LIGHT & WONDER

TOBACCO/NICOTINE USER SURCHARGE

FREQUENTLY ASKED QUESTIONS

1. **What is the tobacco/nicotine user surcharge?**
   The tobacco/nicotine user surcharge is an additional amount that an employee participating in the Light & Wonder medical plan may have to pay if the employee or spouse uses tobacco or nicotine. The tobacco/nicotine user surcharge does not apply to dependent children.

2. **Who will have to pay this surcharge?**
   If an employee enrolls in the medical plan and the employee or spouse self identifies as a tobacco/ nicotine user under the Light & Wonder tobacco/nicotine user definition and does not complete the Tobacco/Nicotine Cessation for Wellness program, or other reasonable alternative approved by Light & Wonder.
   A tobacco/nicotine user per the policy is an employee or covered spouse that has used tobacco/nicotine within the past 12 months prior to completing an Annual Enrollment, New Hire Enrollment, or a Qualified Life Event change (i.e. marriage, loss of other coverage). Employees and spouses self-identify when completing benefit enrollment in Workday.

3. **Will I need to pay the surcharge if I or my spouse smoke and only want to enroll in dental and vision?**
   No, the surcharge applies only to coverage under the medical plan.

4. **What are "tobacco/nicotine products"?**
   Tobacco/nicotine products are defined as any product made with or derived from tobacco or nicotine that is intended for human consumption. This includes, but is not limited to cigars, cigarettes, chewing tobacco/nicotine, snuff and other tobacco products, but excludes religious and ceremonial uses of tobacco.
   In 2016, the U.S. Food and Drug Administration (FDA) proposed rules that include the regulation of Electronic Nicotine Delivery Systems (ENDS). The final rule went into effect on August 8, 2016. As a result of the FDA ruling, Light & Wonder has modified the Tobacco Surcharge for 2017 and added the use of nicotine. This includes, but is not limited to vaporizers, vape pens, hookah pens, electronic cigarettes (E-Cigarettes), e-pipes and other nicotine products. This does not include any cessation product specifically approved by the FDA for use in treating nicotine or tobacco dependence.

5. **How much is the surcharge?**
   The surcharge is an additional $23.08 per pay period if you or your covered spouse use nicotine/tobacco and $46.16 per pay period if you both use nicotine/tobacco. The surcharge is paid on a post-tax basis.

6. **When does the surcharge go into effect and how is it paid?**
   For those who self-identify as a tobacco/nicotine user during Annual Enrollment and do not satisfy the Tobacco/Nicotine Cessation for Wellness program (or other reasonable alternative approved by Light & Wonder), the surcharge will go into effect on the first pay date beginning on or after January 1 of the following year on a per pay period basis.
   For new hires and employees with qualified life event changes (i.e. marriage, loss of other coverage, etc.) who self-identify during their enrollments, the surcharge will go into effect on the following pay period.

7. **Why does Light & Wonder have a tobacco/nicotine surcharge?**
   According to the Centers for Disease Control and Prevention, tobacco use is the single most preventable cause of disease and death. Light & Wonder wants to encourage healthy habits and mitigate the rising costs of health care.
   The Centers for Disease Control and Prevention indicate that tobacco users have increased lifetime medical expenses and are absent from work more days than those who are not tobacco users. Statistics include:
   - More than 5 million deaths each year are the direct result of tobacco use
   - 8.6 million live with a serious illness caused by smoking
   - More than 600,000 deaths each year are the result of non-smokers being exposed to second-hand smoke

8. **What if I say I don't use tobacco/nicotine products, but I do?**
   An employee who intentionally fails to declare tobacco/nicotine use to avoid the surcharge will be required to pay the surcharge and may be subject to termination of coverage.
   If an employee witnesses a violation of the tobacco/nicotine policy, he or she should notify the Benefits Team.

9. **What if I previously self-identified?**
   This self-identification does not carry forward from year to year. You must self-identify during Annual Enrollment for the upcoming plan year.

10. **Will Light & Wonder help me to quit using tobacco/nicotine products?**
    Yes. Light & Wonder recognizes that quitting tobacco/nicotine use can be a significant personal challenge and offers numerous resources to help you. For more information, go to www.lnwwellness.com
    Light & Wonder will continue to offer Aetna's Tobacco/Nicotine Cessation for Wellness program at no cost to assist in quitting tobacco/nicotine use. The 8 session program offers individual or group coaching options with 24/7 on-line peer support and more.

11. **Will the surcharge be removed if I quit using tobacco and/or nicotine?**
    You must successfully complete Aetna's Tobacco/Nicotine Cessation for Wellness program, or other reasonable alternative approved by Light & Wonder, in order to have the surcharge removed and reimbursed. Employee should notify the Benefits Team upon completion of the program.

12. **Is it legal for you to charge me more because I use tobacco/nicotine products?**
    Yes, there is a provision in the Affordable Care Act (Health Care Reform) that specifically allows an employer to charge smokers up to 50 percent of the total cost of their health insurance benefits as a surcharge.

13. **What if I self-identify as a non-tobacco/nicotine user but start using tobacco again?**
    If you become a tobacco user at any time, you must update your status with the Benefits Team so the surcharge can be applied.

For more information on this policy or if you have questions, please go to www.lnwwellness.com or contact the Benefits Team at 866-693-9413.