Active to Retiree
Version 1.0

Procedure Number:

002-TXS-ATR-PEN-PRO

Table of Contents

1. INTRODUCTION

1.1 Purpose

Document the understanding of the flow of transactions for the payment of pension benefits and the enrollment of retiree medical benefits to eligible applicants.

1.2 Document Management

All versions of this document are managed and controlled by Lehigh Hanson. The Pension and Benefits Department is also the owner of the processes supporting this document and is responsible for maintaining and updating this document. The document and all of its exhibits and/or related articles are accessible on the designated network drive in the Process Docs folder.

Accompanying documents will be stored in the folder containing this process document.

1.3 Roles and Responsibilities

Role	Responsibility
Pension Administrators	Calculates pension benefits, processes applications, manages pension files, approves and signs retiree correspondence. Coordinates enrollment of employees and administration of benefit programs. Maintains Employee Benefits department files.
Retiree Medical Benefits Coordinators	Calculates retiree medical benefits, processes applications, approves and signs retiree correspondence. Coordinates enrollment of employees and administration of benefit programs. Maintains Employee Benefits department files. Maintain enrollment for active to retiree benefits.

Table 1: Roles and Responsibilities

2. Retiring an Active Employee

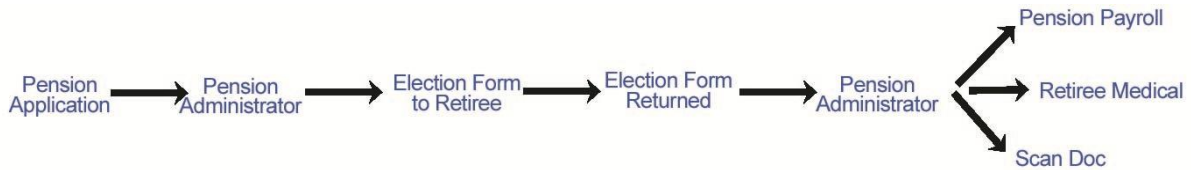## 2.1 Overview

When an application for pension benefits is returned to the Pension Department, the data received must be verified and the type of benefits must be determined.
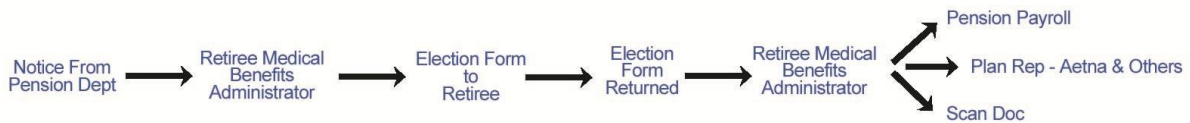
The retiree medical benefits must also be determined and enrollment set up.

2.2 Process Flow

Pension Process Flow

Retiree Medical Process Flow

Lehigh Hanson
HEIDELBERGCEMENTGroup

APPLICATION FOR PENSION BENEFITS

EMPLOYEE DATA

Name (Last, First, Middle): _____

Date of Birth: _____   Social Security Number: _____

Street Address: _____

City: _____   State: _____   Zip _____

Home Telephone: _____   Work Telephone: _____

EMPLOYMENT/RETIREMENT DATA

Retirement Date: I would like benefit payments to begin on _____

Employment Date: My last day of Lehigh Hanson employment is/was _____

Please indicate where you worked:

    ❑ Legacy Lehigh Employee Non-Union   ❑ Legacy Hanson Employee Non-Union

    ❑ Legacy Lehigh Employee Union   ❑ Legacy Hanson Employee Union

Type of Pension Requested: ( ) Normal   ( ) Deferred Vested

                                  ( ) Thirty (30) Year   ( ) Survivor's Benefit

                                  ( ) Early Immediate   ( ) Other

                                  ( ) Total and Permanent Disability

Are you eligible for or are you receiving an unreduced Soc. Sec. Benefit?   Yes ( ) No ( )

If the answer above is no, have you applied for an unreduced Soc. Sec. Benefit?   Yes ( ) No ( )

Are you receiving Workers Compensation Benefits or do you have a pending

claim against the company?   Yes ( ) No ( )

SPOUSE DATA

I am (circle one)   Married   Single   Widowed   Divorced*

*If divorced, please provide a copy of your divorce decree or Qualified Domestic Relations Order

    Spouse's Name: _____

    Spouse's Date of Birth: _____

    Spouses Social Security Number: _____

THIS SECTION TO BE COMPLETED BY HUMAN RESOURCES REPRESENTATIVE

Please provide a summary of the participant's work dates:

Start Date _____   End Date _____   Location/Pension Plan _____

Start Date _____   End Date _____   Location/Pension Plan _____

Start Date _____   End Date _____   Location/Pension Plan _____

Start Date _____   End Date _____   Location/Pension Plan _____

_____   _____

Employee Signature & Date   Company Representative Signature & Date

NOTE: Copies of the following must be attached: **Return completed form to:**

Employee's Birth Certificate   Attn: Pension Manager

Spouse's Birth Certificate   Lehigh Hanson

Marriage Certificate   300 E John Carpenter Frwy, Suite 1645

Divorce Decree or Qualified Domestic   Irving, TX 75062

        Relations Order (if applicable)

2.3 Process the Pension Benefit Application

When an application is received, it is entered into a tracking log by the Pension Administrator.

2.3.1.   Identify the applicant's employment record

After receiving an application, the first thing you must do is to confirm the applicant's employment record.

1. Login to JD Edwards.
2. Go to the Employee Information screen.

3. Confirm the employee's years of service, plan identity and eligibility.
4. If the applicant is a union or exempt employee, you can determine the final average earnings by accessing the report for Pensionable Earnings.
5. Print the report so you can compare the calculated results with verification documents and further calculation. [See the following pages for the input pages to generate the report.]

RETIREMENT PLAN FOR EMPLOYEES OF HANSON BUILDING MATERIALS AMERICA
DATA INPUT PAGE   8/30/10 10:36 AM

NAME:	Andrea Lenor	**SSN:**	346215789
DOB:	12/14/1955	**Prior Plan:**	HRI
SPOUSE DOB:		**RETIREMENT DATE:**	1/1/2010
DOH:	12/5/1989	**LUMP SUM DATE:**	9/1/2011
DOT:	12/21/2009		

Does benefit service begin accruing
1/1/1999 or later?
If 'Y', enter benefit service
start date:
Has participant accrued at
least 10 years of vesting
service as of DOT?

12/31/98 AB for Ratio Up: $	268.33
12/31/98 AB for Non-Ratio Up:	27.03
12/31/98 FAE: $	23,090.74
12/31/98 Vesting Service:	12.000
12/31/98 Benefit Service:	9.083
Did this participant elect the new retirement Program at 1/1/2006?	No

	PENSION EARNINGS	RATE OF PAY	FREQ.
2009	$22,851.77		1
2008*	$18,745.71		
2007*	$22,325.07		
2006*	$20,691.30		
2005*	$31,623.31		
2004*	$32,059.73		
2003*	$35,042.15		
2002*	$28,863.51		
2001*	$27,027.38		
2000*	$27,795.00		

* Earnings used in Final Average Earnings Calculation

Pension earnings are defined, in general, to be W-2 earnings plus Section 125 and 401(k) deferrals minus stock options, long term incentive pay, severance, expenses and other fringe benefits. Please note that, due to payroll policy changes, some bonus pa

Comments

RETIREMENT PLAN FOR EMPLOYEES OF HANSON BUILDING MATERIALS AMERICA

EARNINGS AND SERVICE CALCULATIONS   8/30/10 10:36 AM

NAME: Andrea Lenor   **SSN:**   346218789

	ELIGIBLE PENSION EARNINGS	ANNUAL RATE OF PAY	ESTIMATED ROP TO TERM	ALLOWABLE PENSION EARNINGS
Projected Rate of Pay		$39,624.00		
2009	22851.77		38538.41	39624.00
2008	18745.71		18745.71	18745.71
2007	22325.07		22325.07	22325.07
2006	20691.30		20691.30	20691.30
2005	31623.31		31623.31	31623.31
2004	32059.73		32059.73	32059.73
2003	35042.15		35042.15	35042.15
2002	28863.51		28863.51	28863.51
2001	27027.38		27027.38	27027.38
2000	27795.00		27795.00	27795.00

Benefit Service Calculation:

	PRE 12/31/1998	9.083
	POST 12/31/1998	10.973
Total Accrued Benefit Service at DOT:		20.056

* Earnings used in Final Average Earnings Calculation

RETIREMENT PLAN FOR EMPLOYEES OF HANSON BUILDING MATERIALS AMERICA

CALCULATION OF ACCRUED BENEFIT   8/30/10 10:36 AM

NAME:	Andrea Lenor	SSN:	346218789
DOB:	12/14/1955	PRIOR PLAN:	HRI
DOH:	12/5/1989	SSRA:	66
DOT:	12/21/2009	SSRD:	9/1/2011
SPOUSE DOB:		RETIREMENT DATE:	1/1/2010

Post 1/1/99 Benefit Accrual due to Pay Scale Adjustment on 12/31/98 Benefit

(1a.) Accrued Pension at 12/31/98	268.33
(1b.) Average Monthly Compensation as of DOT	2576.94
(1c.) Average Monthly Compensation as of 12/31/98	1924.23
(1d.) Pay scale adjustment [(1b.) / (1c.)]	1.3392
(1e.) Adjusted 12/31/98 accrued benefit [(1a.) x (1d.)]	359.35
(1f.) Benefit due to pay scale adjustment [(1e.) - (1a.)]	**91.02**

Post 1/1/99 Benefit Accrual due to Service after 1/1/99

(2a.) Accrued Benefit Service at DOT after 1/1/1999	10.973
(2b.) Covered Compensation	5157.00
(2c.) Average Monthly Compensation as of DOT	2576.94
(2d.) 1.1% of (2c.) x (2a.)	311.04
(2e.) 0.5% of [(2c.) > (2b.)] x [(2a.) <= 35 (total service)]	0.00
(2f.) Accrued Pension due to service after 1/1/1999 [(2d.) + (2e.)]	**311.04**

Total Accrued Benefit

(3a.) Total accrued benefit after 12/31/98 [(1f.) + (2f.)]	**402.06**
(3b.) Accrued Pension Before 12/31/98 not subject to pay adjustment	**27.03**
(3c.) Total accrued benefit at DOT [(1a.) + (3a.) + (3b.)]	**697.42**

RETIREMENT PLAN FOR EMPLOYEES OF HANSON BUILDING MATERIALS AMERICA
CALCULATION OF BENEFIT OPTIONS   8/30/10 10:36 AM

NAME:	Andrea Lenor		SSN:	346218789
DOB:	12/14/1955		SSRA:	66
DOH:	12/5/1989		SSRD:	9/1/2011
DOT:	12/21/2009		NRD BENEFIT:	697.42
SPOUSE DOB:			RETIREMENT DATE:	1/1/2010

AGE AT RETIREMENT:	ACTUAL	NEAR
Participant	64.333	64
Spouse		0

FACTORS	
Early Retirement Factor	0.9
10 C&C	0.919
50% J&S	0
100% J&S	0

BENEFITS: Spouse's Portion

Life Benefit payable at	1/1/2010	627.68	
10 C&C Benefit payable at	1/1/2010	576.84	
50% J&S Benefit payable at	1/1/2010	N\A	N\A
100% J&S Benefit payable at	1/1/2010	N\A	N\A

> **Do not provide retirement options unless a participant is eligible to retire immediately. A participant is eligible to retire immediately if he or she is at least 55 years of age and has at least 10 years of vesting service.**

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RETIREMENT PLAN FOR EMPLOYEES OF HANSON BUILDING MATERIALS AMERICA
                   CALCULATION OF LUMP SUM                              8/30/10 10:36 AM


NAME:        Andrea Lenor                              SSN:          346218789
DOB:            12/14/1955                             PRIOR PLAN         HRI
DOH:            12/5/1989                              SSRD:          9/1/2011
DOT:            12/21/2009                             NRD BENEFIT:      697.42




Lump Sum date:            9/1/2011

Age At Lump Sum date:     64.333


Lump Sum  =  12  x        697.42      x      10.5505      =       88,297.56



        ┌──────────────────────────────────────────────────────────────┐
        │  Please note that lump sum payment amounts are limited by the  │
        │  plan document.  Please check plan document before             │
        │  distributing payments.                                        │
        └──────────────────────────────────────────────────────────────┘
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Make sure all necessary paperwork is included with the application. Some applicant's may require more forms than other depending on their marital status.

2.3.2. Processing a Hanson Salaried Non Exempt Applicant

Once you have determined the contingent eligibility through JDE, you must double check in Fortis to verify the employment history and plan participation.
1. Login to Fortis and access the applicant's file.

2. Look thru the file and find any documents that contain employment history and compare to your findings in JD Edwards.
3. Next, login to KALOS (pension calculator) to confirm the information you have found in JDE and Fortis.
4. Now you can continue from KALOS and run the calculation.
5. When you get to the main screen, you will need to enter the applicant's information in order to run the calculator. See below:

Enter the following information:

1. Enter the applicant's social security number and spouse information if applicable.
2. Select Individual for the Batch information.
3. Select the appropriate plan (HBMA Lehigh.)
4. Data Source requires a decision:
    a. If active employee, use **RFACY08InputTC**
    b. If termed in 2008 or 2009, use **RFACY08InputTC**
    c. If termed in 2006 or 2007, use **RFACY07Input**
    d. If termed <2006, try **RFACYPre06Input**
5. Output Data Source:
    a. If active employee, use **2009Terms**
    b. If termed between 2003 and 2008, choose correct year
6. Year of Termination:
    a. If active employee, use 2009
    b. If termed between 2003 and 2008, choose correct year
    c. If termed 2002 or earlier, type in year
7. Choose Y for Apply Comp Limits
8. **Enter Projected Termination Date (mm/dd/yyyy)**
    a. If terminated, use actual term date
    b. If active, use information from Pension Application

      c. If active and no Pension Application, use end of month before Projected Retirement Date (see below)

9. Enter Projected Retirement Date (mm/dd/yyyy)
    a. If there is a Pension Application in the file, look to see what the requested date is.
    b. Also look to see how old the employee is
    c. If employee is age 65 or older, use 1st of month following today's date
    d. If employee is under age 65, compare date signed/submitted to date requested
        i. If requested date is 90 days out or more from signature date, use the requested date
        ii. If requested date is less than 90 days out from signature date, use 1st of month following 90 days out from signature date
    e. If in doubt, talk to Pension Administrators or Manager
10. Select your user ID.
11. Click Print From.
12. Click Run Calc.

6. Print the Word document calculation from KALOS with the summary sheet.
7. You can view and print a report style version of the data. See examples below.

Lehigh Hanson Retirement Plan   8/30/2010
Pension Calculation Estimate

Basic Demographic Information

Name:	Lenor, Andrea		Age at Retirement:	64
SSN:	346218789		Spouse Age at Retirement:	64
Date of Birth:	12/14/1955		Mo Carve Out Benefits:	0.00
Spouse's Name:	N/A		Mo Covered Compensation:	5,157.00
Spouse's Date of Birth:			Merge Mo Benefit For Sal Adj:	268.33
Original Date of Hire:	12/5/1989		Merge Mo Ben No Sal Adj:	0.00
Date Benefit Service Starts:	12/5/1989		Vesting Svc:	23.000
Merge Date:	1/1/1999		Benefit Svc:	20.083
Date of Termination:	12/31/2009		Vesting Svc at Merge Date:	12.0000
Date of Retirement:	1/1/2010		Benefit Svc at Merge Date:	9.0830

Accrued Benefit and Retirement Benefit – Main Pension Formula for Post Merge Service:

(a) .011 x FAE_{mo} x BenSvc Since Merge Date	317.24
(b) .005 x (FAE_{mo} - Mo Covered Compensation) x BenSvc (Max 35_{yrs} - BenSvc@Merge)	0.00
(c) Monthly Accrued Benefit – Main Pension Formula	317.24

Accrued Benefit and Retirement Benefit – Salary Adjustment for Post Merge Earnings:

(a) Merge Monthly Benefit For Sal Adj at Merge Date:	268.33
(b) Average Monthly Compensation at Date of Termination:	2,621.80
(c) Average Monthly Compensation at Merge Date:	1,924.23
(d) Salary Adjustment Factor Post Merge Earnings: [(b)/(c)]-1.000	0.3625
(e) Accrued Benefit Salary Adjustment for Post Merge Earnings: (d)x(a)	97.27

Total Monthly Accrued Benefit and Retirement Benefit:

(a) Merge Monthly Benefit No Salary Adjustment:	0.00
(b) Merge Monthly Benefit For Salary Adjustment:	268.33
(c) Accrued Benefit Main Formula for Post Merge Service:	317.24
(d) Accrued Benefit Salary Adjustment for Post Merge Earnings:	97.27
(e) Accrued Benefit Monthly Carve Out Benefits:	0.00
(f) Total Accrued Benefit: (a)+(b)+(c)+(d)-(e):	709.87
(g) Total Accrued Grandfathered Formula (if applicable):	0.00
(h) Early/Late Retirement Factor:	0.900
(i) Monthly Retirement Benefit:	638.88

Lehigh Hanson Retirement Plan   8/30/2010
Pension Calculation Estimate
Lenor, Andrea

Retirement Date: 1/1/2010

Retirement Benefit and Optional Forms of Annuity

(a) Monthly Life Annuity:					638.88
(b) Joint and 25% Survivor Annuity:	638.88	x		=	0.00
(c) Joint and 50% Survivor Annuity:	638.88	x		=	0.00
(d) Joint and 60% Survivor Annuity:	638.88	x		=	0.00
(e) Joint and 66 $^{2/3}$% Survivor Annuity:	638.88	x		=	0.00
(f) Joint and 75% Survivor Annuity:	638.88	x		=	0.00
(g) Joint and 100% Survivor Annuity:	638.88	x		=	0.00
(h) Five Years Certain and Life Thereafter Annuity:	638.88	x	0.98972	=	632.31
(i) Ten Years Certain and Life Thereafter Annuity:	638.88	x	0.96120	=	614.09

Highest 5 Consecutive Years of Earnings

Calendar Year	Earnings
2009	37,918.40
2008	18,745.71
2007	22,325.07
2006	20,691.30
2005	31,623.31
2004	32,059.73
2003	35,042.15
2002	31,440.98
2001	27,142.10
2000	27,795.08
Sum of High Five Years:	157,308.27
Average Monthly Salary (FAE$_{mo}$):	2,621.80

8. Compare the actual accrued benefits and check the Retirement Benefit Summary area to see which of the participant plans is the best selection.
9. Next you will need to compare the results with results from Navigator.
10. Login to Navigator and enter the SS# and estimated dates.
11. Run the Estimator and calculate the details.
12. Print the details to compare with KALOS details.
13. Once the estimate is run, you can choose to Push the data to HDO or enter it there manually.

14. Go back into KALOS and print the generated cover letter and the election packet. See

August 30, 2010

Ms. Andrea Lenor
RR 3 Box 3380
Stroudsburg, PA 18360

RE: Retirement Plan for Employees of Lehigh Hanson

Dear Ms. Lenor:

This packet is to provide you with the information and forms necessary to take a distribution of your benefit under the Retirement Plan for Employees of Lehigh Hanson on January 1, 2010.

Enclosed you will find the following forms; please review them carefully before making your selections.

1. Payment Option Election Form (provides benefit information and payment options);
2. Explanation of Payment Options and Relative Value;
3. Federal Tax Withholding form – W4P
   - If you wish to have federal tax withheld from your monthly benefit payment, please check Box 2, fill in the number of allowances and your marital status on the W4P. Tax will not be withheld unless the amount of your monthly benefit is above the amount at which withholding begins (approximately $500 per month).
   - You may elect to have a fixed amount withheld by checking Box 3 and indicating the amount to be withheld.
   - If you do not want taxes withheld, please check Box 1 on the form. If you elect not to have withholding apply to your pension payments, or if you do not have enough federal tax withheld from your pension payment, you may be responsible for payment of estimated tax. You may incur penalties under the estimated tax rules if your withholding and estimated payments are not sufficient.

4. Electronic Funds Transfer Agreement (Direct Deposit optional)

samples below:

Dated Material – There Is A Deadline for Returning Your Completed Payment Option Election Form.   If you wish to begin distribution of your benefit from the Plan on January 1, 2010, your properly completed Payment Option Election Form and your W4P Federal Tax withholding form must be returned to this office by September 9, 2010. Steps 2 through 8 on the form must be signed or completed in order for us to authorize the start of your payment.

If you do not return the forms within the allotted time frame (by January 1, 2010), payment of your retirement benefits will be delayed and your benefit will be recalculated and new forms sent to you.

If you have any questions on this material, please call me at (972) 653-6005.

Sincerely,

Marita Jordan
Pension Administrator

LEHIGH HANSON NON-UNION PENSION PLAN

PAYMENT OPTION ELECTION FORM

Early Retirement

General Instructions: Please complete all eight steps in this form and return it within the Election Period to the address below. Your Election Period is the 90-day period beginning on the Notice Date reflected in Step 1, which is the date that this election package has been sent to you.

Lehigh Hanson
Pension and Benefits Department
300 East John Carpenter Freeway
Suite 1645
Irving, TX 75062

STEP 1 - PARTICIPANT INFORMATION:

Please confirm your personal information:

Name:	Lenor, Andrea	Address:
Social Security Number:	346218789	9512 Randall Ln
Birth Date:	12/14/1955	Johnsville, LA 22587

Hire Date:	12/5/1989		
Termination Date:	12/31/2009	Notice Date:	8/30/2010
Spouse Name:		Benefit Starting Date:	1/1/2010
Spouse Birth Date:		Home Phone:	
Beneficiary Name:		Work Phone:	
Beneficiary Birth Date:			

STEP 2 – CHOOSE YOUR PAYMENT OPTION:

Please read the enclosed Explanation of Payment Options and Relative Value and check one of the payment options below. This form reflects your benefits determined as of the Benefit Starting Date reflected in Step 1, which is the first day for which you will receive payment. If you are married, the calculation has been prepared assuming your spouse is your beneficiary (unless you have provided us with information for another beneficiary). If you did not provide us with your spouse's or beneficiary's date of birth, the calculation below reflects a hypothetical beneficiary who is the same age as you. To request a calculation for a specific beneficiary, please contact Marita Jordan or Pat Carroll.

PAYMENT OPTIONS	Monthly Pension Beginning 1/1/2010		
	Participant	Surviving Spouse/ Beneficiary	Relative Value Compared to SLA if you are single and QJSA if you are married

4f - Payment Option Election Form ERD or NRD (not CBR Participants)   1

☐	**Single Life Annuity ("SLA")**: This option provides for monthly benefits for your lifetime only. This is the normal form for single participants unless you elect another option.	$638.88	N/A	100%
☐	**Qualified Joint & Survivor Annuity ("QJSA")**: This option provides for monthly benefits for your lifetime and a 50% surviving spouse benefit. This is the normal form of payment for a married participant unless you elect another option with spousal consent.			100%
☐	**25% Joint & Survivor Annuity**. This option provides for monthly benefits for your lifetime and a 25% benefit for your beneficiary. You must provide a copy of your beneficiary's Birth Certificate before payments will commence			100%
☐	**50% Joint & Survivor Annuity**. This option provides for monthly benefits for your lifetime and a 50% benefit for your beneficiary. You must provide a copy of your beneficiary's Birth Certificate before payments will commence.			100%
☐	**60% Joint & Survivor Annuity**. This option provides for monthly benefits for your lifetime and a 60% benefit for your beneficiary. You must provide a copy of your beneficiary's Birth Certificate before payments will commence			100%
☐	**66 2/3% Joint & Survivor Annuity**. This option provides for monthly benefits for your lifetime and a 66 2/3% benefit for your beneficiary. You must provide a copy of your beneficiary's Birth Certificate before payments will commence			100%
☐	**75% Joint & Survivor Annuity**. This option provides for monthly benefits for your lifetime and a 75% benefit for your beneficiary. You must provide a copy of your beneficiary's Birth Certificate before payments will commence			100%
☐	**100% Joint & Survivor Annuity**. This option provides for monthly benefits for your lifetime and a 100% benefit for your beneficiary. You must provide a copy of your beneficiary's Birth Certificate before payments will commence.			100%
☐	**Single Life Annuity with 60 Months Certain**. This option provides for monthly benefits for your lifetime. If you die before receiving 60 monthly payments, your beneficiary will continue to receive the same monthly payments until a combined total of 60 payments have been made.	$632.31	if participant did not receive 60 payments	100%
☐	**Single Life Annuity with 120 Months Certain**. This option provides for monthly benefits for your lifetime. If you die before receiving 120 monthly payments, your beneficiary will continue to receive the same monthly payments until a combined total of 120 payments have been made	$614.09	if participant did not receive 120 payments	100%

4f - Payment Option Election Form ERD or NRD (not CBR Participants)   2

☐ **Lump Sum** This option provides for a single lump sum amount if the present value of your benefit does not exceed $25,000.	$0.00	N/A	100%

STEP 3 – NAME YOUR BENEFICIARY:

If you elected any of the Joint & Survivor Annuities or the Single Life Annuity with 60 or 120 Months Certain, please designate who will be your beneficiary. Your designated beneficiary will be entitled to receive any benefits payable from the Plan after your death. **If you are married, your spouse must provide written consent in Step 5, part (a) if you choose a form of payment other than the Qualified Joint & Survivor Annuity.**

If you have elected a Joint & Survivor Annuity, you may name only one beneficiary. If you elected the Single Life Annuity with 60 or 120 Months Certain, you may name a contingent beneficiary, in case your primary beneficiary predeceases you.

Name/Relationship	Address	Date of Birth	SSN
Primary:			
Contingent:			

STEP 4 – QUALIFIED JOINT & SURVIVOR ANNUITY (QJSA) NOTICE AND WAIVER:

Please read the following notice and check the box for your marital status and election.

If you are married, you must receive your pension in the form of a Qualified Joint & Survivor Annuity (QJSA) which is a 50% joint & survivor annuity with your spouse as beneficiary, unless you waive the QJSA and elect another form. If you waive the QJSA, your spouse must voluntarily and irrevocably consent to your election and beneficiary designation in writing in the presence of a notary. No consent is required if you are not legally married (e.g., single, divorced, widowed) or if you were legally abandoned under applicable state law. You may revoke a QJSA waiver without your spouse's consent, but any new election will again be subject to the consent requirements. Your waiver, your spouse's consent, and any revocation and new election must be provided during the Election Period (described above in the General Instructions). If you are eligible to defer a distribution and choose not to make a benefit election at this time, you will have the opportunity to waive the QJSA during the Election Period for your later distribution. **(Please provide a copy of marriage certificate and spouse birth certificate).**

☐ I am single, divorced, or have been legally abandoned. (Enclose documentation for divorce or abandonment)

☐ I am married and have elected the QJSA with my spouse as beneficiary (no spousal consent is required). **(Please provide a copy of marriage certificate and spouse birth certificate).**

☐ I am married and waive the QJSA with my spouse's consent.

One of the following two statements MUST be completed by all participants:

☐ There is an outstanding domestic relations order affecting my Plan benefits due to my divorce or legal separation. (You MUST provide evidence of each outstanding court order).

☐ There are no outstanding domestic relations court orders affecting my Plan benefits

4f - Payment Option Election Form ERD or NRD (not CBR Participants)

3

STEP 7 – 30-DAY WAIVER

Step 7 applies only if your Benefit Starting Date is less than 30 days after the Notice Date (both reflected in Step 1). Otherwise, skip to Step 8. By law, you have the right to consider your benefit payment elections (including the right to defer a distribution or elect a direct rollover, if applicable) for at least 30 days after the Notice Date. You may waive the 30-day notice period, if you wish to receive payment as soon as administratively practicable.

If you waive the 30-day notice period, you may revoke your elections and the 30-day waiver, provided that your revocation is received before the Revocation Deadline. Your Revocation Deadline is the later of the seventh day following the Notice Date or the Benefit Starting Date. If a 30-day waiver is selected, your benefits will be distributed as soon as administratively practicable following receipt of your elections, but in no event prior to the Revocation Deadline. This 30-day waiver will only be valid if accompanied by all properly executed forms including, if applicable, the spousal consent in Step 5.

If you do not waive the 30-day notice period, your benefits will be paid as soon as administratively practicable after the 30-day notice period, provided that you have submitted your completed election forms.

Select one:

☐ **I wish to waive the 30-day notice period.** I understand that I may revoke my elections and this waiver until the Revocation Deadline.

☐ **I do NOT wish to waive the 30-day notice period.** I understand that if my benefit elections are received within the 30-day notice period, they will not be processed before the end of such period.

STEP 8 – AUTHORIZE THE PLAN TO PAY YOUR PENSION

I, _____ (print name), hereby acknowledge the following:

- I have read and understand this Payment Option Form and the Explanation of Pension Options and Relative Value and I understand how my elections will affect my rights under the Plan (as determined in accordance with the official Plan document, regardless of any conflict with this form).
- I understand that if my beneficiary (spouse or non-spouse) dies before my payments begin, my election will be cancelled automatically and I may make a new payment election.
- I have the right to cancel my elections until: (a) the later of my Benefit Starting Date or 30 days after the Notice Date; or (b) if I have consented to the 30-day Waiver in Step 7, the Revocation Deadline.
- I will receive the benefits elected if I do not cancel my elections before the Revocation Deadline.
- Once my payments begin, I may not change my benefit form or designated beneficiary for any reason, even if he or she dies before me or if my spouse and I divorce.
- All of the above information is true and accurate as of the date below. I understand that my benefits may be affected if I enter incorrect information or fail to confirm any other information on this form. In the event of any negligent or intentional misrepresentation or fraud by me, I acknowledge that I may be liable to the Plan for any overpayments paid to me in error.

_____   _____
Participant's Signature   Date

_____
To be completed by Human Resources:

_____   _____
Administrator Approval   Date

4f - Payment Option Election Form ERD or NRD (not CBR Participants)   5

15. You also need to go into BenView and find the earnings sheet there. Print it and add it to the file for auditing purposes. See the printout below:

	NavPenEarn	PenEarn	WebFocusEarn	ESDP
2003	35042.15	35042.15	35042.15	
2004	32059.73	32059.73	32059.73	
2005	31623.31	31623.31	31623.31	
2006	20691.3	20691.3	20691.3	
2007	22325.07	22325.07	22325.07	
2008	18745.71	18745.71	18745.71	0
2009	22851.77	22851.77	22851.77	0
2010	3049.04	Navigator as of Aug 16 2010 12:00A		0

Plan HBMA · Location 692 · Company 1011 · 1/1/06 Status ACTSVC · Current Status ACTSVC · SSN 346215789 · Name Lenor, Andrea · DOB 12/14/1955 · DOH 12/5/1989 · AdjDOH 12/5/1989 · Rehire Date 2/4/2002 · MergeDate 1/1/1999 · DOT · Termination Date · Term Date · AcqDate · Print · CloseForm

16. Before mailing, add a tax form and a direct deposit form to the packet.

17. Track the packet via the application log.
18. Forward the applicant's information to the Retiree Medical Benefits Department.
19. Keep the file until the Election paperwork is returned. The applicant has 90 days to return the election form.

2.3.3. Processing Grandfathered Plans

1. When processing an applicant who is in a "grandfathered" plan, you must run the calculations for the grandfathered plan as well as the current plan. You can find the plan parameters in the plan binders located in the Pension Department.
2. You may have to calculate the grandfathered benefits manually and insert the numbers into the input form in KALOS.
3. Once you have inserted the numbers, print the report and you can view the comparison. Select the best option for the applicant and use that as the benefit amount.
4. Print the letter and election packet as usual.

2.3.4. Processing Lehigh Applications

Lehigh applications are varied by different grandfathered plans. Lehigh applicants may be Union or Non-Union.

Once you have determined the contingent eligibility through PDS, you must double check in Fortis to verify the employment history and plan participation.
1. Login to Fortis and access the applicant's file.
2. Look thru the file and find any documents that contain employment history and compare to your findings in JD Edwards.
3. If the applicant is a Union employee, you will need to locate the binder that contains the details of the particular union plan and use the parameters there to calculate the pension amount.
4. If the applicant has various pension plans from legacy companies, you will need to locate the binders for those plans and use the parameters to calculate the various pension amounts.
5. You will need to use the multiple pension amounts to compare in the KALOS and BenView calculators.
6. Once you have the amounts entered, print the report with the highest pension amount option.
7. Compare the actual accrued benefits and check the Retirement Benefit Summary area to see which of the participant plans is the best selection.
8. Next you will need to compare the results with results from Navigator.
9. Login to Navigator and enter the SS# and estimated dates.
10. Run the Estimator and calculate the details. Print the details to compare with KALOS details.
11. Go back into KALOS and print the generated cover letter and the election packet.

12. Once the amount is approved, you can gather the packet information.
13. Before mailing, add a tax form and a direct deposit form to the packet.
14. Track the packet via the application log.
15. Forward the applicant's information to the Retiree Medical Benefits Department.
16. Keep the file until the Election paperwork is returned. The applicant has 90 days to return the election form.

2.3.5.   Process the Returned Election Packet

1. Once the election form is received, you must prepare a payment coding sheet for the pension payroll department.

2. Enter the Pay Group Number and account name.
3. Select New Participant and enter the Retirement Date.
4. Enter the Social Security number, Name and Date of Birth along with the current Address.
5. In the Payments box, enter the payment amount and Beginning and Ending dates.
6. Enter any special instruction in the bottom area.
7. Designate whether there is a Direct Deposit form attached and a tax withholding form.
8. Sign and move file to pending approval.
9. Keep the entire file except the Beneficiary form at hand until the first check is distributed.
10. Send the beneficiary form to the appropriate department for filing in case there is a death before the payments start.
11. After the first payment is received, send the file to the scanning department to be scanned and loaded into Fortis.
12. File the paperwork appropriately.

2.3.6. Process Retiree Medical Benefits

2.3.6.1. Lehigh Employees

When an application for benefits is received, use the Checklist for Retiree Medical Eligibility (Non-Union or Union) to determine if the Employee is eligible to receive the benefits.

Use the checklist forms (see below) for union and nonunion retirees to record the appropriate information for review.

<u>**Checklist for Retiree Medical Eligibility**</u>
<u>**Lehigh Non-Union Employees**</u>

Name_____SS#_____Gender_____

Address_____City_____State_____Zip_____

AB#_____   Salary Type_____

Spouse Name_____SS#_____

Spouse date of birth_____   Gender_____

□ **Employee date of birth_____   Age on December 31, 2008_____**

□ **Date of hire_____   Retirement Date_____   Service years on Dec. 31, 2008_____**

<u>**Eligibility**</u>

▫ **On December 31, 2008**
  Employee is 55+ years old and has at least 5 years of service.
▫ **Or on December 31, 2008**
  Employee is 50+ years old and has 10+ years of service and 60+ years old on retirement date
▫ **Or on December 31, 2008**
  Employee is 40+ years old and has 15+ years of service and 60+ years old on retirement date
▫ **Or** hired between **January 1, 2004 and December 31, 2008** and 60+ years old on retirement date.

<u>Contributions</u>
  <u>Under 10 years of service rates</u>
    Employee is 55+ and has between 5 and 9 years of service.
  <u>Over 10 years of service rates</u>
    Employee is 50+ years old and has 10+ years of service **and 60+ years old on retirement date**
    Employee is 40+ years old and has 15+ years of service **and 60+ years old on retirement date**
  <u>Full cost with no company subsidy</u>
    Hired between **January 1, 2004 and December 31, 2008** and 60+ years old on retirement date.

Life Insurance _____

□   Letter to retiree _____   <u>**Contributions**</u>

□   Write up changes in data (JDE) _____   Retiree only_____

□   Notify appropriate carriers other than Aetna_____   Retiree + one_____

□   Calculate pension deductions_____   Retiree + family_____

□   Process COBRA when necessary_____

□   Update spreadsheet_____

Checklist for Retiree Medical Eligibility
Lehigh Union Employees

Name_____SS#_____Gender_____

Address_____City_____State_____Zip_____

AB#_____ Salary Type_____Union_____

Spouse Name_____SS#_____

Spouse date of birth_____ Gender_____

□ Employee date of birth_____ Age at Retirement_____

□ Date of hire_____ Retirement Date_____ Service years at Retirement_____

Retiree Life Insurance Amount _____

Checklist

□ Letter to retiree _____

□ Write up changes in data (JDE)_____

□ Notify appropriate carriers other than Aetna_____

□ Calculate pension deductions_____

□ Process COBRA when necessary_____

□ Update spreadsheet_____

□ Medicare reimbursement _____

1. First enter the employee's name and SS# along with their personal information on the form.
2. Next, login to JD Edwards and look up the employee's information.
3. Type in the employee name or number and click **All** on the Active Terminated selection box.

4. Select the record and Review the employee's Termination date and Stop Pay date. This will determine if there is severance being paid. If the Stop Pay date is after the Termination date then severance is being paid and you can elect from the termination date for the first month to continue active benefits to the end of the severance period.
5. Go to the Employee Information Screen.
6. Review the Hire Date, Start Date and the Benefit Group. Find the employee's Date of Birth.
7. Next, go to Dependent Information (beneficiary) screen and check for spouse/dependent and add DOB and Social Security Number to the form.
8. Qualifiers for retirement medical benefits are age and years of service. Years of service determines the benefit premium amount.
9. Review the chart in the document 2010 Rate Development sheet to see the benefit premium amounts for each plan.

Lehigh Retirees - 2010 Rate Development
7/22/2010

Approved by V. Waldrop 7/23/2010. mk

	#Ret	2008 EE Cost	2009 EE Cost	Full Rate	Contributions			2010 EE Cost	Full Rate	Rate Incr	Contributions			Hanson Retirees Pay-2010		
					% of rate	$ Incr	% Incr				% of rate	$ Incr	% Incr	20 YOS	25 YOS	35 YOS
Under 65 / PPO Plans																
EO	15	$179	$199	$687	29%	$20	11%	$199	$687	0%	29%	$0	0%	$394	$312	$197
E1	52	$199	$269	$1,374	20%	$70	35%	$344	$1,374	0%	25%	$75	28%	$788	$624	$394
EF	10	$248	$318	$1,718	19%	$70	28%	$393	$1,718	0%	23%	$75	24%	$1,183	$936	$591
HMO Plans																
EO	12	$59	$100	$467	21%	$41	69%	$165	$660	41%	25%	$65	65%			
E1	9	$116	$186	$934	20%	$70	60%	$261	$1,262	35%	21%	$75	40%			
EF	1	$175	$245	$1,168	21%	$70	40%	$320	$1,503	29%	21%	$75	31%			
Over 65 / Indemnity Plans																
EO	174	$49	$70	$303	23%	$21	43%	$87	$347	15%	25%	$17	24%	$147	$114	$68
E1	211	$99	$150	$606	25%	$51	52%	$174	$694	15%	25%	$24	16%	$295	$228	$135
EF	0	$150	$175	$758	23%	$25	17%	$217	$868	15%	25%	$42	24%	$442	$343	$203
HMO Plans																
EO	17	$39	$55	$221	25%	$16	41%	$70	$280	27%	25%	$15	27%			
E1	9	$78	$110	$441	25%	$32	41%	$130	$520	18%	25%	$20	18%			
EF	0	$116	$138	$552	25%	$22	19%	$160	$641	16%	25%	$22	16%			
Split / PPO/Indemnity Plans																
E1	48	$198	$242	990	24%	$44	22%	$259	$1,034	4%	25%	$17	7%	$542	$426	$265
EF	0	$248	$286	1293	22%	$38	15%	$302	$1,208	-7%	25%	$16	6%			
HMO Plans																
E1	2	$116	$168	$688	24%	$52	45%	$235	$940	37%	25%	$67	40%			
EF	6	$175	$221	$908	24%	$46	26%	$281	$1,123	24%	25%	$60	27%			

Regardless of Plan Selected Until Eligible for Medicare (Under 10 retirees affected)
Same % EO; incr EF; Opt 1

	2009 EO	2009 E&Dep	2010 EO	2010 E&Dep	Incr EF E&Dep
5 yrs	$378	$687	$378	$721	$34
6 yrs	$344	$584	$344	$659	$75
7 yrs	$309	$481	$309	$556	$75
8 yrs	$275	$398	$275	$473	$75
9 yrs	$243	$348	$243	$423	$75

Percent of Cost

	EO	E&Dep	EO	E&Dep
5 yrs	55%	50%	55%	52.5%
6 yrs	50%	43%	50%	48.0%
7 yrs	45%	35%	45%	40.5%
8 yrs	40%	29%	40%	34.4%
9 yrs	35%	25%	35%	30.8%

10. The premium amount depends on the ages of both retiree and dependent. The costs vary depending on whether both retiree and dependent are under the age of 65, over the age of 65, or if one is over and one is under the age of 65.
11. All Non-Union employees have $10,000 in life insurance that transfers to their retirement benefits. This is UNUM Life which is based on the collective bargaining agreement. Add the rates to the form.

Employees Receiving Severance - Enrollment

In order to qualify for benefits, the employee has to have had active benefits when they retire. If an employee is given a severance payment until their retirement date, they must opt to receive Cobra benefits during their severance period up until their retirement date. If there is a lapse in coverage during a severance period, the employee will not be eligible for medical benefits upon retirement.

1. From JD Edwards, go to the Benefit Admin/Daily Processing/Enrollment Overrides screen, enter the employee id (ss# or employ #).
2. Click the Past Enrollment checkbox to see if the employee is receiving severance (Termination Date passed.)
3. Make sure that the employee was enrolled up to their termination date.
4. Check with Aetna to see if they continued their COBRA to be eligible. This step is only necessary for employees receiving severance payments. Contact the COBRA representative via email with the employee name and last four digits of the Social Security Number to see if their coverage was continued.

Send the Retiree Medical Benefits Packet.
1. Look in the RETIREE LETTERS folder on the BenShare network drive. Find the form letter that best fits the type of employee (non-union, union with the specific union name.)
2. Insert the name, address and premium amounts and save the file in the Sent Letters folder.

Lehigh Hanson
HEIDELBERGCEMENTGroup

Lehigh Hanson, Inc.
Pension & Benefits Department
300 E. John Carpenter Freeway
Suite 1645
Irving, Texas 75062

Andrea Lenor
9431 Downing St
Jamestown, PA 95027

FILE COPY

May 19, 2010

RETIREE MEDICAL BENEFITS

Dear Mr. Lenor:

Please take some time to look over the important information included with this letter regarding the retiree benefits offered to you by Lehigh Hanson. Enclosed you will find the following forms and information:

- Aetna Plan Summary for Medicare eligible retirees
- Lehigh Hanson Retiree Medical Enrollment Form
- Beneficiary Designation form
- Unum Life Insurance Conversion Form
- Unum Life Insurance Portability Application
- Frequently Asked Questions

Please read the instructions carefully before making your elections, complete the enrollment form and the beneficiary form, and sign and date both forms. You may return the forms in the enclosed self-addressed envelope. You have 30 days from the date of this letter to elect the retiree coverage. If you have been offered a severance benefit which includes continued medical coverage at the active employee rate, there are three opportunities for you to elect retiree coverage. You may elect to start your retiree medical coverage:

1. when your employment ends;
2. at any time during your severance period;
3. or at the end of your severance period.

If you do not choose option #1 above, you must continue your medical coverage for you and your eligible dependents during your severance period in order to be eligible for retiree coverage. **Please be advised that if you choose not to take medical coverage at one of the above mentioned opportunities, you will not be eligible at a future date.** If, after reviewing this information, you wish to defer your election for retiree medical due to a severance agreement, please contact me within 30 days of the date of this letter.

Retiree Coverage
Page 2

Lehigh Hanson
HEIDELBERGCEMENTGroup

Your monthly premium for retiree-only coverage will be $70 and for you and one eligible dependent it is $150 a month. This is based on your years of service and your Medicare eligibility. Coverage and premiums are effective on the first of the month in which you elect to start. This premium is subject to change and the next review is scheduled for August 1, 2010.

If you have elected to begin receiving your pension benefit when your employment with Lehigh Hanson ends, your monthly premium will be deducted each month from your check. If you are not receiving a pension check at the time of retirement you must send your first check made out to Lehigh Hanson, Inc. and mail it to:

> Lehigh Hanson, Inc.
> Pension and Benefits Department
> 300 E John Carpenter Freeway
> Irving, TX 75062

Subsequent payments will be billed by Aetna and will include mailing instructions. Failure to make your premium payments in a timely manner will result in cancellation of coverage.

Once you elect the coverage, the Lehigh Hanson plan will be secondary to Medicare and Medicare will then be the primary payer of your medical claims and those of your spouse. You must both be enrolled in Medicare Parts A and B in order for the Lehigh Hanson Plan to be able to determine benefits. **Once you are eligible for Medicare, the Lehigh Hanson Plan will pay secondary to Medicare, whether you enroll in Medicare or not. For example, should you decide not to enroll in both Medicare Parts A & B, you will be responsible for your plan deductibles, co-payments and/or co-insurance in addition to any costs Medicare would have paid had you enrolled in Medicare. The Lehigh Hanson prescription plan will continue to be your primary drug coverage.**

Dental and vision coverage are not offered as part of your retiree benefits. You will receive in the mail the option to elect to continue that coverage through COBRA.

Your life insurance coverage once you retire will be $10,000. This coverage is offered at no cost to you. Any coverage over and above the $10,000 that Lehigh Hanson offers you now as an active employee may be converted or ported to an individual policy. You must submit the conversion and/or conversion form to UNUM Provident within 31 days of your retirement date. If you wish to convert or port your remaining life insurance coverage please complete the enclosed Unum forms and mail it to the address on the form.

Retiree Coverage
Page 3

Lehigh Hanson
HEIDELBERGCEMENTGroup

Although Lehigh Hanson expects the plans to be permanent, the Company reserves the right to amend, modify or terminate the plans in whole or in part at any time and for any reason including, but not limited to, levels of benefits, contributions, providers of benefits and eligibility for coverage. Rates and benefits quoted above are present rates and benefits and are subject to change.

If you have any questions, please contact me at 972-653-6252.

Sincerely,

Ileana Walter

Ileana Walter
Benefits Analyst
Pension & Benefits Department

Enclosures

3. Include in the packet the Retiree Election Form, also found in the Retiree Letters folder.

<u>**RETIREE ELECTION FORM**</u>

First Name	Middle Name	Last Name	Suffix (Jr., Sr., III, etc.)

Social Security #	Date of Birth	Male/Female

Mailing Address

City	State	ZIP code

Home (Evening) Phone	Business (Daytime) Phone

Medical

Please indicate the plan you want to elect:

_____ Retiree only   _____ Retiree & 1

_____ Retiree + family   _____ No Medical Coverage

Complete if enrolling currently eligible dependents:

Member Name	Social Security #	Dep. Code*	Sex	Date of Birth	Eligible for Medicare?

*Dependent Codes: S=Spouse, C=Child, F=Full Time Student (19-23 years), H=Handicapped Child

Do you intend to begin your monthly pension benefit at this time? Yes_____ No_____

If you have elected to begin receiving your monthly pension check when your employment with Lehigh Hanson ends, your monthly premium will be deducted each month from your check. If you are not receiving a pension check at the time of retirement or if your pension check is not sufficient to cover the full cost, you will be billed by Aetna. The Aetna bills will include mailing instructions. Failure to make your premium payments in a timely manner will result in cancellation of coverage.

Please read and sign:
My signature below indicates that I have read and understand the coverage options available to me as a Lehigh Hanson Retiree. I authorize the pension plan trustee to withhold the retiree medical premium, if any, required for the coverage I have elected on this form. These amounts, if any, will be withheld from my monthly annuity payment. This authorization shall continue until amended or withdrawn by me in writing. I certify that the information I have furnished above, to the best of my knowledge and belief, is true, correct and complete.

Signature: _____ Date:_____

4. Also include copies of the eligible medical plan summaries, life insurance beneficiary designation form, UNUM life insurance notification of conversion privilege application and instructions packet, General Eligibility and Participation Requirements.
5. The Retiree Election Form and the Beneficiary Designation Form will be returned to the benefits group. The life insurance conversion form and the life insurance portability form (if applicable) will be returned directly to UNUM.
6. Retiree Medical Benefits are separate from pension benefits. A retiree can start the medical benefits before starting pension benefits. If the retiree does start receiving

pension benefits at the same time as medical benefits, the benefit payments should be deducted from the pension payments that the retiree receives. Otherwise, Aetna will bill the employee directly for the medical benefits.

Process the Returned Retiree Medical Election Form

1. When the Election Form is returned, complete a Retiree Change Form and send to the Employee Services group to enter the new data into JD Edwards.

Lehigh Hanson
HEIDELBERG CEMENT Group

RETIREE CHANGE FORM

Lehigh / Hanson

| Retiree SSN | 224-34-8790 | JDE (Agg-Pipe-Brick-MSC) Retiree AB Number | 727 1217 |

Retiree Name _Franklin Armand_

- [ ] Death of Retiree/Cancel Coverage
- [ ] Benefits Change
- [ ] Address Change
- [ ] Personal Information Change/Correction
- [x] New Retiree
- [ ] Surviving Spouse

DEATH OF RETIREE/ CANCEL COVERAGE

Date of Death _____

Survivor Benefits beyond 3 months?   Y   N

Term Coverage Date _____

Pay Status_____(death=E, term benefits=T)

Benefit Status __**X**____

Reason Code ___**RDH**___

ADDRESS CHANGE (NEW Address Shown)

Address 1_____

Address 2_____

City _____

State _____Zip _____

Phone _____

NEW RETIREE

Reason Code   ___**DRT**___

Benefit Group   RET _012___

Ben Status   ___**A**___

Pay Status _R__(Surviving Sp=S, retiree=R)

Search Type _R_(Surviving Sp=SS, retiree=R)

Job Step_____determined by the SSC

Job Type_____determined by the SSC

PERSONAL INFORMATION

Identify Retiree or Dependent and indicate what needs to be updated

COPY

CHANGE OF BENEFITS

Member	Plan ID	Plan Option	Effective Date
Retiree & Spouse	RM403RG	EO (EF) SPL FO	8-1-10
Member	Plan ID	Plan Option	Effective Date
		EO EF SPL FO	
NON-AETNA COVERAGE	Plan ID	Plan Option	Effective Date
		EO EF SPL FO	

Ileana Walter
Group Insurance Approval

_6-16-10_
Date

Last Revision: 5/25/2010

2. If the retiree is collecting pension distributions, complete a Periodic Coding Sheet for entering the benefit payment amount into the JP Morgan system to deduct from the pension distribution.
3. If the retiree is not receiving pension distributions, email the employee information and deduction amount to Aetna for billing.
4. The returned election form should include a check for the first month's coverage.
5. Create a file for the retiree and keep it handy for a while in case something comes up and needs addressing. The one document that should be scanned into Fortis immediately is the Beneficiary form in case there is a death claim.
6. Next, update the information in the tracking spreadsheet (RETIREE PACKETS SENT.xls.)
7. If the retiree elects to receive medical benefits, the first month's payment is required when they return the election form. Make a copy of the check for the retiree's file and send the check for deposit.
8. After a reasonable amount of time, send the retiree benefit election file to the Employee Services group for scanning and uploading into Fortis.

Processing Union Employees

Union employee's benefits are based on the specific union's plan.
1. Use the Checklist for Retiree Medical Eligibility Lehigh Union Employees form to begin processing the retiree.

Checklist for Retiree Medical Eligibility
Lehigh Union Employees

Name_____ SS#_____ Gender_____

Address_____ City_____ State_____ Zip_____

AB#_____ Salary Type_____ Union_____

Spouse Name_____ SS#_____

Spouse date of birth_____ Gender_____

□ Employee date of birth_____ Age at Retirement_____

□ Date of hire_____ Retirement Date_____ Service years at Retirement_____

Retiree Life Insurance Amount _____

Checklist

□ Letter to retiree _____

□ Write up changes in data (JDE)_____

□ Notify appropriate carriers other than Aetna_____

□ Calculate pension deductions_____

□ Process COBRA when necessary_____

□ Update spreadsheet_____

□ Medicare reimbursement _____

2. Union retirees are eligible for benefits stated in the contract in effect at the time of retirement. Contributions also vary per contract. Copies of the contracts can be found on the Benshare network drive.

Lehigh Union Retiree Rates   Updated 8/2/10

Tehachapi	Retiree	Ret + 1	Family
Aetna HMO	$17.70	$33.20	$43.80
Aetna PPO	$17.44	$32.24	$44.13

Mitchell, Leeds, York, Union Bridge	Rates effective 2-1-10		
USW Coverage- Pre-Medicare			
30+ service time	$4.32	$9.90	$12.69
25 but less than 30 years	$12.95	$29.69	$38.06
20 but less than 25 years	$21.59	$49.49	$63.44
15 but less than 20 years	$32.39	$74.23	$95.15
Post Medicare	no cost		

Standard Concrete Inc			
Aetna Medical	$465.13	$790.68	$1,034.84
Pacificare	$398.16	$891.66	$1,297.16
Kaiser HMO	$355.37	$710.75	$1,005.71

Evansville			
Aetna Medical, Dental, Vision	COBRA rates		

Mason City			
Aetna Medical (pre & post Medicare)	$20.00	$35.00	$50.00

Brooklyn			
	No retiree medical		

Waco			
Scott & White (under 65 only)	$20.00	$38.00	$50.00
Aetna under 65	$20.00	$38.00	$50.00
Aetna over 65	$12.00	$25.00	$38.00

Redding			
	$46.88	$122.98	$146.32

3. You will have to use your information gathered on the checklist to determine the particular benefits for that retiree and their specific plan. Once you determine the benefits, find the appropriate letter listed in the Retiree Letters folder. The letters will be different for over and under the age of 65 and whether or not the employee is disabled.
4. When sending the letter, include the Election form for union employees and any other forms and information that is specific to that plan and stated in the letter, i.e. particular medical plan summary, Steelworkers Health & Welfare Fund Enrollment Form, etc.
5. Save a copy of the letter in the Letters Sent folder and follow the same basic steps as you would for a non-union employee.

Alerting Employees Turning 65

Benefits are different if the retiree is turning 65 or already over 65. Benefits will be based on Medicare involvement.

1. Once per month, a report is run based on employee date of birth and who will be turning 65 within the next three months. This report lists the employee name, address, SS#, date of birth and their specific retirement plan.
2. A separate report is run for the dependents based on date of birth as well that includes name, address, ss#, date of birth as well as the retiree's name and retirement plan.
3. Then a report is run for the addresses to export and use to send letters regarding information for medical benefits after turning 65.
4. These reports are run through WebFocus (JD Edwards.)
5. There are standard letters in the Turning 65 folder for each scenario. The letters are sent out including medical plan summaries, Medicare information and certificate of credible coverage depending on the scenario.

2.3.6.2. Hanson Employees

Salaried Hanson Employees

If Hanson employee is salaried, the following rule applies in regard to retirement medical benefit eligibility:

- If on 01/01/2005, the employee was 50 years or older and had 10 years of post-acquisition service,
- Or 40 years old with 15 years of post-acquisition service, they may be eligible for medical benefits.
- If they were hired after January 1, 2005, they are not eligible for retirement medical benefits.

Hourly Hanson Employees

If Hanson employee is hourly, the following rule applies in regard to retirement medical benefit eligibility:

Hourly – non union Aggregates West and Concrete Pipe and Products employees
- If, at the end of 2000, the employee was 55 years old and had 10 years of service,
- Or if their years of service plus their age equals 70 with a minimum or 10 years of service, they may be eligible for retirement medical benefits.

Below is the checklist used for Hanson employees:

_____   **Date of Retirement**

SSN_____   Spouse: _____

AB# _____   Spouse SSN _____

DOB _____   DOB _____

Current age - _____   Current age - _____

Current coverage: _____

Date of Hire: _____   [Acquisition: _____ Adjusted DOH_____]

Years of service @ retirement _____   Retiree contribution % _____

Severance agreement information: _____

Eligibility:

Grandfathered?   **YES**   **NO**   _____

HOURLY non-union:	**SALARIED:**

Cut-off date: 12 – 30 - 2000   Cut-off date: 12 – 31 - 2004 [actually 01/01/2005]
Date of hire: _____   Date of hire: _____
                _____ years of service   ____ years of service

Cut-off date: 12 – 30 - 2000   Cut-off date: 12 – 31 - 2004 [actually 01/01/2005]
Date of birth: _____   Date of birth: _____
               _____ age at cut-off   _____ age at cut-off

Age 55 with 10 years   Age 50 with 10 years
Rule of 70 with 10-yr minimum   Age 40 with 15 years

Retiree cost: _____   **Retiree plan ID:** _____   **LIFE AMOUNT:**

Dependent: _____   **Dependent plan ID:** _____   _____

        TOTAL: _____

Phone # _____

Address: _____ City _____ State_____ Zip_____

___Packet sent   ___Update spreadsheet
___Election Form received   ___FAS record
___New Retiree Change Form – JDE   ___Med D record
___Notify Aetna (or other carrier)   ___Add to Life bill
___Coding sheet for deduction

There are old Newsletters that have the retirement standards that Hanson employees receive. Refer to these newsletters when determining eligibility.

Hanson BENEFITS

non-union hourly
Agg East never had retiree med

Retiree Benefits

Hanson Building Materials America (HBMA) provides a comprehensive benefits package to its employees, consisting of health, dental, life and disability insurance. In addition, HBMA also provides a defined benefit pension plan, a 401(k) savings plan and also contributes to Social Security, all of which help to provide retirement income.

The Company recognizes that access to medical insurance, including prescription drug coverage, and life insurance protection are important **benefits** to have during retirement. HBMA **desires** to provide retiree benefits at a reasonable **cost** to both the Company and its retirees for se who meet the eligibility requirements, even gh many other companies are eliminating **retiree** benefits due to their cost.

To promote uniformity throughout the organization and to enable HBMA to continue offering **benefits** to current and future retirees in the years **to** come, HBMA is changing the retiree medical **benefits** plan to align with the active employee **benefits** plan. This change will affect eligibility, **benefit** plan provisions and contribution amounts.

This newsletter summarizes the major features of HBMA's new retiree benefits plan. Please read it. **Any** questions should be directed to your local **Human** Resources Representative.

General Eligibility for Retiree Medical Benefits

Medical benefits will be offered to salaried employees who are at least age 60 with 10 years of service at 'irement.*

nerally, salaried employees of newly acquired companies by HBMA must have at least 10 years of service following the acquisition in order to be eligible for retiree benefits. Questions should be directed to your local Human Resources Representative.

Hourly non-union employees of the Aggregates West and Concrete Pipe & Products Divisions of HBMA are eligible for retiree benefits in the future if, as of December 30, 2000, the following age and service requirements are met:

- At least age 55 with 10 or more years of service, or
- Age and service combination that equals 70 or more, with a minimum length of service of ten (10) years.
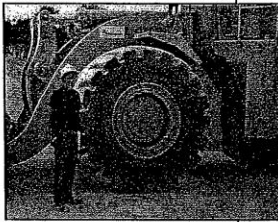
Eligible Dependents

Your legal spouse and your unmarried dependent children are eligible for retiree benefits. Dependent children include:

- Natural children
- Adopted children
- Children for whom you have legal custody, or for whom you are legally responsible for providing benefit coverage, or for whom you are providing at least 50% of financial support.

Children are eligible for coverage from birth up to their 19th birthday. The age limit may be extended up to their 25th birthday if the child is unmarried and continues as a full-time student. Dependent children can be covered without age restriction if the child is incapable of self-support due to an illness or injury that occurred prior to age 19.

You may be asked to provide evidence that your dependents meet the eligibility requirements, such as birth certificates, adoption or guardianship papers, a marriage license, full-time student certification or your federal income tax return.

In the case of marriage after retirement, a new spouse and any future children with that spouse will not be covered.

Retiree Newsletter 2000

Not only do your retiree benefits include medical and life insurance coverage, but also Prescription Drug coverage!

Hanson Building Materials Benefits Newsletter

Hanson BENEFITS

*** Important: Hanson Permanente Cement ***

Hanson Permanente Cement Eligibility Requirements

You may be eligible for medical benefits if you are a salaried or non-union hourly employee and meet any of the following criteria as of December 31, 2000:

- If you are at least age 55 with 10 years of service, or
- If you meet the "Rule of 70," which is if your age + years of service equal at least 70.

Salaried employees who are at least age 62 with 5 years of service as of December 30, 2000, are also eligible for coverage.

will also be eligible for:
- immediate retirement before the age of 60 with 10 years of service.
- Medicare Part B premium reimbursement at current capped amount.
- Contribution percentage--this will be calculated as though you had 35 years of service and qualify for the maximum HBMA subsidy under the new program.

Summary of Retiree Life Benefits

The Company will provide the following Basic Life Insurance at no cost for salaried or non-union hourly employees who retire on or after age 60 with at least 10 years of service.

Salaried Retirees	$10,000
Hourly Retirees	$ 5,000

Salaried retirees who meet the Hanson Permanente Cement Eligibility Requirements, will also be eligible for the following instead:

- Life insurance coverage equal to one or two times your salary at retirement. This amount will be reduced by 1% per month for 75 months to a maximum of 25%. The minimum payment will be no less than $2,000.

Other Benefits Available

In certain locations, a Medicare HMO may be available, such as the Kaiser Foundation Health Plan (KFHP) HMO. In such cases, the retiree may elect to join the HMO at age 65 as an alternative to the out-of-area plan.

The HBMA contribution percentage will be applied to the cost of the Medicare HMO coverage. If the cost of the Medicare HMO exceeds the cost of HBMA's Medicare supplemental plan, then the retiree will be required to pay the full difference, plus the required contribution amount for the HBMA supplemental plan.

Please contact Human Resources for more information on the availability of a Medicare HMO.
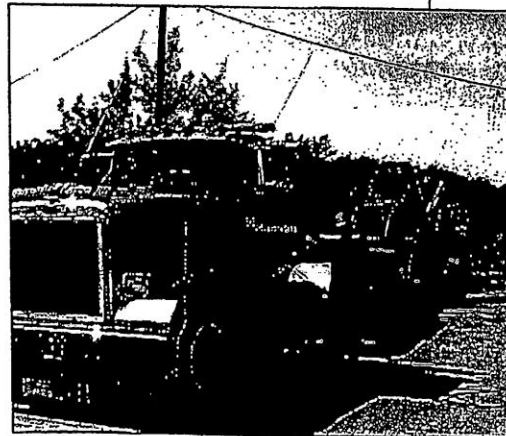
Hanson Permenente Cement Benefits Newsletter

Processing Retirees

1. When you receive a notice of retiree – termination form, you will need to fill in the checklist.
2. Login to JDE and look up the employee's information.
3. You need to look on the grandfathered in list to find the employee's eligibility options. The 'grandfathered" list is one of a collection of binders in the Benefit Coordinator's office.
4. The retiree must be at least age 60, or if an involuntary termination, they can be age 55 if they have 30 years of employment.
5. Check the original hire and start date. If they are not the same, check employment history to determine such possibilities as changing from hourly to salaried, or breaks in service. Check if their tenure is at least 35 years. Determine the number of years of service and record it on the checklist.
6. Check to see if they are covered in a medical plan. If they are not currently enrolled, then they are not eligible for retirement medical.
7. If they were a Kaiser employee, look at the Kaiser, Kaiser Permanente or other Acquisition lists to find the eligibility requirements. Once you find the proper company requirements, compare the data on the checklist to verify eligibility.
8. Look on the enrollment screen to see if they have any dependents.
9. Calculate the individual cost premium and determine the life insurance eligibility, using the information on the checklist and the particular plan document or one of the newsletters if applicable.
10. Once you've determined that the participant is eligible and which coverage they are eligible for, you must calculate the individual rate.
11. First determine the percentage paid by the employer and the participant. Based on the actual years of service up to 30 years, multiply the years of service x 2.5% to get the percentage of payment covered by the company.
12. If the service is over 30 years, take the additional years and multiply times 1%.
13. Add the percentages together to get the companies portion up to the capped amount which is $657.66 for non Medicare plans and $265.33 for Medicare eligible plans
14. Take the percentage for the company payment and multiply it by the plan cost. If the amount does not reach the cap, that is the company paid amount.
15. Take the company amount and deduct from the total plan amount and that is the participant's payment amount.
16. If the company payment amount is over the capped amount, the participant pays the difference.
17. Using the newsletters and the "grandfathered" list, determine if the participant is eligible for life insurance. The eligibility amounts depend on whether the participant is hourly or salaried and the age and years of service.
18. If eligible for supplemental life, send the appropriate election forms and informational paperwork with the packet.
19. Send the retiree packet which includes the Retiree Medical Election Form, Beneficiary Designation Form, Cobra rates, etc. There are 3 different sample letters, as well as 3 different Election Forms. Make sure you use the correct packet documents. See example below:

April 12, 2010

Ms. Andrea Lenor
PERSONAL AND CONFIDENTIAL
9431 Downing St
Janestown, PA 95027

         Re: Retiree Medical Benefits
                 Hanson Building Materials America

Dear Ms. Lenor:

According to the HBMA Retirement Benefits Plan provisions, you have met the age and service eligibility requirements for participation in the **Retiree Life and Medical Benefits Programs,** and are eligible to enroll in both the programs (medical and life).

Enclosed you will find the following materials which explain the benefits in greater detail:

- General Eligibility/Participation Requirements
- Company-Provided Retiree Life Insurance Benefits
- Retiree Medical Benefits
    - Coordination of Plan Benefits with Medicare
    - Prescription Drug Creditable Coverage Notice
    - Your Cost for the Retiree Medical Coverage
- Frequently Asked Questions
- Plan Outlines, Enrollment Form, Return Envelope

Aetna is Hanson's health claims administrator for both active and <u>retired</u> employees.

Once you have had an opportunity to review this material, please RETURN YOUR ENROLLMENT FORM in the envelope provided. **You have 30 days from the date of separation to elect the retiree medical coverage. If we do not receive an Enrollment Form with your signature, you will only have access to the company-provided Retiree Life Insurance Benefits.**

If you will have a period of time to remain in the active medical plan under a separation agreement, you may choose to defer your enrollment in the retiree medical plan until a later date. If you wish to defer, choose this on your Election Form. Unless we hear from you otherwise, we will pend your enrollment and contact you a few months before the ending date of your separation agreement, as this is the last date on which you could enroll.

April 12, 2010
Page 2

If you have questions on this material, please contact the Pension & Benefits Department:
Judy Gibson   972-653-6002

Best wishes!

Judy Gibson, ALHC, FLMI
Group Insurance Administrator

Enclosures

RETIREE MEDICAL ELECTION FORM

_____ _____ _____ _____
First Name   Middle Name   Last Name   Suffix (Jr., Sr., III, etc.)

_____ _____ _____
Social Security #   Date of Birth   Male/Female

_____
Mailing Address

_____ _____ _____
City   State   ZIP code

_____   _____
Home (Evening) Phone   Business (Daytime) Phone

Please indicate the plan you elect for yourself:

___ Aetna PPO   ___ Out of Area/Indemnity   ___ No Medical Coverage
                         (Restricted Enrollment)

Complete if enrolling currently eligible dependents:

Member Name	Social Security #	Dep. Code*	Sex	Date of Birth	Plan Election: (PPO or OOA)	Eligible for Medicare?

*Dependent Codes: S=Spouse, C=Child, F=Full Time Student (19-23 years), H=Handicapped Child

Read and Sign
My signature below indicates that I have read and understand the coverage options available to me as a Lehigh Hanson Retiree. I authorize the pension plan's trustee to withhold the retiree medical premium, if any, required for the coverage I have elected on this form. These amounts, if any, will be withheld from my monthly annuity payment. This authorization shall continue until amended or withdrawn by me in writing. I certify that the information I have furnished above, to the best of my knowledge and belief, is true, correct and complete.

Employee Signature:_____ Date:_____

Please Print Name:_____

Normal Retirement Medical Election Form

RETIREE MEDICAL ELECTION FORM

_____   _____   _____   _____
First Name   Middle Name   Last Name   Suffix (Jr., Sr., III, etc.)

_____   _____   _____
Social Security #   Date of Birth   Male/Female

_____
Mailing Address

_____   _____   _____
City   State   ZIP code

_____   _____
Home (Evening) Phone   Business (Daytime) Phone

Please indicate the plan you elect for yourself:

___ Aetna PPO   ___ Aetna Out of Area/Indemnity   ___ Kaiser Foundation   ___ No Medical Coverage
                          (Restricted Enrollment)   Health Plan

Complete if enrolling currently eligible Spouse:

Member Name	Social Security #		Sex	Date of Birth	Plan Election: (PPO or OOA or Kaiser)	Eligible for Medicare?

Read and Sign
My signature below indicates that I have read and understand the coverage options available to me as a Hanson Retiree. I authorize the pension plan's trustee to withhold the retiree medical premium, if any, required for the coverage I have elected on this form. These amounts, if any, will be withheld from my monthly annuity payment. This authorization shall continue until amended or withdrawn by me in writing. I certify that the information I have furnished above, to the best of my knowledge and belief, is true, correct and complete.

Employee Signature:_____ Date:_____

Please Print Name:_____

<u>Perm Cement Retirement Medical Election Form</u>

Hanson
HEIDELBERGCEMENT Group

RETIREE MEDICAL ELECTION FORM

_____ _____ _____ _____
First Name   Middle Name   Last Name   Suffix (Jr., Sr., III, etc.)

_____ _____ _____
Social Security #   Date of Birth   Male/Female

_____
Mailing Address

_____ _____ _____
City   State   ZIP code

_____ _____
Home (Evening) Phone   Business (Daytime) Phone

Please indicate the plan you elect for yourself:

___ Aetna PPO   ___ Out of Area/Indemnity   ___ No Medical Coverage
                                (Restricted Enrollment)

___ I wish to defer my enrollment in the Retiree Medical Plan until _____.

Complete if enrolling currently eligible dependents:

Member Name	Social Security #	Dep. Code*	Sex	Date of Birth	Plan Election: (PPO or OOA)	Eligible for Medicare?

*Dependent Codes: S=Spouse, C=Child, F=Full Time Student (19-23 years), H=Handicapped Child

Read and Sign
My signature below indicates that I have read and understand the coverage options available to me as a Hanson Retiree. I authorize the pension plan's trustee to withhold the retiree medical premium, if any, required for the coverage I have elected on this form. These amounts, if any, will be withheld from my monthly annuity payment. This authorization shall continue until amended or withdrawn by me in writing. I certify that the information I have furnished above, to the best of my knowledge and belief, is true, correct and complete.

Employee Signature:_____ Date:_____

Please Print Name:_____

Involuntary Termination (Severance) Retirement Medical Election Form

Note: The administrator has a Word document containing the rate calculation for the number of years of service that can be cut and pasted into the letter. These rates change annually. Caution must be used in quoting rates near the time of rate changes and add a note in the letter that the rate may be different on their actual retirement date.

20. Include the calculation in the packet with the election form.
21. Mail the packet via regular mail.
22. Keep a copy of the packet and any appropriate information in a file to refer back to if there are any questions that arise regarding the retiree enrollment.

Process the Returned Election Form

After the election form is returned, you need to setup the payment to start deducting from the pension payments if necessary or start the billing process.
1. When you receive the Election form, double check the address and make sure it matches the address in JDE.
2. Also double check the phone number and correct it in the system if necessary.
3. Depending on the actual retirement date, you will probably need to wait a period of time before starting the benefits.
4. You will need to track the termination date. If the retiree turns 65 before termination, there will be a different calculation involved due to their eligibility for Medicare benefits.
5. Complete the Retiree Change Form. Add the Benefit Group number.
6. Add the specific plan coverage.
7. Send the Retiree Change Form to the service center to be entered into JDE.
8. Coordinate the benefit payment process with the Pension Department. If the retiree is receiving a pension, the payment will be deducted from the pension payment. Otherwise the retiree will be billed for the payments.
9. Use the Periodic Coding Sheet. Add the deduction code of **Med 99** plus the rate. Make sure you double check the rate amount.
10. If the participant is a Kaiser employee, determine if they are eligible for partial Medicare reimbursement and add that as a distribution amount on the coding sheet.

11. The form is sent to the Pension Payroll department for payment deduction setup if the retiree is receiving a pension payment.
12. If the retiree's pension payments have not yet started, retro payments will be taken from the pension payments when they begin.
13. If the plan is with Aetna, notify them of the enrollment.
14. If it is a Kaiser HMO plan, send an email to Kaiser for enrollment. If it is an hourly union employee, you must double check the collective bargaining agreement. If the retiree will not be receiving a pension for some time, or if pension payment is not sufficient, you must set them up for direct billing.
15. After you have processed the retiree, go into the FAS 106 folder and update the *Recordkeeping during CY 2010 (for 2011 rpt).xls* file with the new data.

3. REFERENCES:

All referenced documents will be included in the folder containing this process document.

Document	Owner
TBD	

4. CHANGE HISTORY

Version	Date	Change Description