



August 2015

Dear Pfizer Retiree:

This letter and the enclosed attachment include information about new changes in the amount Pfizer contributes to retiree medical coverage:

- **Effective Jan. 1, 2016, an increase in the contribution cost sharing arrangement for Medicare-eligible retirees.** Medicare-eligible retirees in certain retiree groups – those receiving the Retiree Medical Subsidy and groups that are not currently subject to a contribution cap – will see an increase in their share of the annual contribution; and
- **Effective Jan. 1, 2018, the adoption of a “cap” on how much Pfizer contributes toward retiree medical coverage.** Both Medicare-eligible and non-Medicare-eligible retirees will see a limit (“cap”) in the amount Pfizer contributes toward their retiree medical costs.

Beginning Jan. 1, 2016, the share of the annual contribution paid by Medicare-eligible retirees (including those Medicare-eligible retirees with the Retiree Medical Subsidy), will increase from 10 percent for retirees and 20 percent for dependents to 15 percent for retirees and 30 percent for dependents.

In addition, beginning Jan. 1, 2018, a limit on the annual amount Pfizer contributes toward retiree medical coverage will be added for retirees currently without a limit (or “cap”). Many retirees currently have a cap and this change is intended to provide consistent treatment to Pfizer’s various retiree groups and will help sustain Pfizer’s retiree medical offering.

Currently, retirees and Pfizer share in the cost of retiree medical coverage. Contributions for most Pfizer retirees are determined based on a cap which sets a maximum on the amount Pfizer contributes toward their annual cost of coverage. Once Pfizer’s share of the cost reaches the cap, any premium costs above the cap are paid by the retiree. Beginning January 1, 2018, a cap on Pfizer’s contribution will be added for those legacy retiree groups which do not have a cap so that all groups are treated similarly.

Please see the enclosed FAQs for additional details about these changes including a list of the legacy retiree groups that will be affected by the new cap.

Questions

For questions about these changes, please call the *hrSource* Center at **1-877-208-0950**. Representatives are available to assist you Monday through Friday from 8:30 a.m. to midnight, Eastern time.

Regards,

Steve First
Vice President, Global Benefits