

## **BENEFIT PLAN OPTIONS FOR EMPLOYEES LEAVING THE COMPANY**

This summary of your benefit plan options and Frequently Asked Questions (FAQs) can help you understand your options regarding health coverage, life insurance, and 401(k) savings.

### **Medical Coverage**

Your medical, prescription drug, dental, and vision coverage through Alliance Coal ends on your last day of employment.

You have limited periods of time to choose one of these medical coverage options for yourself and your eligible family members:

- 1. Enroll in your spouse's employer's plan.** If your spouse has family medical coverage available from his or her employer, you and your eligible family members generally may enroll in that coverage during a **30-day** special enrollment period, regardless of when that employer has an open enrollment period. If you enroll in your spouse's employer's plan during that special enrollment period **and** you pay the required contribution, your health coverage will begin in accordance with the terms of your spouse's employer's plan.
- 2. Buy medical insurance through the federal (or state) Health Insurance Marketplace.** You have a **60-day** special enrollment period available to buy medical coverage through the Marketplace. A variety of health plans are available from the online Health Insurance Marketplace (if your state operates its own marketplace, you will be directed there). Some options are less expensive than coverage available through a spouse's plan or COBRA. You may compare plans available where you live by starting at the website **healthcare.gov**, or by calling the Marketplace at 800-318-2596. The Health Insurance Marketplace can help you find out if you and your family qualify for partially subsidized coverage, free coverage, Medicaid, or Children's Health Insurance Program (CHIP) coverage.
- 3. Continue Alliance Coal coverage for up to 18 months through COBRA.** If you choose continuation coverage through the Consolidated Omnibus Budget Reconciliation Act (COBRA), you pay the full cost of your Alliance Coal coverage, plus a 2% administration fee (a 50% administration fee applies for extended coverage due to disability). COBRA coverage will begin on the day *after* your employment ended, meaning you have no gap in your medical coverage. You will receive detailed information about COBRA coverage soon after your regular coverage ends. You (and each of your eligible family members) have **60 days** from the date of this COBRA notice to elect coverage. In some cases – such as your disability or your family member having another qualifying event – you or your family member may continue coverage for more than 18 months; see **coalbenefits.com/cobra** for details. NOTE: COBRA coverage is quite expensive.
- 4. Buy medical insurance through an insurance agent or broker.** Rather than using a Marketplace website, you may be able to buy private coverage through an insurance agent or broker.

No matter which of the above four options you choose, by law none of them should have limitations for pre-existing medical conditions. (Limitations may apply to dental or vision coverage you may buy.)

If you choose coverage under any of the options above except for COBRA (#3), you may be asked to provide proof of the loss of your Alliance Coal coverage. Your termination paperwork may be used as this proof. If the employer, broker, or insurance company requires any other type of proof, please contact Alliance Coal Benefits Member Services at (855) 979-5192.

You can learn more about your Health Insurance Marketplace options at [coalbenefits.com/marketplace](http://coalbenefits.com/marketplace).

## **Flexible Spending Accounts (FSAs)**

**Health Care:** If you were contributing to the Health Care FSA, your contributions ended on your last day of employment. You have until March 31 of the next year to submit a claim for any eligible expenses incurred on or before your last day of employment. You forfeit any funds remaining in your FSA after March 31 of the following year.

You may continue your participation in your Health Care FSA under COBRA, through December 31 of the calendar year in which your employment ends. Continued participation in the Health Care FSA under COBRA allows you to continue to make contributions and incur expenses that are eligible for reimbursement during the calendar year in which your employment ends. However, you will lose any tax advantages for contributions you make after your employment ends, and you must also pay a 2% administration fee (a 50% administration fee applies for extended coverage due to disability). You may want to discuss your continued participation with your tax advisor.

**Dependent Care:** If you were contributing to the Dependent Care FSA, your contributions ended on your last day of employment. You have until March 31 of the next year to submit a claim, but only for any eligible expenses you incurred on or before your last day of employment. You forfeit any funds remaining in your FSA on or after that deadline.

You cannot continue Dependent Care FSA coverage under COBRA.

## **Life and AD&D Insurance**

Your basic life insurance, basic accidental death and dismemberment (AD&D) insurance, and any optional life or AD&D insurance through Alliance Coal ended on your last day of employment.

You have the option to convert the basic and optional life insurance covering you and your family members to individual life insurance policies, without a medical exam.

- You will receive conversion information (also known as a “conversion notice”) included with the COBRA health information from Navia.
- Generally, you have 31 days from the date your coverage terminates to apply for conversion coverage. (However, if the conversion notice you receive is dated more than 15 days after termination, your application period is extended for an additional 15 days, but no more than 91 days after termination.)
- If you are interested in applying for conversion coverage, you must meet with a licensed MetLife Financial Services Representative and complete an application. To begin this process,

call 877-275-6387 or e-mail [solutions@metlife.com](mailto:solutions@metlife.com), and bring a copy of your conversion notice to the meeting.

- If your application(s) is approved, the individual policy(ies) will be issued on the 32nd day following termination, regardless of the date of application. The cost of this individual coverage will be different from the cost you paid for the group term coverage as an employee.

Conversion is **not** available for accidental death and dismemberment (AD&D) insurance.

### **Profit Sharing and Savings Plan (PSSP), also known as the 401(k) Plan**

You own the vested portion of your PSSP account. You are 100% vested in the contributions you made or rolled over to the PSSP, and in the investment earnings on those contributions. If you have at least three years of vesting service, you are 100% vested in Alliance Coal's contributions in your PSSP account, and in the investment earnings on those contributions. The [coalbenefits.com](http://coalbenefits.com) website explains how your years of service are determined.

If your vested account balance in the PSSP is greater than \$1,000, you can choose to keep your account with INTRUST / NestEgg U after you terminate employment. At any time in the future, you may roll over all or a part of the vested portion of your PSSP account to another tax-qualified plan, such as an IRA (from a bank, brokerage, or insurance company) or another employer's plan (if that plan accepts rollover contributions). If your balance is \$1,000 or less, the Plan requires a distribution of your account balance. You may roll the money over, or you may cash out and receive a check (less applicable taxes).

A direct rollover to a qualified plan is not subject to taxes or penalties. Any amounts that you cash out and do not roll over to another qualified plan will be subject to taxes (federal and state). An additional 10% federal penalty may apply to cash outs from your PSSP if you are younger than 59½ at the time of distribution. Your tax advisor can provide information about specific conditions under which the 10% tax penalty for early distributions may be waived.

If you have a loan against your PSSP account, the loan is due and payable upon termination. You have the option to repay the loan in full, following instructions that will be mailed to you by INTRUST. If you do not repay your loan in full, the remaining balance will be considered a distribution, and that distribution will be subject to taxes (including the additional 10% penalty if you are younger than 59½).

<b>For questions about...</b>	<b>Contact</b>
Medical/Rx, dental, vision, or COBRA continuation coverage	Alliance Coal Benefits Member Services 855-979-5192
Marketplace medical insurance	Healthcare.gov 800-318-2596
Flexible Spending Accounts (FSAs)	NAVIA 800-669-3539
Life and AD&D insurance	MetLife 877-275-6387
PSSP / 401(k)	NestEgg U 866-412-9026
Additional assistance with any benefit plan	Alliance Coal Benefits Member Services 855-979-5192 CoalBenefits.com

*The information in this summary and FAQs is for general informational purposes only. Although care has been taken to be as accurate as possible, it is your responsibility to obtain complete and accurate information about insurance options, government programs and rules, and other employers' plans. If there are any differences between this information and the official plan documents, the plan documents and the laws governing plans govern. Plans may change or end at any time.*

## **FREQUENTLY ASKED QUESTIONS ABOUT BENEFIT PLAN OPTIONS FOR EMPLOYEES LEAVING THE COMPANY**

### **General Benefit FAQs**

#### ***How do I log into the coalbenefits.com website?***

To view the benefits information for employees and former employees of Alliance Coal, visit **www.coalbenefits.com**. For any pages where you are asked to log in, enter the username and password provided by your local HR representative; then click “Login” or press your Enter key.

### **Medical/Rx FAQs**

#### ***Why do I have to carry medical insurance if I’m healthy?***

The Affordable Care Act (also known as “ACA” or “Obamacare”) includes what is known as “the individual mandate.” It requires all Americans to have a specific level of medical insurance (though currently there is no penalty for failing to maintain medical insurance).

#### ***What happens if I don’t buy medical insurance?***

If you don’t buy medical insurance, you are assuming the full financial risk if you or a family member needs medical services.

#### ***My spouse’s employer’s plan doesn’t have open enrollment until November. How can I enroll in it?***

The loss of your Alliance Coal coverage is an event that may trigger a special enrollment period under your spouse’s employer’s plan. Sponsors of employee group health plans generally must allow you a “special enrollment period” to enroll in their plan, if you meet their eligibility requirements and you elect to enroll within 30 days of losing your coverage from employment. If needed, you can provide the employer with a copy of the continuation coverage notice included in the COBRA information that will be mailed to you from Navia as proof of your loss of Alliance Coal coverage.

#### ***How can I find out if I’m eligible for subsidized coverage or Medicaid?***

The Health Insurance Marketplace at **healthcare.gov** provides information about subsidized coverage, no-cost coverage, and government-sponsored plans like Medicaid and the Children’s Health Insurance Program (CHIP). When you answer the online questions about your family income, the website will tell you whether you may qualify for these options and how to apply for them. Or you can call the Marketplace at 800-318-2596.

#### ***What states operate their own insurance marketplace?***

When you start at **healthcare.gov** and enter some information, you are automatically redirected to a state marketplace if your state has one. These states are:

California	Dist. of Columbia	Massachusetts	Rhode Island
Colorado	Idaho	Minnesota	Vermont
Connecticut	Maryland	New York	Washington

***How can I compare the plans on the Health Insurance Marketplace?***

The Marketplace website includes descriptions of the features, benefits, and costs of each plan offered. You may use the website to compare summaries of the available plans side-by-side.

Before choosing a plan, go deeper than the brief, one-column summary. Look at its multi-page Summary of Benefit Coverage (SBC) for examples of how you and the plan will share the cost of a claim. Review the plan’s network of providers to make sure it includes the doctors and hospitals you use. If you are using prescription drugs, check to see if and how those drugs are included in the plan’s formulary. If you need help, call the Marketplace at 800-318-2596. They have representatives available 24 hours a day. (You can obtain an SBC for your Alliance Coal coverage at [coalbenefits.com/notices](http://coalbenefits.com/notices).)

***What is the advantage of using the Marketplace instead of an insurance agent to buy my coverage?***

The Health Insurance Marketplace includes questions and guidance to help you determine if you are eligible for subsidized coverage, Medicaid, or CHIP. If you are certain that you will not qualify for a subsidy, then an insurance agent or broker may be helpful to you.

Keep in mind that some insurance agents represent only one company, and may not be able to help you compare as many plans as you can through the Marketplace.

***What happens if I choose COBRA coverage?***

You can continue your Alliance Coal coverage for up to 18 months. COBRA coverage is identical to the medical and prescription drug coverage (and dental and vision coverage, if you elect them) provided to similarly situated employees who have not had a COBRA event. When you choose COBRA, however, you pay the full cost of coverage, plus a 2% administrative fee (a 50% administration fee applies for extended coverage due to disability). Because the benefits under the Alliance Coal Health Plan are generous and comprehensive, the cost of COBRA coverage is expensive.

***Can I choose COBRA now and move to a lower-cost Marketplace plan later?***

If you choose COBRA, you cannot enroll in a Marketplace plan until the next calendar year, unless you have another life event during the year your employment ended, such as a birth or marriage.

***If I choose COBRA coverage, do I have to cover all of my dependents?***

No, you may choose coverage for just yourself, or for one or more of your family members covered under the plan. Each family member losing coverage may make an individual decision to choose or decline COBRA continuation coverage.

***If I choose COBRA medical coverage, do I also have to take COBRA dental and vision coverage?***

No, you have the option of waiving dental and/or vision coverage. (Prescription drug coverage is automatically included when you elect COBRA medical coverage.)

***How will my coverage work if I'm in the middle of a pregnancy or treatment for an ongoing medical condition such as cancer?***

Any eligible expenses that the health care provider bills as having occurred on or before your last day of employment will be covered under the terms of the Alliance Coal Health Plan. Any covered charges that the hospital bills as having occurred after your last day of employment will be the responsibility of you and/or your new health care coverage, unless you choose continuation medical coverage through COBRA.

***I have a doctor's appointment scheduled for next week. How can I have that appointment covered?***

The Alliance Coal plan will pay benefits for that appointment *only if you choose continued coverage through COBRA*. If the appointment is not urgent, you should reschedule it for a time after your new coverage begins. If you keep the appointment without coverage, you must pay the doctor the full cost of any treatment you receive.

***What should I do if I need emergency care before my new coverage begins?***

You have 60 days from the date your coverage ends to choose continued coverage under COBRA. If you need emergency care before any other coverage can begin, you may apply for COBRA and continue your Alliance Coal coverage without a break. If you choose COBRA, however, you cannot change to other coverage until the next plan year of the other coverage or until you have another life event (such as starting coverage with a new employer).

## **Dental and Vision FAQs**

***My child has braces, which have been covered by the Alliance Coal Dental Plan. Will the Alliance Coal Dental Plan continue to pay for that treatment in-progress?***

Any eligible expenses that the orthodontist bills as having occurred on or before your last day of employment will be covered under the terms of the Alliance Coal Dental Plan. Any covered charges that the orthodontist bills as having occurred after your last day of employment will be the responsibility of you and/or your new dental coverage, unless you choose continuation dental coverage through COBRA.

***I just had a root canal to prepare to get a crown. The crown won't be ready for two more weeks. What will happen with my dental coverage?***

Any eligible expenses that the dentist bills as having occurred on or before your last day of employment will be covered under the terms of the Alliance Coal Dental Plan. Any covered charges that the dentist bills as having occurred after your last day of employment will be the responsibility of you and/or your new dental coverage, unless you choose continuation dental coverage through COBRA.

***What kind of dental coverage is available in the marketplace? Do I need it?***

Some of the medical plans offered through the Health Insurance Marketplace include some level of dental coverage, but often that coverage is limited to children. Some state Medicaid and CHIP plans include dental coverage as well.

Private dental insurance is available from some insurance agents, as well as through some associations. Some dental plans are also sold directly from companies. Be careful when comparing these plans; some are simply arrangements to charge you a discounted fee from certain dentists, which is different from traditional dental insurance.

Keep in mind that most dental insurance plans – including Alliance Coal’s coverage – have an annual cap on the benefits it will provide. Compare the cost of the coverage and its annual cap with your expected dental expenses for the rest of the year before you choose a plan.

***I have ordered new glasses under my Alliance Coal vision coverage, but they haven’t arrived yet. Will they be covered?***

Yes. The Alliance Coal Vision Plan considers you to have incurred the expense for the glasses on the date you ordered them, even if you have not paid your share of their cost yet.

## **Life Insurance FAQs**

***My family and I are healthy. Do I need to convert our life insurance?***

If your health allows you to buy life insurance on your own, you may find that coverage is less expensive than the cost to convert your coverage. Conversion coverage is primarily designed for people who have a health condition that would prevent them from qualifying for an individual life insurance policy. Call MetLife at 877-275-6387 for details on your continuation of coverage options and the related cost for comparison with other coverage you might be able to obtain through other sources.

***What happens if I die during the 31-day conversion application period?***

MetLife will treat your death as if you had converted your coverage and pay the Alliance Coal Life Insurance Plan’s death benefit to your beneficiary.

## **Flexible Spending Account FAQs**

***Under what circumstances might it make sense to continue my Health Care FSA under COBRA?***

If you planned your Health Care FSA contributions to pay an expense later this year – such as your share of the cost of orthodontia – you may want to choose COBRA for your FSA to avoid forfeiting the money you have in the account today. You contribute to your FSA on an after-tax basis, but you could avoid forfeiting the before-tax funds that are in your account today.

***I have received more in claims from my Health Care FSA this year than I have contributed. Do I have to continue my FSA to repay my account?***

No. Alliance Coal absorbs that loss.

***Can I use my Health Care FSA funds even after I get new medical insurance?***

Yes, but only for expenses incurred while you were an active employee participant or while you continued your FSA under COBRA.

***I am buying a high-deductible medical plan that comes with a pre-tax Health Savings Account (HSA). Can I roll over the pre-tax money in my Health Care FSA to my new HSA?***

No. The law does not allow this type of rollover.

***I used up all the money in my Dependent Care FSA, so I won't have to forfeit any money from it. Can I use the federal dependent care tax credit for my dependent care expenses for the rest of the year?***

Every dollar you contribute to the Dependent Care FSA reduces by one dollar the amount of expenses you may claim for the federal dependent care tax credit. See IRS Publication 503, "Child and Dependent Care Expenses," for details.

## **Profit Sharing & Savings Plan (PSSP) FAQs**

***I have more than \$1,000 in my PSSP account. What are my options?***

You can choose to keep your PSSP account with INTRUST / NestEgg U after you terminate employment. Most people find it helpful to know they aren't required to do anything with their retirement money immediately after leaving Alliance Coal. It is common to get settled in a new job, and wait until some point in the future to make your distribution decision. At any time, you may roll over all or a part of the vested portion of your PSSP account to another tax-qualified plan, such as an IRA or another employer's plan (if that plan accepts rollover contributions).

Your money in the PSSP will remain in the investment options you choose. You may still continue to manage your investments just as you do now. The only difference will be you will no longer add money to your account through contributions or rollovers.

At any time, you may request a distribution of all or a portion of your vested PSSP account balance. If you roll it directly to another qualified plan or IRA, there are no taxes or penalties associated with the rollover. If you choose to cash out all or a portion of your account (not roll it over), the cash out will be subject to taxes and potentially an early withdrawal penalty if you are younger than 59½. If at all possible, you are encouraged to avoid these taxes and continue to save the money for retirement.

The PSSP has an "ad-hoc, partial lump-sum payment" option available. This feature allows you to cash out or roll over some of your vested balance. The minimum partial lump-sum distribution is \$1,000. There is no charge for the first two partial distributions you receive in a calendar year. Additional distributions are assessed a \$50 administrative fee.

***If I leave my money in my PSSP account, are the funds protected from bankruptcy?***

Yes.

***I have less than \$1,000 in my PSSP account. What are my options?***

If your balance is \$1,000 or less, the Plan requires a distribution of your account balance. You may roll the money over (same options as noted above) or cash out and receive a check (less applicable taxes).

***How quickly can I receive money from my PSSP account?***

After your final payroll is processed and you are listed as terminated in the accounting system at NestEgg U, you are eligible to receive a distribution from the PSSP. If you request a full or partial distribution, you can expect to receive the money in 5-7 business days after NestEgg U has received properly completed paperwork. (Keep in mind that weekends and holidays do not count as “business days.”)

***How do I pay taxes on the money I take from my PSSP account?***

The distribution you receive will automatically withhold 20% federal tax. You will receive a Form 1099-R that you will file with your tax return. You may be subject to additional tax on the distribution depending on your earned income for that year. If you are under age 59½, the 10% early withdrawal penalty WILL NOT be withheld. If applicable, you will be responsible for that on your income tax return. Please consult your tax advisor for information on the 10% tax penalty and the specific conditions under which the penalty may be waived.

***Can I roll over just a portion of my PSSP account and take the rest as a distribution?***

Yes. Contact NestEgg U at 866-412-9026 for assistance on leaving the money in the PSSP or help with a full or partial distribution.

***Can I put up my PSSP or a Rollover IRA as security for a loan?***

No. Funds in a tax-qualified plan have special protection from creditors and cannot be pledged as security.

***What happens to my current PSSP loan?***

You may pay off your loan in full at any time in the next 2 months. If you don't pay off the loan, you will receive a Form 1099-R for the remaining loan balance that is unpaid. Also keep in mind, if you are under age 59-1/2 there will be an additional 10% early withdrawal penalty on the remaining loan balance amount.

***If I leave my money in my PSSP account, can I later take regular distributions or hardship distributions?***

Once you are terminated, you can request a distribution of all or a portion of your vested PSSP account balance – at any time, for any reason. Taxes and any penalties would apply. (Hardship distributions are only available for active employees, because hardship is the only reason active employees can request a distribution.)

***How do I know if I am fully vested in the plan?***

Your most recent PSSP account statement shows the vesting status of your funds.

## **Payroll and Unemployment FAQs**

***When will I receive my last paycheck?***

Your last paycheck will be paid and delivered on your usual pay date.

***Am I eligible for unemployment insurance benefits?***

If your employment ended because of a layoff or reduction in force, you may be eligible for unemployment insurance benefits payable from the state where you worked. If you are eligible, you should immediately apply for benefits through the state. Here is the information you need to get started:

Illinois	Department of Employment Security 33 South State St. Chicago, IL 60603	(800) 247-4984 <a href="http://www.ides.illinois.gov/Pages/Unemployment_Taxes_and_Reporting.aspx">www.ides.illinois.gov/Pages/Unemployment_Taxes_and_Reporting.aspx</a>
Indiana	Department of Workforce Development 10 North Senate Ave. Room SE 106 Indianapolis, IN 46204-2277	(317) 232-7436 <a href="http://www.in.gov/dwd/2614.htm">www.in.gov/dwd/2614.htm</a>
Kentucky	Department for Employment Services P. O. Box 948 Frankfort, KY 40602- 0948	(502) 564-2272 <a href="http://www.oet.ky.gov/ui/ui.htm">www.oet.ky.gov/ui/ui.htm</a>
Maryland	Department of Labor, Licensing, & Regulation 1100 North Eutaw St., Room 414 Baltimore, MD 21201- 2201	(800) 492-5524 <a href="http://www.dlr.state.md.us/employment/uitax.shtml">www.dlr.state.md.us/employment/uitax.shtml</a>
Oklahoma	Employment Security Commission P.O. Box 52003 Oklahoma City, OK 73152-2003	(405) 557-5362 <a href="http://www.ok.gov/oesc_web/Services/Unemployment_Insurance/Employer_Information.html">www.ok.gov/oesc_web/Services/Unemployment_Insurance/ Employer_Information.html</a>
West Virginia	Bureau of Employment Programs 112 California Ave. Charleston, WV 25305-0016	(304) 558-2676 <a href="http://www.wvcommerce.org/business/workforcewv/unemployment_compensation/employers/default.aspx">www.wvcommerce.org/business/workforcewv/ unemployment_compensation/employers/default.aspx</a>