



Vought Aircraft Industries, Inc.  
Post Office Box 655907  
Dallas, TX 75265-5907

October 27, 2005

Dear Retiree Medical Plan Participant,

As you know, costs for medical services and prescription drugs continue to rise. This means we must continually evaluate our retiree medical programs and, when necessary, make changes in retiree cost sharing and in our health care plan designs.

Outlined below are changes to your group health coverage that will be effective January 1, 2006, along with your retiree medical enrollment options for 2006. The enrollment period will be from November 28, 2005, through December 6, 2005.

#### **What is Changing for Medicare-eligible retirees?**

- Effective December 31, 2005, all current and future Medicare-eligible participants in Vought retiree health plans will no longer be offered health care coverage under the Blue Cross Blue Shield Medicare Supplement Plan (which included Caremark prescription drug coverage) or any Medicare HMO plans.
- Your monthly Medicare subsidy of \$28.80 will be discontinued as of December 31, 2005.
- Effective January 1, 2006, we are offering a new medical plan to Medicare-eligible retirees with a retirement date before 8/9/05. (See the enclosed brochure from PacifiCare.)
  - If you select this new PacifiCare plan, you will be given a monthly stipend of \$40 per member (paid directly to PacifiCare), to help pay for the cost of the plan. The total monthly cost of the new plan is \$79.86 per member per month.
  - **If you select the PacifiCare plan, your 2006 contribution will be \$39.86 per month (and \$39.86 per month for your spouse, if you are married and your spouse is a plan participant). Once you have enrolled and completed the appropriate paperwork, the first deduction will be taken from your January 2006 pension check.**

#### **PacifiCare Plan for Medicare-Eligible Participants**

- The new PacifiCare plan is a Private-Fee-For-Service (PFFS) “**medical plan only**” and does not cover prescription drugs. (See *the brochure enclosed.*) In order for you to have prescription drug coverage, you **must** enroll in a Medicare Part D program of your choice.

- You will be receiving more details directly from PacifiCare about their medical plan. It offers an open network of Medicare providers, co-pays for physician visits and in-patient hospital stays, plus no deductibles. Please review their materials carefully when weighing your options.
- **There are two things you must do by December 6, 2005 if you want to avoid an interruption in your medical coverage**
  - **Complete the enclosed enrollment form and return it to Vought Aircraft Benefits Center.**
  - **Assign your Medicare benefits by completing a form that PacifiCare will provide to you.**
- You may “opt out” of the PacifiCare plan and choose not to participate in it. If you opt out, you will have no group health coverage through Vought beginning January 1, 2006.

### **Options for Non-Medicare Eligible Participants**

- If you are not Medicare-eligible, we are continuing to offer you the various Blue Cross Blue Shield plans that we’ve offered in the past, with no changes to those plan designs for 2006. You will continue your prescription drug coverage through Caremark.
- If you live in California, you may be eligible to participate in either a Kaiser or PacifiCare HMO plan. Please call them directly at the numbers listed below if you would like to discuss the plan design they are offering in your area.
- You may choose to “opt out” all Vought medical plans offered for 2006. If you opt out, you will have no group health coverage through Vought beginning January 1, 2006.

### **Identification Cards**

- Medicare-eligible participants who select the PacifiCare PFFS plan for 2006 will receive a new ID card. If you also enroll in a Medicare Part D plan for your prescription drug coverage, you may receive a separate ID card from that plan.
- Any non-Medicare eligible participants who change plans will also receive a new ID card.

Show your new ID card to your medical providers and pharmacies on your first visit after January 1.

### **Confirmation Statement**

You will be mailed a confirmation statement (following the enrollment period) showing your health plan selections for 2006. Please read this statement carefully and call the Benefits Center if you have questions about your coverage.

## Life Insurance

If you are purchasing optional life insurance and have reached the next five-year age increment, your life insurance premium will increase. This premium will continue to be deducted from your monthly pension check.

## Enrollment Questions?

- PacifiCare PFFS                      1-800-287-0053
- PacifiCare HMO                      1-800-624-8822
- Kaiser HMO                          1-800-464-4000
- Blue Cross Blue Shield Member Services 1-888-979-4514
- **Vought Call Center toll free at 1-866-689-5999**  
**8 a.m. to 8 p.m. Monday through Thursday**

*Note: The Call Center will be closed during the week of Thanksgiving, between November 18 and November 27.*

## To Enroll:

- Medicare-Eligible: Fill out the enclosed Vought enrollment form for the PFFS Plan offered by PacifiCare
- Non-Medicare Eligible: Visit the Vought Excel Benefits Web site at [benefits.voughtaircraft.com](http://benefits.voughtaircraft.com) to view and select your medical plan options for 2006 or call the Vought Benefits Call Center.

Thank you for the opportunity to be of service with your retiree health care benefits.

Sincerely,



Cliff Collier  
Manager – Benefits

Enclosure: PacifiCare PFFS Brochure  
Enrollment Form + self-addressed return envelope  
<65 Salaried Contribution Schedule

The information in this document is intended as a summary. If there is a conflict between the information here and the official plan documents, the official documents will always determine how benefits are paid and the way the plan works. Any changes in retiree contributions or optional life insurance premiums will be effective January 1.