Exhibit 2: Subsidized Rates for Calendar Year 2016

The rates sheets attached to this Exhibit 2 represent subsidized benefit options, plus, in some cases, an administrative fee. A monthly tobacco surcharge of $80 applies to the rates set forth in 2.A, 2.B and 2.Ba.

2.A Active Employee Rates, Subsidized Extended Coverage Rates*, Approved Leave without Pay rates (disability, FMLA, military)

2.B Annuitant Rates** paid through annuity, where annuitant and spouse are under age 65

2.Ba Annuitant Rates** direct pay, where annuitant and spouse are under age 65 (same as 2.B plus 2 percent administrative fee)

2.C Annuitant rates** where every member of the family unit who is age 65 or older has elected a Medicare Advantage option and maintains Medicare Part B. These rates include "split eligibility" rates, where some family members are not enrolled in MA.

*SUBSIDIZED EXTENDED COVERAGE RATES

- State Employee defined in SHBP Regulation Section 111-4-1-.04(1)(a) who is discharged and who was eligible for Coverage under the SHBP for a period often (10) years, and is appealing the discharge to the State Personnel Board (111-4-1-.07(1)(a)(2))

- Members of the General Assembly who cease to hold office after July 1, 1981, who are eligible to retire at the time of leaving office, except for the attainment of retirement age, pursuant to a public retirement system to which the General Assembly appropriates Funds, and who do not withdraw Employee contributions from public retirement systems (111-4-1-.07(1)(b))

- Correctional officer injured by inmate violence while on duty who demonstrates that he or she was injured within a time period of five (5) years or less from becoming eligible for Medicare. (111-4-1-.07(1)(d)(l))

- An Enrolled Member who has made application for disability or service retirement and who may be eligible for retirement, and there is a reasonable expectation that the Enrolled Member is eligible for retirement except for completion of the administrative processing to begin the annuity payments. (111-4-1-.07(2))

- Eligible Covered Dependents of an Active State Employee (defined in 111-4-1-.04(l)(a)) who is killed while acting within the scope of his or her employment or receives bodily injury while acting within the scope of his or her employment that directly results in death thereafter. (111-4-1-.04(10)(f))

- Surviving Spouse of a Retired Employee who is included in Coverage at the time of death of the enrolled Retiree and <u>will not receive a monthly annuity</u> payment from one of the state supported retirement systems, who had been married to the Retired Employee at least one full year prior to the death of the Retired Employee (111-4-1-.04(10)(e))

- An annuitant whose annuity payments are not sufficient to pay the entire premium required for coverage as an annuitant shall pay the same premium as is required for coverage as an annuitant plus a processing fee. (111-4-1-.07(3))