

Tobacco Surcharge Frequently Asked Questions

Q: What do I need to know about the tobacco surcharge?

A: During each annual enrollment, or when you enroll in a DSM medical plan, employees will be asked to attest whether or not they have been a tobacco user in the past 6 months. A tobacco user is defined as anyone that used tobacco products including cigarettes, chewing tobacco, bidis, cigars, dip, e-cigarettes, hookah, cloves, pipe and snuff —regardless of frequency—within the past 6 months. If you or your spouse/ Domestic Partner are a tobacco user and enrolled in a DSM medical plan, a \$300 annual surcharge will apply and be deducted from your paycheck, along with your other benefit deductions. The surcharge does not apply to any dependent children.

You are a “tobacco user” if you currently use tobacco products or have used tobacco products in the last 6 months including cigarettes, chewing tobacco, bidis, cigars, dip, e-cigarettes, hookah, cloves, pipe and snuff

If you are currently participating in or have successfully completed a smoking cessation program within the last six months, you can consider yourself a non-tobacco user.

Q: What is considered a tobacco product?

A: Tobacco products include but are not limited to: cigarettes, cigars, e-cigarettes (including vapes), cigarillos, pipes, chewing tobacco, snuff, dip, and loose tobacco smoked via pipe, hookah or hand rolled cigarettes. If you and or your spouse/DP use any of these products, you must certify as a tobacco user. The use of nicotine patches, nicotine inhalers or electronic cigarettes will not require an employee or spouse/ DP to pay the tobacco surcharge.

Q: When does the tobacco surcharge go into effect?

A: The tobacco surcharge will take effect starting with the new plan year on January 1.

Q: What happens if I want to keep all of my same elections and do not indicate whether or not I use tobacco during annual enrollment?

A: If you do not take action during annual enrollment and complete the attestation, you and your covered spouse / DP will be defaulted to tobacco use status (based on your coverage tier) and the surcharge will apply to you and your spouse/DP, if applicable. If you do not use tobacco, take action during annual enrollment and complete the attestation to avoid the

tobacco surcharge. You will not be reimbursed for any surcharge deductions, if you did not take this required action.

Q: What if I am not a tobacco user, do I still need to act?

A: If you enroll in a DSM medical plan, you need take action and complete the attestation. If you do not act, DSM will assume you are a tobacco user and the surcharge will apply. This also applies to a spouse/DP you enroll in a DSM medical plan.

Regardless of whether you use tobacco products, you should take action during annual enrollment to review your benefit options and decide whether you want to keep your same elections. Everyone who enrolls a spouse / DP in a DSM medical plan will also need to annually attest whether their spouse / DP is eligible for medical coverage such as through their employer. If they are eligible for medical coverage elsewhere, the spousal surcharge will apply.

Q: Why is DSM focusing on tobacco use?

A: DSM cares about your health and the health of your family. We hope that the tobacco surcharge brings additional attention to the harmful effects of tobacco use on the health of our employees and their families.

According to the Centers for Disease Control and Prevention, smoking harms nearly every organ of the body, causing many diseases and affecting the general health of smokers. Tobacco users have increased lifetime medical expenses and are absent from work more days than those who are not tobacco users. Statistics highlight the significance of this problem:

- More than 5 million deaths are the direct result of tobacco use
- 8.6 million live with a serious illness caused by smoking
- More than 600,000 deaths are the result of non-smokers being exposed to second-hand smoke

In addition, with the introduction of the tobacco surcharge, DSM is asking tobacco users to pay more for the cost of medical coverage in recognition of the greater health care costs associated with tobacco use. We recognize that support can help you quit and why we provide programs and resources to help you and your family members quit tobacco at no cost to you.

Q: Will I need to pay the tobacco surcharge if I smoke and only want to enroll in dental and/or vision?

A: No, the surcharge applies only to those who enroll in a DSM medical plan.

Q: What if I say I don't use tobacco products, but I do?

A: As with other aspects of your employment relationship with DSM, providing false information could be subject to disciplinary action, up to and including termination of employment or benefits.

Q: I am a tobacco user but want to quit now so I can avoid the surcharge – what do I need to do?

A: To certify as a non-tobacco user, you and/or your spouse/DP must not have used any tobacco products within the last 6 months (from the time you make your certification). The online certification process will begin during your enrollment period. If you and/or your spouse/DP are tobacco users (you have used tobacco in the last 6 months), you can remove the surcharge prospectively if you participate in and complete the Virgin Pulse tobacco cessation coaching program. To learn more about Virgin Pulse's tobacco cessation coaching program, visit the Virgin Pulse site at www.brighterliving.dsm.com.

Q: I am a tobacco user currently. What steps can I take to have the surcharge removed?

A: During annual enrollment or when you enroll in a Medical plan, you will need to complete the online certification process and attest that you are a tobacco user. To enroll in the tobacco cessation program, visit the Virgin Pulse site at www.brighterliving.dsm.com. **After you complete 4 telephonic coaching sessions, or the Tobacco Cessation Journey's program, the tobacco surcharge will end as soon as administratively possible, but usually within approximately 2 pay periods.** You will not be reimbursed for any deductions for the tobacco surcharge prior to that time.

It is important that you maintain your tobacco-free status. Each year, you will be asked to complete the online certification and if you attest to being a tobacco user, you will need to complete the Virgin Pulse Tobacco cessation program again.

Q: What if I stop using tobacco 6 months prior to certifying but start using tobacco again?

A: If you become a tobacco user at any time, you should notify the DSM Benefits Center so the surcharge can be applied.

Q: How can DSM help me quit using tobacco?

A: You can get help through the Virgin Pulse tobacco cessation program. To complete the program, you must enroll in the coaching program and complete four coaching sessions over the phone or complete the Virgin Pulse Tobacco Cessation Journey program online through the Virgin Pulse Portal. You will have access to helpful education content during the program. Visit www.brighterliving.dsm.com to learn more.

Additionally, DSM's medical plan covers the cost of tobacco cessation medications, such as prescription medications like Chantix, Nicotrol and Zyban, as well as many over-the-counter medications and products. Visit www.express-scripts.com or call **1-866-851-0145** for more information.

Q: What if I start the tobacco cessation program but do not complete it?

A: To discontinue the tobacco surcharge, you must complete the entire Virgin Pulse tobacco cessation program (either the four telephonic coaching sessions or the Virgin Pulse Tobacco Cessation Journey). If you start the program and do not complete it, you will continue to pay the tobacco surcharge. Remember, you can always participate in the program again anytime during the year.

Q: What if I complete the tobacco cessation program but am not successful?

A: The surcharge will still be removed from your paycheck for the remainder of the year. We encourage you to continue using the resources DSM makes available to continue on your path of becoming tobacco free.