

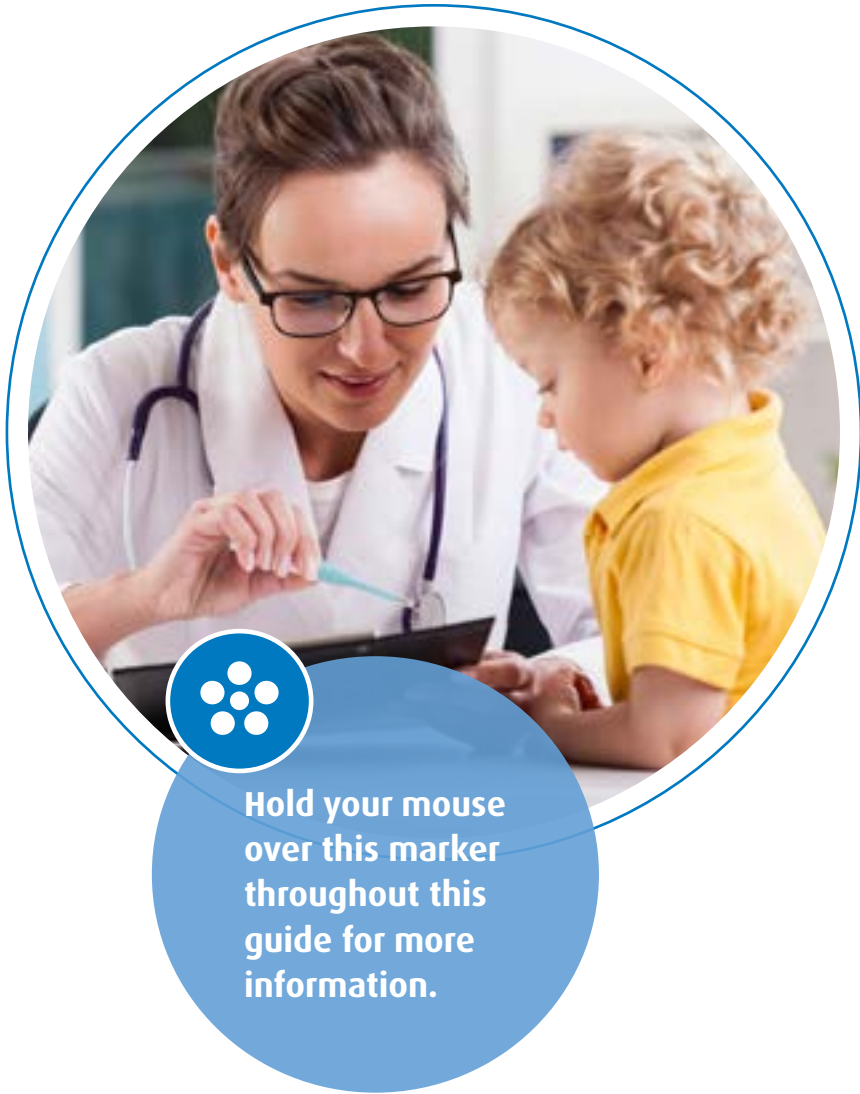


Invest in
you.

Get to Know BMO's Consumer Choice Plan

Prepare for 2017 Annual Enrollment





The Consumer Choice plan and optional Health Savings Account

Offering you and your family advantages today and in the future

Last fall, BMO announced changes to our health care plans in the United States. Beginning in 2018, BMO will provide medical coverage exclusively through the Consumer Choice Plan. The Consumer Choice Plan is a qualified high deductible health plan (HDHP).

If you are currently enrolled in a Preferred Provider Organization (PPO) plan or Health Maintenance Organization (HMO) plan, you should consider switching to the Consumer Choice plan during annual enrollment this fall.

Read this eGuide to learn more about:

- What it means to move to the Consumer Choice plan
- How BMO matches contributions to the Health Savings Account
- Tax-free savings options
- Examples of the Consumer Choice plan and HSA in action

Annual Enrollment opens Monday, October 31 and ends Friday, November 18.

How the Consumer Choice plan works

Like a PPO, you can choose in-network and out-of-network services, and preventative care is covered at 100% when you use in-network providers. The main difference is that the Consumer Choice plan has a somewhat higher annual deductible and out-of-pocket maximum. Prescription drugs that are considered non-preventative by the plan are also subject to the deductible and out-of-pocket maximum. While that means you are responsible for more of the upfront costs of health care, your premiums are generally lower. You can use an optional Health Savings Account (HSA) to pay for eligible medical and prescription drug expenses both before and after you meet the deductible.

Premiums

The amount that comes out of your paycheck for medical coverage.

Your deductible*

- \$1,750 for Employee Only coverage (in-network)
- \$3,500 for all other coverage levels (in-network)**

The amount you pay upfront for non-preventative care services and prescription drugs before the plan's coinsurance takes effect.

Your coinsurance*

- After you meet the deductible, you pay 20% and the plan pays 80% (in-network)
- Prescription drugs are subject to co-pays and coinsurance

The cost-sharing between you and the plan for non-preventative care services after you have met your deductible.

Your out-of-pocket maximum

- \$3,425 for Employee Only coverage (in-network)
- \$6,850 for all other coverage levels (in-network)**

The maximum amount you will have to pay out of pocket for the plan year. If you reach this amount, the plan pays 100% of eligible medical expenses, including prescription drugs, for the rest of the plan year.

**You can pay expenses that are subject to your deductible and coinsurance from your HSA.*

***There are no individual caps for the deductible and out-of-pocket maximum.*



Why switch to the Consumer Choice plan?

As you prepare to select a medical plan during 2017 annual enrollment, consider the advantages of switching to the Consumer Choice plan now:

- ✓ The Consumer Choice plan offers generally lower premiums than the other plans, which means less money deducted from your pay.
- ✓ You can enroll in a tax-advantaged Health Savings Account (HSA), and you'll receive BMO matching contributions (up to certain limits).
- ✓ When you add it up, your premium savings plus your BMO HSA match may cover most, if not all, of the higher deductible and out-of-pocket cost of the Consumer Choice plan.
- ✓ With the HSA, you can use your tax-free money to pay for your eligible health care expenses now, or save your HSA dollars and build your balance to use it later on in life — even in retirement.

This is the last year for PPO and HMO options

Remember that you can still choose a PPO or HMO option for 2017. However, enrolling in the Consumer Choice Plan and HSA in 2017 will let you start to build up your balance before 2018 and take full advantage of BMO's matching contributions.

New for
2017



Will my doctor be in-network in the Consumer Choice plan?

	If you live in Illinois...	If you live in any other state...
Consumer Choice plan administered by	Blue Cross Blue Shield of Illinois (BCBSIL)	UnitedHealthcare (UHC)
How to find in-network providers	Visit bcbsil.com and click on "Provider Finder"	Visit bmo.welcometouhc.com and click on "Find a Doctor"

If you live in Illinois...

Blue Cross Blue Shield of Illinois (BCBSIL) will be your Consumer Choice plan administrator.

If your provider is not in your plan's network, you can continue to see them, but out-of-network benefit levels will apply.

A Health Savings Account is a great way to save for health care expenses

When you choose the Consumer Choice plan, you can also contribute to the optional Health Savings Account (HSA). With the HSA:

- You can make tax-free contributions through payroll deductions;
- You decide how much to contribute;
- Your savings roll over from year-to-year;
- You can use your HSA to pay for eligible health care expenses for you, or for your spouse and dependents, even if they are covered under another health plan;
- Your HSA balance is yours to keep and use when you leave or retire from BMO; and
- You can make investment elections once your account balance reaches certain thresholds.

To make HSA contributions:

You must:

- Be enrolled in a high deductible health plan (BMO's Consumer Choice plan qualifies) and a Health Savings Account.

You must not:

- Have other non-HDHP medical coverage (including non-Limited Purpose Health Care Flexible Spending Account coverage through a spouse);
- Be enrolled in Medicare; and
- Be claimed as a dependent on someone else's tax return.

Triple tax advantages of your HSA

- 1 The contributions you make to your HSA are **tax-free**, which reduces your taxable income.
- 2 Any earnings you accumulate on your HSA are **tax-free**.
- 3 You can withdraw funds directly from your account to pay for eligible health care expenses at any time **without any federal or state taxes or penalties**.

Quick tip

If you enroll in the Consumer Choice plan for 2017, you can redirect the dollars you're saving on lower monthly medical plan premiums and invest them in your HSA tax-free!



Matching your HSA contributions — dollar-for-dollar

If you enroll in the Consumer Choice plan and also elect to participate in the HSA during your 2017 annual enrollment, **BMO will match your HSA contributions up to \$500 (for Employee Only coverage) or \$1,000 (for all other coverage levels)**. Matched quarterly, this money is yours to use on eligible health care expenses whenever you want.

If you're already participating in the Consumer Choice and the HSA, you'll also benefit from the company match if you re-enroll for 2017. We expect BMO's matching contributions to continue if you remain enrolled in the HSA through 2018.

Know the limits

For 2017, the maximum contribution to your HSA is \$3,400 for Employee Only coverage or \$6,750 for all other coverage levels. These IRS limits include contributions from both you and BMO, therefore the maximum amount you can elect during enrollment is reduced by the amount of the BMO match. You can add another \$1,000 in catch-up contributions if you are age 55 or older.



If you have a **Limited Purpose Health Care Spending Account**, you can contribute up to \$2,550 in 2017. This account — for eligible dental and vision expenses only — provides an additional pre-tax advantage on these expenses, and allows you to preserve the funds in your HSA for other medical expenses now or in retirement.

Want to maximize your match?

If you have Employee Only coverage and contribute \$500 or more through payroll deductions into your HSA during annual enrollment, you will receive \$500 from BMO, paid quarterly.

A matching \$125 per quarter will be allocated into your HSA in January, April, July and October 2017.

For all other coverage levels, contribute \$1,000 or more through payroll deductions into your HSA during annual enrollment and you will receive \$1,000 from BMO, paid quarterly. A matching \$250 per quarter will be allocated into your HSA in January, April, July and October 2017. Please note that you must remain enrolled in the HSA for the entire year to receive the full match from BMO.

Contribute through payroll deductions to receive the BMO match

To receive the match from BMO, you must be enrolled in the BMO Consumer Choice plan and the HSA and make your contributions through payroll deductions. If you open an HSA on your own, you won't be eligible for the BMO match.

Your quarterly match will be determined based on your Consumer Choice plan/HSA elections in place on the first day of each quarter. The match will be allocated to your HSA account following the second pay check of the quarter.



Choices for tax-free savings

To help you save and pay for health care expenses, you have the option to participate in the Health Savings Account or the Health Care Spending Account. Both let you contribute to your account directly from your pay check on a pre-tax basis. The HSA is only available if you are enrolled in the Consumer Choice plan.

In addition, if you choose to enroll in the HSA, you can also contribute to the Limited Purpose Health Care Spending Account (LPHCSA). An LPHCSA is like the Health Care Spending Account, except that it can only be used for eligible dental and vision expenses. It is intended to work in conjunction with an HSA to provide additional pre-tax savings opportunities.

The chart below highlights the benefits of each account:

	Health Savings Account	Health Care Spending Account
Pay eligible medical expenses	✓	✓
Pay eligible dental and vision expenses	✓	✓
Pay expenses with a Your Spending Account debit card	✓	✓
BMO matching contributions to your account in 2017	✓	
Your contributions may reduce your taxable income	✓	✓
Account balance at the end of the year carries over	✓	✓ (up to \$500)
Contributions can earn interest tax-free	✓	
Contributions are yours to use year-after-year	✓	
Account balances are portable if you retire or leave BMO	✓	COBRA may be available
Use the account to build long-term savings	✓	
Can access full annual election amount before it has been contributed		✓
Amount BMO will match during 2017		
Employee Only coverage	Up to \$500	\$0
All other coverage levels	Up to \$1,000	
Maximum amount you and BMO can contribute during 2017		
Employee Only coverage	\$3,400*	\$2,550
All other coverage levels	\$6,750*	
Catch-up contributions for people age 55 or older	\$1,000	N/A

* Includes both employee and BMO matching contributions.

Making your 2017 medical plan decision?

Use this simple worksheet to compare your current plan to the Consumer Choice plan. This will help you see which option might work best for you and your family next year.

	My current plan	Consumer Choice plan	Difference
Annual premium (monthly premium x 12)			
HSA matching contribution from BMO	n/a		
Total savings			
Annual deductible			
Annual out-of-pocket maximum (includes annual deductible and coinsurance)			

For example, here's what your worksheet would look like if you were enrolled in Employee Only coverage under the PPO plan:

	PPO plan Employee Only	Consumer Choice plan Employee Only	Difference
Annual premium (monthly premium x 12)	\$2,436	\$1,620	\$816
HSA matching contribution from BMO	n/a	\$500*	\$500
Total savings			\$1,316
Annual deductible	\$800	\$1,750	(\$950)
Annual out-of-pocket maximum ** (includes annual deductible and coinsurance)	\$2,800	\$3,425	(\$625)

*The match assumes a contribution of at least \$500 into the HSA.

**This example compares medical out-of-pocket maximums only. The PPO plan has a separate prescription out-of-pocket maximum, while the Consumer Choice plan's out-of-pocket maximum includes both medical and prescriptions.



\$1,316 > \$950

In the example, the total savings in premiums and BMO's HSA matching contribution covers the difference in cost between the deductible and medical out-of-pocket maximums. This example is based on meeting both of these full amounts. Savings may vary depending on personal health plan and prescription drug usage.

Looking for the plan design details?
See the fall edition of Benefacts or visit
myaccessbenefits.com.

The Consumer Choice plan and HSA in action

Here are some examples of how the Consumer Choice plan works in various situations.



> Sarah

- Employee Only coverage
- Low health care expenses



> Daniel

- Employee Only coverage
- High health care expenses



> The Anderson Family

- Family coverage
- Low health care expenses



> The Maxwells

- Employee and spousal coverage
- High prescription drug expenses



Sarah

Sarah: *BMO employee*

Sarah's 2017 medical expenses:

\$175 – visit to a primary care physician
\$140 – annual physical

Sarah decides to enroll in the Consumer Choice plan with Employee Only coverage for 2017. She also enrolls in the HSA during annual enrollment and contributes \$500 on a pre-tax basis through payroll deduction so she can receive the full \$500 match from BMO.

In March, Sarah comes down with a bad case of strep throat. She visits her doctor — \$150 for an office visit — and pays \$25 to fill a prescription. Sarah uses her HSA debit card to cover her expenses, since she has built up enough money in her account between her own and BMO's matching contributions.

This visit to the doctor is the only one she makes in 2017 other than her regular annual physical, which is preventative care and covered 100% by the plan. **She carries over \$825 in her HSA into 2018.**

Watch your HSA balance

Like any bank account, you can only use funds that are actually in your HSA. You can use the Your Spending Account debit card to pay for eligible expenses. If you have a large medical expense early in the year before you've built up your HSA balance, you can pay it out of pocket. Then, you can reimburse yourself from your HSA once contributions from your payroll deductions and BMO's match have built up. Be sure to save all of your invoices and receipts for eligible expenses.

Here's what Sarah and the plan will each pay in 2017:

	Sarah pays...	The plan pays...
Annual physical \$140	\$0 preventative care is covered at 100% by the plan	\$140
Visit to primary care physician and prescription \$175	\$175 from her HSA	\$0 Sarah hasn't met the deductible yet
Total medical expenses for 2017 \$315	\$175 using tax-free dollars from her HSA (totally paid for by BMO's \$500 matching contribution)	\$140

As long as Sarah enrolls in the Consumer Choice plan again for 2018 and contributes at least \$500 in her HSA, she'll receive another \$500 in BMO matching contributions during 2018.



Daniel

Daniel: *BMO employee*

Daniel's 2017 medical expenses:

\$140 – annual physical
\$600 – X-ray for his knee injury
\$10,000 – surgery for his knee injury
\$1,200 – rehabilitation for his knee surgery

Daniel decides to switch from the PPO plan to the Consumer Choice plan during annual enrollment and enrolls in the HSA to supplement his plan. He elects to contribute \$500 to his HSA, and receives the full \$500 match from BMO. Daniel visits his doctor for his annual check-up, which is covered at 100% by the plan.

Daniel suffers a serious knee injury while playing baseball, and has to get an X-ray, which costs \$600. He finds out that he needs surgery on his knee, which will cost an additional \$10,000. Daniel pays for the first \$1,750 of the costs and meets his annual deductible – he covers most of his deductible with the \$1,000 he has saved in his HSA.

Daniel pays an additional \$1,675 in coinsurance for his surgery until he meets the Consumer Choice plan's out-of-pocket maximum of \$3,425 for the year. Because he's met his out-of-pocket maximum, the remaining costs of his surgery and the \$1,200 for his rehabilitation are covered at 100% by the plan.

The out-of-pocket maximum is your safety net

In Daniel's case, he suffers an unexpected injury that causes his health care costs to increase dramatically for the year. The Consumer Choice plan is designed with an out-of-pocket maximum to make sure he has a safety net to fall back on in case of an unexpected illness or injury. And, he's able to cover almost one-third of his total costs with the money both he and BMO contributed to his HSA.

Here's what Daniel and the plan will each pay in 2017:

	Daniel pays...	The plan pays...
Annual physical \$140	\$0 preventative care is covered at 100% by the plan	\$140
X-ray \$600	\$600 from his HSA	\$0 Daniel hasn't met his deductible yet
Surgery for knee injury \$10,000	\$2,825 until he meets his out-of-pocket maximum (uses \$400 from his HSA)	\$7,175 through 80% coinsurance and at 100% after Daniel has met his out-of-pocket maximum
Rehabilitation for knee injury \$1,200	\$0 Daniel has met his out-of-pocket maximum for the year	\$1,200
Total medical expenses for 2017 \$11,940	\$3,425 (uses \$1,000 of tax-free money from his HSA)	\$8,515

If Daniel enrolls in the Consumer Choice plan again and he contributes at least \$500 to the HSA, he'll receive another \$500 in BMO matching contributions in 2018.

If Daniel had stayed enrolled in the PPO plan, his total out-of-pocket costs would have been \$2,800 – a difference of \$625. But when combined with the savings of \$68 per month (\$816 total) on his premiums, plus the \$500 match he receives from BMO, he actually saves \$691 by switching to the Consumer Choice plan.



The Anderson Family

Rita: *BMO employee*

Patrick: *Rita's spouse*

Julia: *Rita and Patrick's daughter*

The family's 2017 medical expenses:

\$420 – annual physicals for Rita, Patrick and Julia

\$100 – mammogram for Rita

\$2,500 – Julia's braces

During 2017 annual enrollment, Rita enrolls her family in the Consumer Choice plan. She and Patrick have recently met with their financial advisor and have retirement savings on their mind, so she decides to take full advantage of the tax savings of the HSA. She elects to contribute \$5,750 to her HSA and receives the full \$1,000 in BMO matching contributions, which reaches the IRS annual limit of \$6,750.

Rita also knows that Julia needs braces this year which will cost \$2,500, so she decides to enroll in the Limited Purpose Health Care Spending Account and contributes \$2,550 that can be used for eligible dental and vision expenses. Rita is able to cover the full cost of Julia's braces by using the money from her Limited Purpose Health Care Spending Account and preserving the money in her HSA for later. All contributions to her HSA and Limited Purpose Health Care Spending Account are made through payroll deduction on a pre-tax basis.

2017 is a fairly uneventful year for the Anderson family, without any medical needs, so their only expense is the \$2,500 for Julia's braces – which they can cover completely using funds from the Limited Health Care Spending Account. **And Rita is able to roll over the full \$6,750 in her HSA to use in 2018 – or even down the road in retirement.**

Here's what the Anderson family and the plan will each pay in 2017:

	The family pays...	The plan pays...
Three annual physicals \$420	\$0 preventative care is covered at 100% by the plan	\$420
Mammogram for Rita \$100	\$0 preventative care is covered at 100% by the plan	\$100
Braces for Julia \$2,500	\$2,500 from Rita's Limited Purpose Health Care Spending Account	N/A covered by dental plan
Total medical expenses for 2017 \$3,020	\$2,500	\$520

If Rita enrolls in the Consumer Choice plan again and she contributes at least \$1,000 to the HSA, she'll receive another \$1,000 in BMO matching contributions in 2018.



The Maxwells

Matt: BMO employee

Alison: Matt's spouse

The Maxwells' 2017 medical expenses:

\$280 – annual physicals for Matt and Alison
\$1,500 – visits to a diabetes specialist for Matt
\$6,000 – prescription drug expenses for Matt and Alison

During 2017 annual enrollment, Matt enrolls himself and his wife Alison in the Consumer Choice plan and elects to contribute \$3,500 to his HSA, which means he receives the full \$1,000 in BMO matching contributions.

Matt has diabetes, so throughout the year, he needs to visit a diabetes specialist for treatment. He visits three times in 2017, totaling \$1,500. He uses his money from his HSA to cover the full costs of his doctor's visits.

Matt also takes insulin and other medications to help manage his condition, and his prescription drug costs for the year total \$500. His wife Alison has high blood pressure and also takes medications to help manage her condition, which cost \$5,500 for the year.

Matt uses the money in his HSA to pay for \$2,000 worth of their medications until they meet the plan's annual deductible of \$3,500. He and the plan share the remaining \$4,000 in medical costs through coinsurance, with Matt's share totaling \$800 (which he pays for with money from his HSA.)

After paying for their medical costs in 2017, Matt and Alison are able to roll over \$200 in their HSA for 2018.

Here's what the Maxwells and the plan will each pay in 2017:

	The Maxwells pay...	The plan pays...
Two annual physicals \$280	\$0 preventative care is covered at 100% by the plan	\$280
Visit to a diabetes specialist \$1,500	\$1,500 from his HSA	\$0 the Maxwells haven't met their deductible yet
Prescription drug medications \$6,000	\$2,800 <ul style="list-style-type: none">\$2,000 to meet their deductible\$800 (20% coinsurance on remaining \$4,000)	\$3,200 through 80% coinsurance
Total medical expenses for 2017 \$7,780	\$4,300 paid for with tax-free money from Matt's HSA	\$3,480

If Matt enrolls in the Consumer Choice plan again and he contributes at least \$1,000 to the HSA, he'll receive another \$1,000 in BMO matching contributions in 2018.

Your resources

BMO Benefits

- Eligibility
- Coverage

> BMO Human Resources Centre
1-888-927-7700
or
myaccessbenefits.com

BMO Benefits Assistance

- Opening your HSA
- Changing your HSA contributions

> BMO Human Resources Centre
1-888-927-7700

Medical

(Consumer Choice plan)

> **If you live in Illinois...**
Blue Cross Blue Shield of Illinois
1-888-979-4516
bcbsil.com

If you live in any other state...
UnitedHealthcare
1-800-896-0067
myuhc.com

Prescription Drugs

> Express Scripts
1-877-795-2926
express-scripts.com

Health Savings Account

> BMO Human Resources Centre
1-888-927-7700
or
Your Spending Account
myHR > My Pay & Benefits >
Health and Insurance > Launch > Your Spending Account



About this Guide

This guide is provided for informational purposes only and contains summary information about the BMO Consumer Choice plan and Health Savings Account. The descriptions in this document are not intended to cover all the details about the plans. If any conflict or inconsistency exists between this guide and the plan documents, the plan documents will govern in all cases. BMO reserves the right to amend, change or discontinue the plan at any time.

Updated October 2016

A tax-advantaged account you can use to pay for eligible vision and dental expenses only. If you have money left in your Limited Purpose Health Care Spending Account at the end of the year, you can carry over up to \$500 to the next year.

Blue Cross Blue Shield PPO, HMO and HDHP plans in Illinois have the overlapping network — so if you switch from the Blue Cross PPO, BlueAdvantage HMO or HMO to the Consumer Choice plan in Illinois, in most cases you will not need to change providers. The Consumer Choice Plan in Illinois will use the “Participating Provider Organization (PPO)” Blue Cross network.