p.m. Eastern time (7:00 a.m. and 8:00 p.m. Central time, 6:00 a.m. to 7:00 p.m. Mountain Daylight time, 5:00 a.m. to 6:00 p.m. Pacific time, 2:00 a.m. to 3:00 p.m. Hawaii time). Mail your completed assessment in the stamped, self-addressed envelope you receive with the Health Assessment. Even if you opt-out of Xerox medical coverage, you can still take the Health Assessment and earn the \$200 reward. Spouse/domestic partners are not eligible in this case. <p>To receive your \$200 health incentive, complete the Health Assessment online by midnight Eastern time, 11:00 p.m. Central time, 10:00 p.m. Mountain Daylight time, 9:00 p.m. Pacific time, and 6:00 p.m. Hawaii time on November 14, 2008. If you are mailing a hard copy, your completed Health Assessment must be <i>received</i> by November 7, 2008.</p>	<p>\$200 for yourself + \$200 for your spouse/domestic partner</p> <hr/> <p>Up to \$400/year</p> <p>You and your spouse/domestic partner must complete the Health Assessment each year in order to receive the Health Assessment incentive.</p>
Tobacco-Free (including cigarettes, cigars, pipes, chewing tobacco, and snuff)	<p>Don't use tobacco. Certify on Your Benefits Resources that you or your eligible spouse/domestic partner don't currently use tobacco products.</p> <p>Use tobacco, but want to quit? Certify on Your Benefits Resources that you or your eligible spouse/domestic partner is enrolled or pledges to enroll in a smoking cessation program during 2009.</p> <p>If you need help quitting, Xerox offers the QuitNet Comprehensive Smoking Cessation Program. The free Smoking Cessation Program includes the cost of nicotine replacement therapies. For more information, call 1.866.205.7066 or visit https://xerox.myhealthways.com</p>	<p>\$200 for yourself + \$200 for your spouse/domestic partner</p> <hr/> <p>Up to \$400/year</p> <p>You and your spouse/domestic partner must be enrolled in medical coverage and certify your tobacco-free status each year in order to receive the tobacco-free incentive.</p>
Total annual amount you can save on the cost of <i>Matter of Choice</i> benefits		<p>Up to \$400 for yourself + Up to \$400 for your spouse/domestic partner</p> <hr/> <p>Up to \$800/year</p>

If you and/or your spouse/domestic partner completed the Health Assessment after June 30, 2008, and qualified for the incentive, you'll receive the incentive to apply toward your 2009 coverage. If you take the Health Assessment again before July 1, 2009, you won't receive an additional incentive for 2009. Otherwise, here's how the Health Assessment incentive rules will work for **any** eligible employee and/or spouse/domestic partner:

If You and/or Your Spouse/Domestic Partner Complete the Health Assessment and Qualify for the Incentive	You Will Each Receive
From July 1, 2008, through November 14, 2008	A \$200 credit to apply toward the cost of your 2009 coverage.
From November 15, 2008, through June 30, 2009	A \$100 credit to apply toward the cost of your 2009 coverage, as long as you are not already receiving the \$200 Health Assessment incentive for 2009.
From July 1, 2009, through the end of the 2010 Health Assessment completion period in November 2009	A \$200 credit to apply toward the cost of your 2010 coverage; you will not receive a credit to apply toward your 2009 coverage.

More Health Resources

Xerox is committed to providing you and your family members with access to the full range of health resources we offer. That includes the medical options described in this guide, for when you're ill or injured. It also includes the other health resources listed here. We encourage you to learn more about these resources and take advantage of all they have to offer.

Healthways

Through Healthways, Xerox offers an array of programs to help you and your spouse or domestic partner live a healthier lifestyle. These programs include the Health Assessment; smoking cessation through Healthways' QuitNet Comprehensive program; and online health programs and one-on-one lifestyle management coaching to help with issues such as stress, obesity, nutrition, exercise, and more. Now is the time to begin living a healthier lifestyle. So don't let another day of wishing you were thinner, healthier, or happier pass you by. Get motivated, take action, and embrace change today. Follow these easy steps to get started:

- Log on to <https://xerox.myhealthways.com>
- Enter your first name, last name, and employee ID (spouses/domestic partners enter the Xerox Employee ID followed by an "S").
- Click the "Assess My Health" link to begin taking the Health Assessment.
- Set up your personal health improvement plans and use the "You and Xerox" resources that most appeal to you.

1.866.205.7066 <https://xerox.myhealthways.com>

Health Advocate

Health Advocate offers a special personalized service designed to help you and your dependents, spouse, parents and parents-in-law navigate the health care system and maximize your health care benefits. Health Advocate can help with billing or claims, benefit coverage questions, and other administrative issues involving your medical, hospital, vision, dental, and pharmacy insurance. It can also help you identify providers of care and understand your health condition and care options, as well as assist with other clinical health care needs, such as finding the most appropriate doctors and hospitals, locating and researching treatments for a medical condition, and securing second opinions.

1.866.611.8005 www.xerox.com/benefits

Health Advocacy: Complex Care

Xerox offers Health Advocacy: Complex Care to assist you and your dependents with obtaining medical research about complex medical conditions. This service will help you find information about providers

and facilities, while helping you manage complicated medical situations by coordinating care, travel, lodging, and financing resources.

1.877.961.1124 www.healthsystemsmanagementinc.com

Alere (formerly Matria Healthcare)

Xerox partners with Alere to offer the Care Management Program. In addition to the support you receive from your doctor, the Care Management Program can help you and your dependents cope with asthma, cancer, chronic obstructive pulmonary disease, congestive heart failure, coronary artery disease, diabetes, and musculoskeletal and chronic pain. Disease Management: **1.866.676.0740** www.ecorsolutions.com; Oncology Management: **1.866.582.6541** www.cancerpage.com

Xerox Employee Assistance Program (XEAP)

The Employee Assistance Program (XEAP) provides you and your eligible dependents with confidential, professional counselors available 24 hours a day, seven days a week. Every-day stress, work/life balance, relationship or family issues, emotional or mental health problems, substance abuse, and grief are just some of the personal and work-related concerns that the XEAP's counselors are there to help you with. **1.800.USA.XEAP (1.800.872.9327)** www.xeaponline.com

Adult and Elder Care

The Adult and Elder Care program ensures that you have 24-hour toll-free telephone access to work/life specialists. The service provides telephonic assessment, consultation, and referral; individualized search and verified referrals for elder care resources; a customized Web site; and a customized packet of elder care planning materials. **1.800.USA.XEAP (1.800.872.9327)** www.xeaponline.com

Child Care

The Child Care program affords 24-hour toll-free telephone access to work/life specialists who can help you with individualized search and verified referrals for child care resources, consultation on selecting and monitoring child care providers, advice on all aspects of parenting and child rearing, a customized Web site, and a customized parenting/child care information packet. **1.800.USA.XEAP (1.800.872.9327)** www.xeaponline.com

TeenTalk

Available 24 hours a day via toll-free telephone access, the TeenTalk program offers a dedicated phone line for teens and parents of teens, telephonic assessments/consultations, an anonymous support option, referrals when needed, and counseling for a wide range of teen and parenting concerns. **1.800.242.TEEN (1.800.242.8336)** www.xeaponline.com

Medical Coverage Options

Xerox offers the following medical options for 2009:

- Coinsurance option
- Blended option
- High Deductible option
- Local HMO and EPO options (if offered in your area)
- No Coverage option

Your Medical Coverage Options

The following chart shows key features of each medical option and how it works. For details on covered services and plan benefits, please see the Overview of Covered Medical Services on page 10. Plan design information is also available on the Health Plan Comparison Chart on Your Benefits Resources.

Medical Option	How It Works										
Coinsurance and Blended Options	<ul style="list-style-type: none"> • These are traditional plans that cover most medical services. For some services, including routine physicals and screenings, you pay a copayment. Other services are subject to a deductible and coinsurance. Most Blended option outpatient services are copayment-based. • Health plan choices vary by location, and may include Aetna, Empire BlueCross BlueShield, Preferred Care, and/or UnitedHealthcare. 										
High Deductible Option	<ul style="list-style-type: none"> • This plan pays 100% for certain routine services, as long as you use network providers (no deductible or coinsurance applies). Other services are subject to a deductible, which is equal to 5% of your pay up to a minimum of \$1,150 per person/\$2,300 per family, regardless of the number of persons covered. Your maximum annual deductible is \$2,700 per person and \$5,400 per family. • Aetna is the health plan for the High Deductible option. 										
HMO and EPO Options	<ul style="list-style-type: none"> • Health Maintenance Organizations (HMOs) and Exclusive Provider Organizations (EPOs) are not available in all areas. See Your Benefits Resources or your personalized enrollment worksheet for your specific options. • From time to time, HMOs/EPOs change coverage provision features including network providers and copayment amounts. Check with your plan to see if any plan features are changing for 2009. • If you participate in one of the following HMO plans, you must select a new option for 2009, because the following HMOs will no longer be offered in 2009, due to significant cost increases and our continued drive to streamline medical plan offerings. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>HMO Name</th> <th>Option Number</th> </tr> </thead> <tbody> <tr> <td>Humana ChoiceCare</td> <td>111</td> </tr> <tr> <td>PacifiCare of Oregon (Value)</td> <td>245</td> </tr> <tr> <td>PacifiCare Value of Northern California</td> <td>056</td> </tr> <tr> <td>PacifiCare Value of Southern California</td> <td>055</td> </tr> </tbody> </table> • Starting in 2009, there will be a change in how you pay for Kaiser services. While preventive services will continue to be covered at 100%, all other services will be subject to a deductible. Once you meet your deductible, you will pay a percentage of costs rather than copayments. Look for more information from Kaiser Permanente coming shortly to your home. • If you don't choose a new medical plan option, you'll be automatically enrolled in the Coinsurance option at your current coverage level (covering the same dependents you cover now, provided they remain eligible), as follows: <ul style="list-style-type: none"> – If you're in the Rochester area, with Preferred Care as your health plan. – If you're enrolled in a PacifiCare HMO, with UnitedHealthcare as your health plan. – If you don't fit into one of the first two categories, with Empire BlueCross BlueShield as your health plan. 	HMO Name	Option Number	Humana ChoiceCare	111	PacifiCare of Oregon (Value)	245	PacifiCare Value of Northern California	056	PacifiCare Value of Southern California	055
HMO Name	Option Number										
Humana ChoiceCare	111										
PacifiCare of Oregon (Value)	245										
PacifiCare Value of Northern California	056										
PacifiCare Value of Southern California	055										
No Coverage Option	<ul style="list-style-type: none"> • If you choose No Coverage, you must certify that you have other coverage. • You will receive an "opt-out" credit of \$400. This credit is applied toward the cost of your other benefits or added to your pay each pay period as taxable income (depending on the cost of your other 2009 benefit elections). • You can increase your 2009 credit with the Health Assessment Incentive described on page 4. • Some state regulations require that if you opt-out of Xerox medical coverage for 2009, you must certify that you have other coverage. If you are affected by any of these provisions, you'll receive more information from the Xerox Benefits Center. 										

High-Performing Networks

Doctors and hospitals in high-performing networks have demonstrated enhanced results in terms of the quality of treatment outcomes. The following high-performing networks are available:

Aetna Aexcel

In certain locations, your provider network will be Aetna's high-performing network, Aetna Aexcel. Beginning in 2009, Aexcel will be expanded to include Louisville, KY. To find high-performing providers under Aetna Aexcel:

- Call Aetna's member services at **1.866.253.8885**.
- Visit www.aetna.com then select "Log In to Aetna Navigator™" under "Members" in the box on the right side of the screen. (You can register for a user name and password if you don't already have one.) Select "Find Health Care in DocFind®" from the toolbar on the right and follow the on-screen instructions. All Aetna Aexcel physicians have blue stars next to their names identifying them as Aexcel specialists.
- Use the "Find a Doctor or Hospital" tool on Your Benefits Resources.

HealthPartners HMO

This network is available in the upper Midwest, covering areas of Iowa, Minnesota, North Dakota, South Dakota, and Wisconsin.

Medical Services Decisions – You're in Charge

With your doctor's help, you should be the one to decide if you need a particular medical service. Your health plan's job is to figure out the details – whether the plan will cover the service, how much the plan will pay, whether precertification or prior authorization is required, and so on.

It's a good idea to find out ahead of time whether the services your doctor recommends are covered by your health plan. If they are not covered, you can decide whether to receive the services and pay the cost yourself or look for other alternatives that are covered by the plan.

Visit the Virtual Health Fair

Get information from the health plans online, through a virtual health benefits fair from the *You and Xerox* section of *WebBoard* or online at www.xerox.com/benefits or at the participating vendors' Web sites. The virtual health fairs will remain available throughout the year.

Determining Your Health Plan Eligibility

- In general, your home and work ZIP codes determine the health plans (and their networks) and HMOs/EPOs for which you're eligible. If you need providers near both your home and work locations, check the provider lists of the plan you're considering, as well as travel distances to available providers.
- A change in your home and/or work ZIP code(s) during the year may affect your eligibility for certain health plans and/or HMOs/EPOs. If you're affected, you'll receive a special enrollment package in the mail so that you can elect a new health plan or HMO/EPO for the remainder of the plan year.
- If you work in a "virtual" office, are receiving Xerox long-term disability (LTD) benefits, or are on salary continuance, your eligibility will be determined by your home ZIP code only.

Special Note for Hawaii Employees

The Coinsurance, Blended, and High Deductible options are not offered in Hawaii due to state restrictions. Please see the Health Plan Comparison charts on Your Benefits Resources for details on the plans available in Hawaii (Hawaii XMP, Hawaii XMP Plus, HMSA Health Plan Hawaii HMO, and Kaiser HMO).

Schedule of Services Coverage Brochure

Each year, Xerox provides you with a Schedule of Services brochure. It puts at your fingertips information about the routine care the options cover – for men, women, and children. Your coverage will differ, depending on the medical option you choose – Coinsurance, Blended, or High Deductible – and whether you receive services from in-network or out-of-network providers.

The brochure is available on Your Benefits Resources. Take the time to understand your routine care coverage, and then use it!

Prescription Drug Coverage

All medical plan options include benefits for prescription drugs. The amount you pay for each prescription depends on the type of drug and whether you use a retail pharmacy or mail order service.

Service	Generic Drug	Preferred Brand	Non-preferred Brand	Antihistamine (new for 2009)
Retail pharmacy (up to a 30-day supply)	\$10	\$35	\$50	You pay the discounted price.
Mail order (up to a 90-day supply)	\$25	\$87.50	\$125	You pay the discounted price.
Exceptions:				
<ul style="list-style-type: none"> If you purchase a brand-name drug when a generic equivalent is available, you'll pay the generic copayment plus the difference in price between the brand-name drug and the generic drug. 				

Antihistamines

Currently, your prescription drug copayments are based on the “tier” under which they fall, and there are now three tiers – generic, preferred brand, and non-preferred brand. Because many prescribed antihistamines are available over the counter, coverage of prescription antihistamines that are available over the counter, such as Clarinex and Zyrtec, will move to a fourth tier. This means that you will pay 100% of the discounted cost of these medications under your prescription drug benefit.

Mail Order Program and New CVS Pharmacy Mail Order Pricing Benefit at Retail for CVS Caremark Participants

Under the Coinsurance and Blended options, if you use the Mail Order Program for certain maintenance medications – such as those drugs used to control blood pressure or lower cholesterol – you'll pay a lower copayment and you'll have your prescriptions delivered directly to your home. The mail order incentive applies to generic, preferred brand, and non-preferred brand drugs.

If you don't use the Mail Order Program for these maintenance medications, you'll be charged **twice** the retail pharmacy prescription copayment if you fill the same prescription at a retail pharmacy more than three times. The double copayment will be charged beginning with the fourth time the prescription is filled and for each subsequent fill at the retail pharmacy.

There are two exceptions to this rule:

- Beginning in 2009, when CVS Caremark is your prescription drug plan (when you're enrolled through either UnitedHealthcare or Empire BlueCross BlueShield) and you are filling a prescription for a maintenance medication, you can use the mail order service to receive your 90-day supply of drugs or you can pick up the 90-day supply directly from a CVS pharmacy. You will pay the same for a 90-day supply of your maintenance medication whether you use the mail order service or go to a CVS pharmacy.

- Certain prescriptions filled at a retail pharmacy will not be subject to the mail-order incentive, and you will not be charged the double copayment. These include prescription drugs that require a new prescription from your doctor every month, are only taken on a short-term basis – such as antibiotics and pain medications – or are not available through the Mail Order Program. Please call your prescription drug plan if you have questions.

See the 2009 Summary of Covered Medical Services for more details about your prescription drug coverage.

Extra Benefits for CVS Caremark Members

If you are enrolled through Empire BlueCross BlueShield or UnitedHealthcare in a CVS Caremark prescription drug plan, you qualify for extra discounts and cash back earnings on CVS-brand purchases when you use your CVS Caremark ExtraCare Health Card. The CVS ExtraCare Health Card is a special benefit reserved for CVS Caremark prescription drug plan members; it is not the same discount program offered to the general public. You'll receive your new CVS Caremark ExtraCare Health Card in January 2009.

CVS Caremark administers prescription drug benefits for the Empire BlueCross BlueShield and UnitedHealthcare plans, while Aetna and Preferred Care administer their own prescription drug benefits. See “Health Plan Contact Information” beginning on page 23.

Important Reminder about Drug Formulary Changes

Each plan has a list of preferred drugs, called a formulary. To find out more about your plan's formulary drugs, visit its Web site or contact its member services line. See page 23 for a complete list of health plan contact information. Prescription drug plans update their formularies frequently. Be sure to check with your plan before filling or refilling a prescription. If a drug you are prescribed does not appear on your plan's formulary, you may want to check with your doctor to see if there are any alternative drugs for your medical condition on your plan's formulary.

Prescription drug formulary changes are controlled by the plans, not by Xerox.

2009 Xerox Medical Options: Your Cost

Here are the 2009 employee contributions for the High Deductible, Coinsurance, and Blended options.

2009 Annual Employee Contributions for Lowest Cost National Health Plans

Options	Employee Only		Employee +1		Employee +2		Employee +3 or More	
	2009	2008	2009	2008	2009	2008	2009	2008
High Deductible	-\$240	-\$240	-\$142	-\$142	-\$44	-\$44	\$54	\$54
Coinsurance	\$149	\$149	\$679	\$679	\$1,209	\$1,209	\$1,739	\$1,739
Blended	\$710	\$645	\$1,849	\$1,667	\$2,988	\$2,689	\$4,127	\$3,711

- All contribution amounts assume that you qualify for the Health Assessment and tobacco-free incentives.
- The contribution amounts in the Employee +1, +2, and +3 or More columns assume that you are covering children in addition to yourself. If one of your covered dependents is a spouse/domestic partner, the contribution amounts will be \$550 higher than the amounts shown here. You can reduce this differential to \$150 if your spouse/domestic partner qualifies for the Health Assessment and tobacco-free incentives.
- The table shows the lowest contributions available (benchmark contributions). Contributions for non-benchmark plans may be higher. Benchmark plans for the Coinsurance and Blended options in 2009 are Preferred Care in Rochester and Aetna, UnitedHealthcare, and Empire BlueCross BlueShield elsewhere. Aetna is the only health plan for the High Deductible option nationally.
- If you are eligible for plans other than the benchmark plans listed, those amounts will appear on Your Benefits Resources and on your personalized enrollment worksheet.
- If you are eligible for Aetna Aexcel, contributions for the Aetna Aexcel Coinsurance and Blended options will be slightly lower than those shown here.
- Contributions for part-time employees working 20 to 29 hours per week are higher than those shown here.
- Negative dollar amounts represent a credit you can use to reduce your share of the cost for other benefits or receive as taxable income.

Spousal Surcharge

- For 2009, the spousal surcharge for Xerox medical coverage remains at \$550. The surcharge has not changed since 2005.
- Because your spouse/domestic partner can qualify for the Health Assessment and tobacco-free incentives (\$200 each, for a potential \$400 total), you can reduce the surcharge to \$150.
- If you elect medical coverage for your spouse/domestic partner, the spousal surcharge amount will be displayed as a separate line item on Your Benefits Resources and on your personalized enrollment worksheet.

Tax Implications of Domestic Partner Coverage

If you cover your eligible domestic partner under your Xerox-sponsored benefits but he or she is not qualified as a tax dependent under Internal Revenue Code (IRC) Section 152, be aware that, in general, you must pay federal and state income and payroll taxes on any benefit he or she receives under the plan. This is called imputed income.

If you and your domestic partner have registered as domestic partners or entered into a Civil Union in a state where such registration or Civil Union is available, or if you and your domestic partner have married in a state that recognizes such marriages, the benefits you receive for your domestic partner may not be taxed at the state level. These benefits (your imputed income) may still be taxed at the federal level.

Check with an accountant or tax attorney to determine whether your domestic partner qualifies as a tax dependent under IRC Section 152 or is eligible for tax-favored health coverage.

Overview of Covered Medical Services

Here is an overview of how covered services are payable under your medical plan options. For a detailed summary of covered services, see the 2009 Summary of Covered Medical Services that is included with this guide and also available on Your Benefits Resources. You can also visit your health plan's Web site or call its member services line. See "Health Plan Contact Information" on page 23.

Important: Some procedures and services require advance approval in order to be covered. Always call your health plan before undergoing diagnostic tests or beginning a course of treatment.

	Coinsurance Option	Blended Option	High Deductible Option
General Information			
<p>Annual Deductible</p> <p><i>The minimum annual deductible amount applies to participants on long-term disability or COBRA.</i></p>	<p>Employee Only: 1% of pay. Min. \$200/Max. \$800.</p> <p>Family: Twice the individual deductible, regardless of the number of persons covered. Min. \$400/Max. \$1,600.</p> <p><i>Copayments are not subject to the deductible and do not count toward the deductible.</i></p>	<p>Employee Only: 1% of pay. Min. \$200/Max. \$800.</p> <p>Family: Twice the individual deductible, regardless of the number of persons covered. Min. \$400/Max. \$1,600.</p> <p><i>Copayments are not subject to the deductible and do not count toward the deductible.</i></p>	<p>Employee Only: 5% of pay. Min. \$1,150/Max. \$2,700.</p> <p>Family: Twice the individual deductible, regardless of the number of persons covered. Min. \$2,300/Max. \$5,400.</p> <p>Before the plan begins to pay benefits, you must meet the full family deductible if covering dependents.</p>
<p>Coinsurance</p> <p><i>Certain differences exist for coverage through Aetna Aexcel; see the 2009 Summary of Covered Medical Services for details.</i></p>	<p>In-Network: Plan pays 80%/You pay 20% after deductible.</p> <p>Out-of-Network: Plan pays 60% of R&C charges/you pay 40% after deductible.</p>	<p>For inpatient care, most family planning, and other services subject to the deductible and coinsurance:</p> <p>In-Network: Plan pays 80%/you pay 20% after deductible.</p> <p>Out-of-Network: Plan pays 60% of R&C charges/you pay 40% after deductible.</p>	<p>In-Network: Plan pays 70%/You pay 30% after deductible.</p> <p>Out-of-Network: Plan pays 50% of R&C charges/you pay 50% after deductible.</p>
<p>Annual Out-of-Pocket Maximum</p> <p><i>The minimum annual out-of-pocket maximum applies to participants on long-term disability or COBRA.</i></p> <p><i>Out-of-network amounts above R&C charges do not count toward the out-of-pocket maximum.</i></p>	<p>Employee Only: 5.5% of pay. Min. \$1,100.</p> <p>Family: Same as Employee Only.</p> <p><i>Copayments do not count toward the out-of-pocket maximum.</i></p>	<p>Employee Only: 5.5% of pay. Min. \$1,100.</p> <p>Family: Same as Employee Only.</p> <p><i>Copayments do not count toward the out-of-pocket maximum.</i></p>	<p>Employee Only: \$5,000.</p> <p>Family: \$10,000 or twice the individual out-of-pocket maximum, regardless of the number of persons covered.</p>

Dental

Here are your 2009 dental options:

- MetLife Dental
- MetLife Dental Plus
- Aetna DMO, if available in your area
- No Coverage

All options cover the same types of expenses – preventive care, basic care, major care, and orthodontia – although there are some differences in how these expenses are covered.

Dental Option	How It Works
MetLife Dental	<ul style="list-style-type: none"> • You may receive care from any dentist. If you use a dentist who participates in the MetLife dental network, your costs will generally be lower than if you use a non-network dentist.
MetLife Dental Plus	<ul style="list-style-type: none"> • You may receive care from any dentist. If you use a dentist who participates in the MetLife dental network, your costs will generally be lower than if you use a non-network dentist. • If your dentist does not participate in your current plan's network or, if there are no in-network dentists/specialists within a 25-mile radius, consider enrolling in the MetLife Dental Plus option, because it offers the best coverage for out-of-network service.
Aetna DMO, if available in your area	<ul style="list-style-type: none"> • You must receive care from a participating network dentist – otherwise, no benefits are payable.
No Coverage	<ul style="list-style-type: none"> • You can choose to waive dental coverage.

It is strongly recommended that you enroll in the MetLife Dental Plus option if you plan to go out-of-network for dental services.

For More Information

- See the Health Plan Comparison Charts on Your Benefits Resources or the 2009 Summary of Covered Dental Services on the Benefits tab on the *You and Xerox* section of *WebBoard*.
- Visit your plan's Web site or call its member services line. See page 23 for a complete list of health plan contact information.

Vision

You may elect vision coverage, or choose no coverage. Here's how it works:

- If you choose vision coverage, your election stays in effect for two plan years for yourself and your covered dependents.
- If you choose "No Coverage," your decision stays in effect for one year.
- Your Benefits Resources and your personalized enrollment worksheet will indicate whether you are eligible to make a new election for 2009.

This chart shows some of the coverage under the vision option offered by Xerox. It is not an all-inclusive summary of plan provisions or covered expenses.

Covered Vision Services	
Once every calendar year	Eye exams, eyeglass lenses, or contact lenses.
Once every two calendar years	Eyeglass frames.
Special lens benefit for children under age 13	Second set of lenses covered in a 12-month period if prescription changes at least 0.5 diopters.
Discounts	LASIK or PRK (photorefractive keratectomy) procedures from the U.S. Laser Network, owned and operated by LCA Vision.

The amount that the plan pays for covered vision expenses depends on whether you use an EyeMed Vision Care network provider or an out-of-network provider.

Finding a Network Provider

To find an EyeMed Vision Care network provider in your area, visit www.eyemedvisioncare.com and choose the "Select" network or call EyeMed at **1.866.299.1358**. For information regarding LASIK or PRK providers, call **1.877.5LASER6**.

Employees who do not enroll in the vision plan can take advantage of EyeMed discounts for themselves and their dependents. Go to any EyeMed provider, identify yourself as a Xerox employee, and mention the Xerox discount plan number: 9235557.

For more information on how the vision plan works, as well as a list of covered vision services, see the Health Plan Comparison Charts on Your Benefits Resources or the 2009 Summary of Covered Vision Services on the Benefits tab on the *You and Xerox* section of *WebBoard*. You can also visit the EyeMed Vision Care Web site or call its member services line. See page 23 for contact information.

Salary Redirection

You can set up two Salary Redirection accounts – one for your out-of-pocket health care and one for dependent care costs. The two accounts are completely separate. You can't use money from your Health Care Account to pay dependent care expenses, or vice versa. Here's how it works:

	Health Care Account	Dependent Care Account
Amount you can contribute per year	\$0 to \$7,000.	\$0 to \$5,000. (Up to \$3,000 for "highly compensated employees.")
How your contributions are made	Contributions are deducted from each paycheck on a before-tax basis throughout the year.	
Xerox contribution to your account	Contributions are based on the medical option you elect and your annualized pay, regardless of whether you contribute – see chart on page 13. You are not eligible for the Xerox contribution to a Salary Redirection Health Care Account if: <ul style="list-style-type: none"> • You enroll in the High Deductible option or an HMO/EPO. • Your annualized pay is greater than \$80,000. • You opt-out of coverage, regardless of your annualized pay. 	Not applicable.
Eligible expenses <i>You may only submit claims for those expenses you incur while you are actively enrolled in these accounts.</i>	Qualifying health care expenses (such as deductibles, coinsurance, copayments, and certain over-the-counter drugs) that are not paid under the medical, dental, or vision plans, for yourself and/or your eligible dependents.	Qualifying dependent care expenses necessary in order for you – and your spouse, if you are married – to work or look for work: <ul style="list-style-type: none"> • Eligible expenses include day care or in-home care expenses – not a dependent's health care expenses. • Eligible dependents include children under age 13 or any other dependents who are physically or mentally incapable of caring for themselves, provided they spend at least eight hours a day in your home.
Use it or lose it rule	You can use your 2009 Health Care Account for expenses incurred through March 15, 2010. You'll forfeit any balance (including Xerox contributions) remaining in your account after June 30, 2010.	You'll forfeit any balance remaining in your account at year-end. You can submit claims until June 30, 2010.
When your money is accessible	Access the full amount as of January 1, 2009, even though your contributions are made throughout the year.	Access only the amount in your account at the time you submit your claim. As additional contributions are made, you'll be reimbursed.
Claim submission deadline	Submit claims for eligible 2009 expenses no later than June 30, 2010.	
How you get reimbursed	ADP FlexDirect Flexible Spending Account Visa® (FSA Card). See page 13 for details. or Pay the provider directly and submit a claim to ADP for reimbursement.	Pay provider directly and submit a claim to ADP for reimbursement.
If you are participating in one or both accounts in 2008	Your contribution amount stays the same for 2009, unless you make a change during annual enrollment. If you have a qualifying change in status, you may be able to change the amount you contribute to one or both accounts – provided the change in your election is on account of, and consistent with, the status change.	
If you retire or leave Xerox during 2009	Contributions to both your accounts stop as of your last day of work. You may continue to submit claims for reimbursement of eligible expenses incurred through your last day of work. In the case of your Health Care Account only, if a balance remains in your account after you file all claims for expenses incurred through your last day of work, you may be able to continue to submit claims for expenses incurred after that date by continuing your participation through COBRA. Otherwise, federal law requires that you forfeit any remaining balance in your Health Care Account.	
For more information	To learn more about the Salary Redirection Health Care and Dependent Care Accounts, visit Your Benefits Resources. Or, contact the ADP Flexible Spending Account Center at 1.800.654.6695 or www.flexdirect.adp.com	

Note: When deciding how much to contribute to a Salary Redirection account for 2009, consider how much you have remaining in your 2008 account, if applicable. Remember: You can use your 2008 account balance to be reimbursed for expenses incurred through March 15, 2009.

Use It or Lose It!

Plan carefully! In exchange for the tax benefit associated with these accounts, your account balance is subject to the IRS “use it or lose it” rule.

Xerox Health Care Account Contribution

Xerox will make a contribution to a Health Care Account on your behalf, regardless of whether you enroll in a Health Care Account, if:

- Your annualized pay as of September 1, 2008, is \$80,000 or less *and*
- You enroll in the Coinsurance or Blended option (or, in Hawaii, the XMP Hawaii or XMP Plus Hawaii option).

The entire Xerox contribution is available on January 1, 2009. It is *in addition* to any contribution that you make to a Health Care Account – so you can still contribute up to the \$7,000 annual limit on your own.

For 2009, the Xerox contribution is as follows:

If Your Annualized Pay as of September 1, 2008, Is	Xerox Will Contribute This Amount to Your Health Care Account in 2009
\$30,000 or less	\$350
\$30,000.01–\$50,000	\$250
\$50,000.01–\$80,000	\$150
\$80,000.01 or more	\$0

Health Care Account FSA Card

You may use your Health Care Account FSA Card to pay for eligible health care purchases at certain locations. Here’s how it works.

- If you’re enrolling in a Health Care Account for the first time in 2009, an FSA Card will be mailed to you in January 2009. Your FSA Card remains valid until the expiration date shown on the card.
- If you already have an FSA Card, continue to use it for your eligible health care expenses. You will not receive a new card. Your 2009 contributions will be “loaded” onto your current card.
- You may use your FSA Card to cover up to five copayments at one time, with a maximum dollar value of \$250, at a health care-related merchant such as CVS, Longs Drugs, Rite Aid, or Walgreens®.
- Permitted locations include doctors’ offices, dental offices, hospitals, health care clinics, and certain pharmacies and retail outlets.
- Pay directly for other eligible purchases you make at other retail locations, such as grocery stores and large discount retailers. To get reimbursed for these expenses, mail or fax your original receipts to ADP, together with a completed claims form (available online at www.flexdirect.adp.com).
- If you lose or discard your card or need additional cards for other adult dependents in your household, you can request new cards by downloading an order form at www.flexdirect.adp.com or by calling the ADP Flexible Spending Account Center at **1.800.654.6695**.

Save Your Receipts!

Save your receipts for *all* FSA Card purchases, since ADP may ask to see them. The IRS requires that **all** Salary Redirection account transactions be validated as eligible expenses. If ADP requests your receipts, you must submit them to ADP within the time frame indicated. If you do not submit the receipts as requested, your expenses will be deemed ineligible and you will have to reimburse the plan. In some cases, your FSA Card could be deactivated until the plan has been reimbursed.

If You Enroll in the High Deductible Medical Option

If you enroll in the High Deductible option, you may contribute either to the:

- The Salary Redirection Health Care Account *or*
- Health Savings Account (HSA). Available only to participants in the High Deductible option, HSAs can be used to pay for eligible health care expenses now and in the future.

You may participate in a Health Care Account or an HSA, but not both.

Health Savings Accounts (HSAs)

A Health Savings Account, or HSA, is an individual tax-free savings account for health care expenses, similar to a 401(k) plan account. If you enroll in the High Deductible medical option, you may establish an HSA. For 2009, the IRS will allow HSA contributions of up to \$3,000 for an individual and up to \$5,950 for a family. All contributions will grow tax free until they are used for qualified health care expenses. The money in your account can be used to pay deductibles, coinsurance, and other out-of-pocket health care expenses.

Unlike the Salary Redirection Health Care Account, unused HSA money is carried over to the following plan year. If you leave Xerox or change jobs, you keep your Health Savings Account. In accordance with IRS rules, HSAs are available only with high deductible health plans such as the Xerox High Deductible option. If you have low to moderate medical needs, this is a great way to build a nest egg for future health care expenses.

Opening Your Health Savings Account

HSAs are available through many financial institutions, including:

- Xceed Financial Credit Union (formerly Xerox Federal Credit Union). For information on the Xceed Financial HSA, call **1.800.XFCU.222** (1.800.932.8222). You can contribute to an Xceed Financial HSA through automatic payroll deductions; however, these deductions will be taken from your pay on an after-tax basis.
- Aetna. For information on the Aetna HSA, visit www.efundscard.com/aetna.jsp, select the link "Enroll now" underneath "Resource Center"; then, enter HSA Enrollment ID: 0725117020300, Verification Code: 274. Or, call member services at **1.866.253.8885**. You cannot contribute to the Aetna HSA through automatic payroll deductions.

IRS regulations prohibit residents of Puerto Rico and American Samoa from participating in HSAs.

Xerox Matching HSA Contribution of Up to \$350

If you establish an HSA through Xceed Financial Credit Union (formerly Xerox Federal Credit Union) and your annualized pay as of September 1, 2008, is \$80,000 or less, Xerox will provide a dollar-for-dollar match to your HSA contributions, up to \$350. This match is made as you contribute to the account. You will not be eligible for the Xerox match if you establish an HSA through another institution.

Disability

Xerox offers disability coverage to protect your income if you can't work due to illness or injury. The following chart shows your options:

Disability Option	How It Works
Short-term disability	<ul style="list-style-type: none"> • You receive pay while disabled. • Benefits are paid for up to five months. • Xerox pays the full cost of coverage.
Xerox long-term disability (LTD) coverage	<ul style="list-style-type: none"> • You can choose a benefit of 40% or 60% of pay. • Benefits are paid for months six through 29 of disability. • Benefits are reduced by Social Security, Workers' Compensation, and other disability benefits. • You are eligible for coverage after 12 months of active service. • You can opt-out if you have other LTD coverage or are eligible for retirement (age 55 and ten years of service). • Xerox pays the full cost of the 60% option; if you choose 40% or no coverage, you receive a credit.
Extended LTD coverage	<ul style="list-style-type: none"> • You can choose a benefit of 40%, 50%, 60%, or 70% of pay. • Benefits are paid after 29 months of disability. • Benefits are reduced by Social Security, Workers' Compensation, and other disability benefits. • You are eligible for coverage after 12 months of active service. • You can opt-out if you have other LTD coverage or are eligible for retirement (age 55 and ten years of service). • Xerox pays the full cost of the 50% option; if you choose 40% or no coverage, you receive a credit; if you choose 60% or 70%, you pay the difference.

Enrolling for Disability Coverage

- Short-term disability coverage is automatic; you do not have to enroll.
- You must make separate elections for Xerox LTD and Extended LTD coverage.
- If your pay increases or decreases during the year, your coverage and cost will change accordingly.
- You may elect coverage under the Xerox LTD Plan and opt-out of the Extended LTD Plan, but you cannot do the reverse. In other words, you must be enrolled in the Xerox LTD Plan in order to enroll in the Extended LTD Plan.
- If you decline Extended LTD coverage when you first become eligible and you later decide to add coverage or, if you decide during a future enrollment period that you wish to increase your Extended LTD coverage level, pre-existing condition limitations will apply and you will need to provide evidence of insurability (proof of good health) before new or increased coverage can take effect. The disability certification process is handled when you enroll, either online or by phone.

LTD for New Hires

You may enroll in the New Hire LTD Plan for coverage until you become eligible for Xerox LTD and Extended LTD coverage. The New Hire LTD options are:

- No Coverage
- 60% of base pay replacement

You must enroll in this coverage within the first 30 days of employment. The New Hire LTD Plan is issued by The Prudential Insurance Company of America.

- You become eligible to enroll in LTD coverage (Xerox LTD and Extended LTD) on the first day you are actively at work following 12 months of company service.
- You will receive a notice within a week of your one-year anniversary letting you know that you can enroll in Xerox LTD and Extended LTD coverage. You have 30 days from your one-year anniversary to enroll either online on Your Benefits Resources or by calling the Xerox Benefits Center at **1.888.979.9961**.
- If you don't enroll when you become eligible, you will automatically default to "No Coverage."

To enroll, visit Your Benefits Resources or call the Xerox Benefits Center within 30 days of the date on the notice.

Key Disability Plan Provisions

- The benefits payable under both the Xerox LTD Plan and the Extended LTD Plan are reduced by any income replacement benefits received from other sources, including Social Security and Workers' Compensation. Be sure to take this into consideration before electing any of the lower base pay replacement options under the Xerox LTD coverage and Extended LTD coverage, such as 40% or 50% of base pay replacement.
- Pre-existing condition limitations will apply, and you will be required to submit evidence of insurability to Prudential to increase or add Extended LTD coverage during annual enrollment. Additional health information may be required at your expense (e.g., through a physical exam), based on your responses on the Evidence of Insurability Form. Your current coverage stays in effect until you are approved.
- "Pre-existing condition" means any sickness or injury or an episode of substance abuse. A pre-existing condition is one that was diagnosed and for which charges were incurred or treatment (including use of drugs; medicines; or medical services, supplies, or equipment) rendered within 180 days before the date you became a covered person or the date an increase in your scheduled benefit would otherwise be available.
- If a disability begins at age 66 or later, the benefit period will be reduced.
- There is a lifetime maximum benefit of 24 months total of Xerox LTD coverage for substance abuse and mental illness claims. Once you reach this 24-month maximum, you will not be eligible for Extended LTD coverage with respect to that condition.

Note: The Extended LTD Plan and New Hire LTD Plan coverages are issued by The Prudential Insurance Company of America; 751 Broad Street; Newark, NJ 07102. This enrollment guide is intended to be a summary of your benefits, and does not include all policy provisions, exclusions, and limitations. A Booklet-Certificate with complete information including limitations and exclusions will be provided. If there is a discrepancy between this document and the Booklet-Certificate, the terms of the Booklet-Certificate will govern. Contract Series 83500. IFS-A108567 Ed. 8/2006.

The Extended LTD coverage provides disability income insurance only. It does **not** provide basic hospital, basic medical, or major medical insurance as defined by the New York Insurance Department.

If you are a North Carolina resident: extended LTD coverage is not a Medicare Supplement Plan. If you are eligible for Medicare, please review the Guide to Health Insurance for People with Medicare, which is available from Prudential.

Life Insurance

Xerox offers a variety of life insurance options to protect your family's financial future. Coverage is available for you and for your eligible dependents, as shown in the following chart. Please see page 19 for a definition of eligible dependents.

Life Insurance Option	How It Works
Basic employee life insurance	<ul style="list-style-type: none"> • You can choose: <ul style="list-style-type: none"> – one times your base pay up to \$50,000 coverage – two times your base pay up to \$200,000 coverage – no coverage • Xerox pays the full cost of the two times pay option at the tobacco-free rates. • Coverage is through The Prudential Insurance Company of America (Prudential).
Optional employee life insurance	<ul style="list-style-type: none"> • You can choose: <ul style="list-style-type: none"> – one times to ten times your base pay up to a \$5 million optional life insurance coverage cap – no coverage • You pay the full cost. • Coverage is through Prudential.
Spouse/domestic partner life insurance	<ul style="list-style-type: none"> • You can choose coverage for your spouse/domestic partner of: <ul style="list-style-type: none"> – \$35,000 – \$50,000 – \$75,000 – \$100,000 – no coverage • You are the beneficiary. • Coverage is through The Metropolitan Life Insurance Company (MetLife).
Child(ren) life insurance	<ul style="list-style-type: none"> • You can choose coverage for each eligible child of: <ul style="list-style-type: none"> – \$5,000 – \$10,000 – no coverage • You are the beneficiary. • Coverage is through MetLife.

Employee life insurance coverage is issued by The Prudential Insurance Company of America; 751 Broad Street; Newark, NJ 07102. This enrollment guide is intended to be a summary of your benefits, and does not include all policy provisions, exclusions, and limitations. A Booklet-Certificate with complete information including limitations and exclusions, if any, will be provided. If there is a discrepancy between this document and the Booklet-Certificate, the terms of the Booklet-Certificate will govern. Contract Series 83500. IFS-A108567 Ed. 8/2006.

Enrolling for Life Insurance

- You must make separate coverage elections for basic employee life insurance and optional employee life insurance.
- You must submit evidence of insurability (proof of good health) if you wish to increase your coverage now or in the future.
- If you wish to increase your spouse/domestic partner's coverage, he or she must submit evidence of insurability (proof of good health).
- No evidence of insurability is required for child(ren) life insurance.

When you enroll in life insurance coverage, you'll need to indicate whether you are a tobacco user or tobacco-free. Likewise, if you are electing spouse/domestic partner life insurance, you'll need to indicate the tobacco use status of your spouse/domestic partner. If you don't indicate your and/or your spouse/domestic partner's tobacco use status, you and/or your spouse/domestic partner will default to the higher tobacco-user rates.

If you have already indicated your tobacco use status for 2008, however, there is no need to do so again. For your life insurance coverage, your 2008 tobacco use status will automatically continue into 2009 if you make no change.

The life insurance companies define a "tobacco user" as anyone who has used tobacco products within two years of the coverage start date (in this case, January 1, 2009, if you are enrolling during the annual enrollment period). "Tobacco products" include cigarettes, cigars, and pipes, as well as chewing tobacco.

The tobacco-free requirements that apply to the \$200 incentive you receive for medical coverage differ from the tobacco certification that applies to reducing your life insurance rates. When you enroll, make sure that your tobacco-free certifications are up to date for both medical and life insurance coverages. Your tobacco-free status for one does not carry over to the other.

Beneficiary Designations

You must designate a beneficiary for your basic and optional employee life insurance. If you already have life insurance, your current beneficiary will automatically become the beneficiary for any additional coverage you elect for 2009. To check your current beneficiary designation for your basic and optional life insurance or to designate a new beneficiary, contact Prudential at **1.800.367.9769**.

You are the beneficiary for any spouse/domestic partner or child life insurance you elect with MetLife.

Accident Insurance

Xerox offers accident insurance that pays benefits if you or a covered dependent dies or suffers serious injuries as a result of an accident. Please see page 19 for a definition of eligible dependents. Accident insurance benefits are paid in addition to life insurance benefits. Your options are shown below.

Accident Insurance Options	How It Works
Employee accident insurance	<ul style="list-style-type: none"> • You can choose: <ul style="list-style-type: none"> – \$50,000 increments, up to \$1 million – no coverage • You pay the full cost of coverage. • Coverage is through MetLife.
Spouse/domestic partner accident insurance	<ul style="list-style-type: none"> • You can choose: <ul style="list-style-type: none"> – \$50,000 increments, up to \$500,000 – no coverage • You pay the full cost of coverage. • You are the beneficiary. • Coverage is through MetLife.
Child(ren) accident insurance	<ul style="list-style-type: none"> • You can choose coverage for each eligible child of: <ul style="list-style-type: none"> – \$50,000 – \$100,000 – no coverage • You pay the full cost of coverage. • You are the beneficiary. • Coverage is through MetLife.

Beneficiary Designations

You must designate a beneficiary for your accident insurance. If you already have accident insurance, your current beneficiary will automatically become the beneficiary for any additional coverage you elect for 2009. Although the coverage is offered through MetLife, to check your current beneficiary designation for any of your accident insurance benefits or to designate a new beneficiary, contact Prudential at **1.800.367.9769**.

You are the beneficiary for any spouse/domestic partner or child accident insurance that you elect.

Long Term Care Insurance

Xerox offers Long Term Care Insurance through John Hancock. Long Term Care Insurance can preserve your independence in the event of a serious illness, injury, or disability. John Hancock Long Term Care has set up two webinars during Xerox annual enrollment during which you can learn more about this important benefit:

- Tuesday, October 28 at 10:00 a.m. Eastern time
- Wednesday, November 12 at 11:00 a.m. Eastern time

To attend a webinar, follow these easy steps:

- Go to <http://xeroxltc.jhancock.com> at one of the two times listed above.
- Enter username **“xeroxltc”** and password **“mybenefit”**.

Vacation Purchase

The Vacation Purchase option lets you buy a week of extra vacation time for 2009. As with earned vacation time, you will need your manager's approval when you are ready to use your purchased vacation time.

Vacation Purchase Option	
How much time you may buy	<ul style="list-style-type: none"> • One extra week of vacation time to use in 2009. • You cannot purchase vacation time in smaller increments. <p><i>Purchased vacation time is based on the number of hours you're scheduled to work each week as of September 1, 2008. For example, if you work 40 hours a week, you can purchase 40 hours of additional vacation time. If you work 25 hours a week, you can purchase 25 hours of additional vacation time.</i></p>
What it costs and how you pay for it	<ul style="list-style-type: none"> • The cost of vacation time is based on your annualized pay as of September 1, 2008. • It is deducted in equal amounts from <i>each</i> of your paychecks on a before-tax basis throughout 2009. • The cost displayed on Your Benefits Resources is your per-pay period deduction.
When you may enroll	<ul style="list-style-type: none"> • The annual enrollment period is your only opportunity to enroll in the Purchased Vacation Time option for 2009. You cannot elect this option during the year, even if you have a change in status that allows you to make changes to your other <i>Matter of Choice</i> benefits.
Making changes during the year	<ul style="list-style-type: none"> • Choose carefully: you cannot disenroll from the Purchased Vacation Time option during the year.
Using your purchased vacation time	<ul style="list-style-type: none"> • You may use your purchased time in 2009 with your manager's approval. • Purchased vacation days are the last vacation days used each year. They are available only after you have used all of your 2009 earned vacation time and any vacation time you rolled over from the prior year. • You cannot roll over Purchased Vacation Time to the following year. • If you have unused Purchased Vacation Time at the end of the year, it will be refunded to you in December in the form of taxable pay. <p>Example: Assume you get two weeks of earned vacation time and you buy one week of time, for a total of three weeks. At year-end, assume you've used only one week of vacation time. You have one week of earned time remaining, and one week of purchased time remaining. You will receive a refund for your one week of purchased time, and you may roll over your one week of earned vacation time.</p>
If you leave Xerox in 2009	<ul style="list-style-type: none"> • Xerox will review the amount of vacation time you have accrued with the amount of time you have used. You will be reimbursed for vacation days you've accrued but not used, including Purchased Vacation Time you have already paid for. If you've used more vacation days than you've accrued, you must repay Xerox for the extra time.
Tracking your vacation time	<ul style="list-style-type: none"> • Exempt employees must use the Vacation Tracking Tool at https://www.fsapps.extranet.xerox.com/Vacation_Planning/employeeCalendar.asp for scheduling and tracking their vacation usage. • Non-exempt employees should track vacation use in eTime.
Questions?	Call the Xerox Benefits Center at 1.888.979.9961 .

Your Eligible Dependents

The following dependents are eligible for medical, dental, vision, life insurance, and accident insurance benefits:

- Your legal spouse (a legally separated spouse is not eligible)/ domestic partner, provided he or she meets the eligibility requirements shown below
- Your unmarried children (natural, adopted, or placed with you for adoption) under age 19 (up to age 23 for full-time students)
- Your unmarried, disabled children of any age, if disabled before age 19 (up to age 23 if full-time students)
 - If you are a new hire and have an incapacitated child over age 19, he or she will be eligible for coverage if you enroll him or her when you first enroll for your *Matter of Choice* coverage.

You are responsible for ensuring that your covered dependents are eligible for coverage based on plan rules.

If You Are Removing a Spouse from Coverage

If you are getting a divorce, you should only remove your spouse from your coverage when you are legally separated or divorced and not before, unless you are advised otherwise by legal counsel.

Definition of Domestic Partner

A domestic partner is any adult who:

- Lives in your household;
- Has lived with you for at least six consecutive months prior to enrollment;
- Is jointly responsible for your household's finances or is dependent on you for financial assistance;
- Is in a relationship with you that is intended to be permanent and in which you are each the sole domestic partner of the other;
- Is unmarried and at least 18 years of age; and
- Is not related to you.

A person is also considered your domestic partner if you are:

- Registered as domestic partners or have entered into a Civil Union in a state, city, or town that allows you to do so, or
- Married adults of the same sex, and your marriage is recognized by the state in which you live.

Stepchildren and Foster Children

Stepchildren who meet the age requirements listed above are eligible for benefits. When you elect coverage for a stepchild, you must indicate whether the stepchild is "subsidized" or "nonsubsidized." To be considered subsidized, a stepchild must qualify as a tax dependent under IRC Section 152. In addition, the child must rely on you for health care coverage because both natural parents are deceased or neither natural parent is earning income or receiving child support.

Xerox will treat "subsidized" stepchildren in the same way as any other eligible dependent. Parents of "nonsubsidized" children will pay \$2,756 per stepchild. The contribution for the remainder of the covered family members will be determined using the chart on page 9 for medical coverage, regardless of the option. LifeCycle Assistance offers an Extended Household Health Care Benefit, which may be available for nonsubsidized stepchildren. For more information, call the LifeCycle Assistance Unit at **1.800.742.1473**.

Some foster children may be eligible, if they are completely dependent on you and in your legal custody or guardianship. Children of eligible domestic partners will be treated as stepchildren for determination of their eligibility for coverage. If you have questions about eligibility, call the Xerox Benefits Center at **1.888.979.9961**.

No other individuals – including grandchildren and other relatives – are eligible for coverage, unless required by state law.

Adding Dependents to or Removing Dependents from Health Plan Options

When adding or removing a dependent from your Xerox health coverage (medical, dental, or vision), you must add or remove each dependent separately. The change does not automatically carry over from one plan to another. For example:

- If you add or remove a family member from one benefit plan (e.g., medical) and also want to add or remove him or her from another (e.g., dental), you must make the change in both plans.
- When adding a new family member to your list of eligible dependents, you must actively choose to cover him or her under each individual health plan option you've selected. Otherwise, that family member will **not** be covered under all of your Xerox benefits, as you probably intended.

Special Provisions to Consider When You Enroll

Before you enroll in your 2009 *Matter of Choice* benefits, there are some important administrative considerations to keep in mind.

Changing Coverage During the Year

In most cases, the decisions you make will remain effective from January 1 through December 31, 2009. However, you may change some of your elections during the year if you have a qualifying change in your status, provided the coverage change is consistent with your status change. Qualifying events include:

- Birth or adoption of a child
- Marriage or domestic partnership
- Divorce, legal separation, or termination of domestic partnership
- Death of a covered dependent
- Change in employment status for you or your spouse/domestic partner that results in a gain or loss of benefits, including salary continuance
- Change in your dependent's eligibility for benefits

Doctors and hospitals may leave or join health plan networks at any time. If your provider leaves your plan's network during the year, this does not qualify as a change in status, and you cannot change your medical coverage as a result.

If you choose to enroll for vision coverage, you must remain enrolled for two years at the coverage level you elect.

You must make any coverage change within 30 days of the qualifying event. To make a change, go to Your Benefits Resources or call the Xerox Benefits Center at **1.888.979.9961**. If you don't register the change within 30 days of the qualifying event, you may not make the change until the next annual enrollment period.

If Your Spouse/Domestic Partner Has a Different Enrollment Period

If your spouse/domestic partner's employer offers an enrollment period that differs from the Xerox enrollment period, you may make some benefits changes during the year. For example, you may drop medical coverage for your spouse/domestic partner if he or she decides to elect coverage under his or her employer's plan during a separate enrollment period. These changes must be made through Your Benefits Resources or the Xerox Benefits Center within 30 days of the start of your spouse/domestic partner's annual enrollment period.

Here are the rules for these types of changes:

- *If your spouse/domestic partner's enrollment period overlaps with the Xerox enrollment period:* You will not be permitted to change your Xerox elections outside the annual enrollment period.
- *If your spouse/domestic partner's enrollment period begins after the Xerox enrollment period ends:* You will be permitted to change your Xerox elections.
- *If your spouse/domestic partner's enrollment period ends before the Xerox enrollment period begins:* The Xerox Benefits Center will guide you in working with your spouse/domestic partner's employer, if you wish to change your Xerox elections.

Special Enrollment Rights

If you are declining enrollment for yourself or your dependents (including your spouse/domestic partner) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage).

Also, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents in a Xerox plan.

You must request enrollment within 30 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage), or after the marriage, birth, adoption, or placement for adoption. To request special enrollment or to learn more, contact the Xerox Benefits Center at **1.888.979.9961**.

Qualified Medical Child Support Orders (QMCSOs)

Xerox will honor a qualified medical child support order (QMCSO) relating to provisions for child support, alimony payments, or marital property rights that may require you to provide medical coverage to an eligible child. If Xerox receives such an order, you will be notified of how it will be handled with respect to your benefits.

Special Situations That May Affect Your Benefits

In certain situations, special rules may apply to your *Matter of Choice* benefits:

If Your Spouse/Domestic Partner Is an Eligible Xerox Employee

If both you and your spouse/domestic partner participate in *Matter of Choice*, you may each choose medical coverage for yourselves, or one of you may choose coverage for yourself and cover the other as a dependent. In this case, the other individual may choose “No Coverage” and receive the opt-out allowance.

If you are covering child(ren), one of you may choose family coverage and the other may choose “No Coverage” and receive the opt-out allowance. Consult with your spouse/domestic partner to confirm who is covering whom – including any eligible children.

If You Relocate and You Must Enroll in a New Health Plan

If you enroll in the Coinsurance or Blended option for 2009, and you move during the year to an area where you are no longer eligible for your current health plan, you may transfer any deductible and out-of-pocket maximums to your new plan, provided your new plan is not a Health Maintenance Organization (HMO) or Exclusive Provider Organization (EPO).

You’ll need to provide your new medical plan with your most recent explanation of benefits (EOB) from your former medical plan. Your new medical plan will honor amounts you have already paid toward your annual deductible and out-of-pocket maximum under your former plan.

Additional Information about Your Medical Options

The Women’s Health and Cancer Rights Act

Xerox’s health plans cover mastectomies and certain related reconstructive surgery. The law requires Xerox to notify you annually of the availability of this coverage.

Covered women who have a mastectomy can elect the following procedures after consulting with their physician. By law, they will be covered for the following expenses:

- Reconstruction of the breast on which the mastectomy was performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance
- Prosthesis
- Treatment required as a result of physical complications for all stages of mastectomy, including lymphedemas

Keep in mind that coverage is subject to all the terms of the health plan you elect, including applicable copayments, deductibles, and/or coinsurance provisions.

Special Note on Maternity and Newborn Infant Coverage

Federal law requires us to tell you that Xerox health plans can’t restrict or require you to obtain certification for any length of stay in a hospital in connection with childbirth, for mother or newborn, that is 48 hours or less following a standard delivery or 96 hours following a cesarean delivery.

Also, don’t forget to add your newborn to your medical coverage within 30 days.

Special Rules if You Are on Disability or a Leave of Absence

If you are on one of the following types of disability or a leave of absence during annual enrollment, then you should be aware of certain restrictions relating to your enrollment in these benefit options.

Type of Disability or Leave of Absence	Restrictions on Your Basic and/or Optional Employee Life Insurance Coverage During Annual Enrollment	Restrictions on Your Xerox LTD and/or Extended LTD Coverage During Annual Enrollment
Short-Term Disability Leave	You cannot increase your coverage until you return to work.	You cannot increase or decrease your coverage until you return to work.
Long-Term Disability Leave	You cannot increase or decrease your coverage until you return to work.	You cannot increase or decrease your coverage until you return to work.
Disability Light Duty	You cannot increase or decrease your coverage until you return to work.	You cannot increase or decrease your coverage until you return to work.
Family And Medical Leave	You cannot increase your coverage until you return to work.	You cannot increase or decrease your coverage until you return to work.
Military Leave	During the 91-day continuation period, you cannot increase your coverage.	Not applicable; your coverage ends on the first day of your leave.
Personal Leave	During the 91-day continuation period, you cannot increase your coverage.	Not applicable; your coverage ends on the first day of your leave.
Education Leave	During the 91-day continuation period, you cannot increase your coverage.	Not applicable; your coverage ends on the first day of your leave.
Public Service Leave	During the 91-day continuation period, you cannot increase your coverage.	Not applicable; your coverage ends on the first day of your leave.
Social Service Leave	You cannot increase your coverage until you return to work.	You cannot increase or decrease your coverage until you return to work.
Job Search	During the 12-month continuation period, you cannot increase your coverage.	You cannot increase or decrease your coverage until you return to work.
Disposition Pending	During the 12-month continuation period, you cannot increase your coverage.	During the 12-month continuation period, you cannot increase or decrease your coverage.
Salary Continuance	You cannot increase your coverage until you return to work.	Not applicable; your coverage ends on the first day of your leave.
Short-Term Disability Pending/Non-Authorized Unpaid Leave	You cannot increase your coverage until you return to work.	You cannot increase or decrease your coverage until you return to work.
State Mandated Protected Leave	You cannot increase your coverage until you return to work.	You cannot increase or decrease your coverage until you return to work.

Employees in certain Xerox statuses will not be allowed to increase their Basic/Optional Life Insurance until they return to an active employment status.

Employees in certain Xerox statuses are not able to change (increase or decrease) their Xerox/Extended LTD coverage.

If You Are Receiving Xerox LTD Benefits

If you continue to pay the required contributions, you may continue your current:

- Xerox LTD and/or Extended LTD coverage
- Xerox employee life insurance coverage

Health Plan Contact Information

Whenever you have questions specific to your health plan, contact your plan directly. For example, if you'd like to know:

- Is a provider or facility in the network?
- Is a particular service covered? Does it require precertification?
- Has your claim been processed?
- Have you met your annual deductible?
- What condition management or other special programs are available?

Here's contact information for all 2009 Xerox health plans. High performing networks are indicated by an asterisk (*).

Option Number	Health Plan Name	Member Services Phone Number	Web Site Address
Medical			
Aetna			
901	High Deductible option		www.aetna.com/custom/xerox (<i>members</i>)
968, 966, 961*	Coinsurance option	1.866.253.8885	http://custom.aetna.com/xerox (<i>pre-members</i>)
969, 967, 962*	Blended option		http://aetna.com/espanol (<i>Spanish language</i>)
Empire BlueCross BlueShield			
926, 928	Coinsurance option	1.866.878.6177	www.empireblue.com/xerox
927, 929	Blended option		www.empireblue.com/espanol (<i>Spanish language</i>)
Preferred Care			
956	Coinsurance option	1.800.767.1678	www.preferredcare.org
957	Blended option	1.585.258.8671	
UnitedHealthcare			
938, 936	Coinsurance option		www.myuhc.com (<i>members</i>)
939, 937	Blended option	1.877.561.2822	www.myuhc.com/groups/xerox (<i>pre-members</i>)
829, 833	XMP Hawaii, XMP Plus Hawaii		
009	Group Health Cooperative West	1.888.901.4636	www.ghc.org
012*	HealthPartners	1.800.883.2177 1.952.883.5000	www.healthpartners.com
135	Humana of Puerto Rico	1.800.314.3121	www.humana.com
645	HMSA Health Plan Hawaii	1.808.948.6278	www.hmsa.com
029	Kaiser Colorado	1.800.632.9700	http://my.kp.org/xerocorp
062	Kaiser Georgia	1.888.865.5813 1.404.261.2590	http://my.kp.org/xerocorp

continued on next page

Health Plan Contact Information (continued)

Option Number	Health Plan Name	Member Services Phone Number	Web Site Address
038	Kaiser Hawaii	1.808.432.5955 (Oahu) 1.800.966.5955 (Neighbor islands)	http://my.kp.org/xeroxcorp
003	Kaiser Metro Washington, D.C.	1.800.777.7902 1.301.468.6000	http://my.kp.org/xeroxcorp
023	Kaiser Northern California	1.800.464.4000	http://my.kp.org/xeroxcorp
030	Kaiser Northwest	1.800.813.2000 1.503.813.2000	http://my.kp.org/xeroxcorp
022	Kaiser Ohio	1.800.686.7100	http://my.kp.org/xeroxcorp
063	Kaiser Southern California	1.800.464.4000	http://my.kp.org/xeroxcorp
005, 007	Oxford Health Plan – Connecticut and New York	1.800.444.6222 1.800.760.4566	www.oxhp.com
031	TakeCare Asia	1.671.646.6956	Not currently available.
Prescription Drug (for Empire BlueCross BlueShield and UnitedHealthcare)			
	CVS Caremark	1.866.559.6892	www.caremark.com (<i>members</i>) www.caremark.com/xerox (<i>pre-members</i>)
Dental			
	Aetna DMO	1.877.238.6200	www.aetna.com/custom/xerox <i>Note that the Aetna DMO is called “Dental Maintenance Organization” on the Web site.</i>
	MetLife Dental, MetLife Dental Plus	1.888.904.3339	www.metlife.com/mybenefits <i>Enter “Xerox” at the employer prompt.</i>
Vision			
	EyeMed Vision Care	1.866.723.0514	www.eyemedvisioncare.com <i>Choose the “Select” network.</i>
Other Health Resources			
	Healthways	1.866.205.7066	https://xerox.myhealthways.com
	Health Advocate	1.866.611.8005 <i>Email inquiries to:</i> <i>answers@healthadvocate.com</i>	www.xerox.com/benefits
	Health Advocacy: Complex Care	1.877.961.1124 Fax: 1.251.961 3151	www.healthsystemsmanagementinc.com
	XEAP	1.800.USA.XEAP (1.800.872.9327) (TTY: 1.800.833.6885)	www.xeaponline.com
	Elder Care	1.800.USA.XEAP (1.800.872.9327) (TTY: 1.800.833.6885)	www.xeaponline.com

Health Plan Contact Information (continued)

Option Number	Health Plan Name	Member Services Phone Number	Web Site Address
	Child Care	1.800.USA.XEAP (1.800.872.9327) (TTY: 1.800.833.6885)	www.xeaponline.com
	TeenTalk	1.800.242.TEEN (1.800.242.8336)	www.xeaponline.com
	Alere's (formerly Matria Healthcare) <i>Disease Management Programs: asthma, chronic obstructive pulmonary disease, congestive heart failure, coronary artery disease, diabetes, and musculoskeletal, and chronic pain.</i>	1.866.676.0740	www.ecorsolutions.com
	Alere's (formerly Matria Healthcare) <i>Oncology Management Programs (cancer).</i>	1.866.582.6541	www.cancerpage.com
	QuitNet Comprehensive Smoking Cessation Program	1.866.205.7066	https://xerox.myhealthways.com
Salary Redirection Accounts			
	ADP Flexible Spending Account Center	1.800.654.6695	www.flexdirect.adp.com
Life Insurance			
	Prudential	1.800.367.9769	Not applicable.
Spouse/Domestic Partner and Child Life Insurance Employee, Spouse/Domestic Partner, and Child Accident Insurance			
	MetLife	1.800.638.9769	Not applicable.
Long Term Care Insurance			
	John Hancock	1.800.695.4400	http://xeroxltc.jhancock.com
Xerox Resources			
	Your Benefits Resources	Not applicable.	http://resources.hewitt.com/xerox/
	The Xerox Benefits Center <i>Representatives are available Monday through Friday, 9:00 a.m. to 6:00 p.m. Eastern time (8:00 a.m. to 5:00 p.m. Central time, 7:00 a.m. to 4:00 p.m. Mountain Daylight time, 6:00 a.m. to 3:00 p.m. Pacific time, 3:00 a.m. to 12:00 p.m. Hawaii time).</i>	1.888.979.9961 <i>(TTY: call your local relay service.)</i>	Not applicable.

Creditable Prescription Drug Coverage Information

The following is creditable prescription drug coverage information for Medicare-eligible employees and covered dependents.

Note: Individuals who are not currently eligible for Medicare and do not expect to become eligible before January 1, 2009, can disregard this information.

Prescription drug coverage is available to everyone with Medicare through Medicare prescription drug plans (PDPs) and Medicare Advantage Plans that offer prescription drug coverage. You may have heard about Medicare's prescription drug coverage and wondered how it affects you.

Xerox is required to provide this notice to all Medicare-eligible plan participants. The purpose of the notice is to provide participants in all Xerox health plan options, except the High Deductible health plan option, with a statement of assurance that the prescription drug coverage they have through Xerox is "Creditable Coverage." This means that overall, your Xerox coverage is at least as good as the Medicare prescription drug coverage. You can keep your current Xerox prescription drug coverage without change.

If you waive Medicare prescription drug coverage now, but decide in a subsequent year that you want to enroll in a Medicare PDP, this notice will serve as confirmation to Medicare that you have had Creditable Coverage in the interim. As a result, you will not have to pay a late penalty on your Medicare PDP monthly premium if you decide to enroll during a subsequent annual enrollment window.

Important Exception

- If you or your dependent is Medicare-eligible and covered under the High Deductible option, or
- If you opt-out of Xerox medical coverage,

then your Xerox coverage is not as good as Medicare prescription drug coverage. As a result, you have Non-Creditable Coverage and unless you have other prescription drug coverage that is Creditable, you should consider joining a Medicare PDP when you first become eligible for Medicare or during the annual enrollment period from November 15 to December 31. Please read carefully the "Non-Creditable Coverage" section of the notice that follows.

Important Notice from Xerox About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Xerox and prescription drug coverage available for people covered by Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare.
2. Read this notice carefully – it explains the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll.
3. Xerox has determined that the prescription drug coverage identified in the "Creditable Coverage" section of this notice, on average for all plan participants, is expected to pay out as much as the standard Medicare prescription drug coverage will pay. This means that overall, for the options identified in that section of this notice, your Xerox coverage is as good as or better than the Medicare prescription drug coverage. Because your 2009 Xerox coverage, on average, will be at least as good as standard Medicare prescription drug coverage, you can decide to waive Medicare prescription drug coverage now and not pay extra if you later decide to enroll in a Medicare PDP.
4. Xerox has determined that the prescription drug coverage identified in the "Non-Creditable Coverage" section of this notice, on average for all plan participants, is NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay. This means that overall, for the options identified in that section of this notice, your Xerox coverage is NOT as good as or better than Medicare prescription drug coverage. *This is important, because for most people with Non-Creditable Coverage, enrolling in Medicare prescription drug coverage means you may get more assistance from Medicare with drug costs. Also, if you do not enroll for Medicare prescription drug coverage when you are first eligible, you may have to pay a penalty in the form of a higher premium if you enroll for Medicare prescription drug coverage during a subsequent enrollment period.*

People covered by Medicare can enroll in a Medicare PDP when they first become eligible for Medicare and each year from November 15 through December 31. If you are leaving Xerox coverage, you may be eligible for a special enrollment period to sign up for a Medicare PDP. All Medicare PDPs will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

You and your eligible family members have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you enroll. Read this notice carefully – it explains your options.

Who Is Eligible for Medicare?

In general, you are eligible for Medicare benefits if:

- You are age 65 or older;
- You are younger than age 65 but qualify due to a disability;
- You suffer from end-stage renal disease (permanent kidney failure requiring dialysis or transplant).

If you have questions or are unsure about your eligibility, call **1.800.MEDICARE (1.800.633.4227)**.

Creditable Coverage

For Participants in All Xerox Health Plan Options Except the High Deductible Health Plan Option or Who Opt-out of or Waive Xerox Medical Coverage

Xerox has determined that all Xerox health plan options available to you – except the High Deductible health plan option or if you opt-out/waive medical coverage with Xerox – on average for all plan participants, are expected to pay out as much as the standard Medicare prescription drug coverage.

Because you have prescription drug coverage with Xerox that, on average, is as good as Medicare coverage, you can choose to join a Medicare PDP at another time without having to pay a penalty in the form of higher Medicare prescription drug premiums. Each year, you will have the opportunity to decide if you want to enroll in a Medicare PDP between November 15 and December 31.

If you do decide to enroll in a Medicare PDP, there will be no effect on your Xerox Health Plan coverage, unless you are eligible for Medicare due to a disability and qualify for LTD benefits from Xerox. In this case, it is Xerox's intention that your Medicare prescription drug coverage would become your primary coverage and your Xerox coverage would become secondary. It is unclear at this point how coordination with Medicare Part D will work, but we'll provide more information when it becomes available.

You should also know that if you enroll in the High Deductible health plan option or opt-out/waive your medical coverage with Xerox, and you don't enroll in Medicare prescription drug coverage, you may pay more to enroll in Medicare prescription drug coverage later. If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have Creditable Coverage. For example, if you go 19 months without Creditable Coverage, your premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until next November to enroll.

Non-Creditable Coverage

For Participants in the High Deductible Health Plan or Who Opt-out/Waive Xerox Medical Coverage

Xerox has determined that if you enroll in the High Deductible health plan option or you opt-out/waive coverage with Xerox, then, on average for all plan participants, your coverage is NOT expected to pay out as much as the standard Medicare prescription drug coverage. In this case, you might want to consider enrolling in a Medicare PDP.

You and your eligible family members can enroll in a Medicare PDP when you first become eligible for Medicare and each year from November 15 to December 31. If you are leaving Xerox coverage, you may be eligible for a special enrollment period to sign up for a Medicare PDP. This is important, because if you or your eligible family members do not get Medicare prescription drug coverage (or equivalent coverage) when first eligible, you may have to pay a higher premium if you join later.

If you don't enroll in Medicare prescription drug coverage and change your mind later, you may pay a penalty in the form of higher premiums if you enroll in a Medicare PDP during a subsequent enrollment period. You will pay that higher premium as long as you have Medicare prescription drug coverage.

If you wait until after your initial enrollment period, your monthly premium for a Medicare PDP could be much higher than it would have been. If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your premium will go up at least 1% per month for every month that you did not have Creditable Coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go 19 months without coverage, your premium will always be at least 19% higher than what most other people pay.

If you don't enroll in a Medicare PDP when you are first eligible, you may also have to wait to enroll. Generally, you can only join a Medicare PDP when you first become eligible for Medicare and between November 15 and December 31 of any year. This may mean the number of months you have to wait for coverage will be longer, which could make your premium higher. Your Xerox coverage is not expected to pay out as much as the standard Medicare prescription drug coverage will pay, so you may also want to enroll in a Medicare PDP or other coverage that will pay out as much as standard Medicare prescription drug coverage.

If you do decide to enroll in a Medicare PDP, there will be no effect on your Xerox health plan coverage, unless you are eligible for Medicare due to a disability and qualify for LTD benefits from Xerox. In this case, it is Xerox's intention that your Medicare prescription drug coverage would become your primary coverage and your Xerox coverage would become secondary. It is unclear at this point how coordination with Medicare Part D will work, but we'll provide more information when it becomes available.

You Must Make a Decision

When you make your decision whether to enroll in Medicare prescription drug coverage, you should compare your Xerox coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

For More Information about This Notice or Your Current Xerox Prescription Drug Coverage

Review the information available on the Your Benefits Resources Web site (<http://resources.hewitt.com/xerox/>). You can also call the Xerox Benefits Center at **1.888.979.9961** (TTY: call your local relay service).

Note: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage and if your Xerox health plan coverage changes. You also may request a copy from the Xerox Benefits Center.

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. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare PDPs. In addition, you can get more information about Medicare PDPs from these places:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see your copy of the *Medicare & You* handbook for the telephone number) for personalized help.
- Call **1.800.MEDICARE (1.800.633.4227)**. For TTY assistance, call **1.877.486.2048**.

For people with limited income and resources, extra help paying for a Medicare PDP is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call **1.800.772.1213** (for TTY assistance, call **1.800.325.0778**).

Remember: Keep this notice. If you have Creditable Coverage and you enroll in one of the plans approved by Medicare that offer prescription drug coverage, you may need to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Important Notice

As you are making your benefits elections, there are some things that you need to know. By electing to enroll in a Xerox-sponsored health plan, you acknowledge that you understand, consent to, and authorize the following:

1. Certain of our health plan options share claims data with disease management vendors (or their subcontractors) who are business associates of the plan and have entered into special agreements with the plans that require them to maintain the privacy of such data to identify individuals eligible for disease management programs. Once eligible individuals are identified and contacted, participation in these programs is entirely voluntary.
2. To be eligible to receive the Health Assessment incentive of up to \$200 per person, you must complete the Health Assessment by the specified deadline. Please see page 4 for more information. Healthways, an independent company that is a business associate of the plan, will use Health Assessment results to identify individuals at risk of having health problems and who qualify for the Lifestyle Management Program. By completing the Health Assessment, you and/or your spouse/domestic partner agree to be contacted by the Lifestyle Management Program if the results indicate that you and/or your spouse/domestic partner may benefit from participation in the program. Furthermore, if you take the Health Assessment, you are giving consent for your results to be released to Xerox health care partners solely for the purpose of supporting efforts to promote health and wellness. All Xerox health care partners are legally and contractually required to preserve your privacy. Your individual results will never be shared with Xerox or used for any purpose other than supporting your health and wellness.
3. To be eligible to receive the “tobacco-free” incentive of \$200 per person, you must certify **each year** that you and/or your spouse/ domestic partner do not currently use any tobacco product (including cigarettes, cigars, pipes, chewing tobacco, and snuff) or are enrolled, or plan to enroll, in a smoking cessation program during 2009 if currently using a tobacco product. However, you are not actually required to successfully stop using tobacco products in order to qualify to receive the “tobacco-free” incentive.
4. Xerox recognizes that your health information is private. Accordingly, personally identifiable health information (PHI) is not shared with Xerox. Xerox may receive aggregate data not containing personally identifiable information.
5. You are responsible for ensuring that only eligible dependents are enrolled in the Xerox plans. If you enroll someone as a dependent who is not an eligible dependent under the terms of the plan, such as a child over the age limit, a grandchild, or a former spouse – or anyone else not eligible under the plan – and the plan learns that the individual is not eligible, the ineligible individual will not be covered by the plan for any ineligible expenses and you will be required to repay all applicable costs to the plan. Failure to notify the plan in a timely manner that an individual is or has become ineligible could cause the individual to lose his or her ability to continue coverage under COBRA (the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended).

To find out more about making your 2009 benefits elections, visit Your Benefits Resources™ at <http://resources.hewitt.com/xerox/> or contact the Xerox Benefits Center at 1.888.979.9961.

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