



Update to the 2006 Retiree Health Benefits Guide

(2008 Summary of Material Modifications)

Texas Instruments Incorporated (TI) is required to provide each participant with a notification of important changes to the TI Employees Health Benefit Plan (the “Plan”). This notification is called a Summary of Material Modification (“SMM”) and is intended to update the Summary Plan Description (“SPD”), also known as the *2006 Retiree Health Benefits Guide*. Please keep this notice with your SPD to maintain a current description of the Plan and its benefits.

Benefits under the Plan were modified effective January 1, 2008, as follows.

CHANGE #1: Expanded behavioral health care benefits in the Blue Cross Blue Shield PPO

(Refer to pages 24-25 and 44 of the *2006 Retiree Health Benefits Guide*)

- TI has eliminated the limit on the number of behavioral health care outpatient visits allowed per calendar year.

CHANGE #2: Changes in prescription benefits in the Blue Cross Blue Shield PPO

(Refer to pages 25-27 of the *2006 Retiree Health Benefits Guide*)

- Retail prescriptions are limited to a 30-day supply; prescriptions filled for greater than a 30-day supply and up to a 90-day supply may only be obtained through the mail-order program.
- If a generic is available and a brand-name drug is purchased instead, you pay the appropriate coinsurance for the brand-name drug cost (previously, this was based on the generic drug cost) plus the cost difference between the brand-name and generic drug.

CHANGE #3: Enhanced benefit in the Employee Assistance Program (EAP)

(Refer to pages 94-97 of the *2006 Retiree Health Benefits Guide*)

- The EAP limit of eight (8) in-person EAP sessions, per problem per calendar year, has been increased to fifteen.

CHANGE #4: Updated Eye-Care Discount Program Information

(The following text updates pages 99-101 of the *2006 Retiree Health Benefits Guide*)

You and your family members may use the EyeMed Eye-Care Discount Program (“Discount Program”) to receive discounts on glasses and contacts. This program is administered by EyeMed Vision Care. You must show your retiree badge or a TI Medical ID card to receive discounts at the time of purchase. There is no membership cost. Vision care expenses are not reimbursable under the Blue Cross Blue Shield PPO.

Discounts are good at participating LensCrafters, Sears Optical, Target Optical, JCPenney Optical, most Pearle Vision locations and independent participating providers. To locate the nearest participating provider, call 866-723-0391 or access the program’s Web site at www.eyemedvisioncare.com. The Discount Program number is 9238270.

You may bring your own prescription or have your eyes examined at a participating provider and receive \$5 off the exam fee for glasses or \$10 off the exam fee for contacts, at the time of service. You may have your prescription filled at a participating provider or anywhere you wish, but keep in mind that discounts listed below are only available at participating providers.

The Discount Program includes the following savings:

Summary of Discounts

Vision Care Services	Retiree Cost
Exam with Dilation as Necessary:	\$5 off routine exam \$10 off contact lens exam
<i>Complete Pair of Glasses Purchase*: frame, lenses and lens options must be purchased in the same transaction to receive full discount.</i>	
Standard Plastic Lenses:	
Single Vision	\$50
Bifocal	\$70
Trifocal	\$105

Vision Care Services	Retiree Cost
Frames: Any frame available at provider location	40% off retail price
Lens Options: UV Coating Tint (Solid and Gradient) Standard Scratch-Resistance Standard Polycarbonate Standard Progressive(Add-on to Bifocal) Standard Anti-Reflective Coating Other Add-Ons and Services	\$15 \$15 \$15 \$40 \$65 \$45 20% discount
Contact Lens Materials (Discount applied to materials only) Disposable Conventional	0% off retail price 15% off retail price
Laser Vision Correction**: Lasik or PRK	15% off retail price - or - 5% off promotional price
Frequency: Examination Frame Lenses Contact Lenses	Unlimited Unlimited Unlimited Unlimited

* Items purchased separately will be discounted 20% off of the retail price.

**Since Lasik or PRK vision correction is an elective procedure performed by specially trained providers, this discount may not always be available from a provider in your immediate location. For a participating provider near you and the discount authorization, please call 1-877-5LASER6.

You will receive a 20% discount on items purchased at participating providers that are not specifically covered by this Discount Program. The 20% discount may not be combined with any other discounts or promotional offers, and the discount does not apply to EyeMed provider's professional services, or contact lenses. Retail prices may vary by location.

Prices are effective as of January 1, 2008. Prices are subject to change without notice.

Limitations/ Exclusions:

- Orthoptic or vision training, subnormal vision aids, and any associated supplemental testing
- Medical and/or surgical treatment of the eye, eyes, or supporting structures
- Corrective eyewear required by an employer as a condition of employment, and safety eyewear unless specifically covered under this Discount Program
- Services provided as a result of any Worker's Compensation law
- Discount is not available on those frames where the manufacturer prohibits a discount

Pricing

Prices are effective as of January 1, 2008, and are subject to change.

Example of Program Savings

	REGULAR RETAIL	DISCOUNTED COST
Frame	\$100	\$ 60
Single vision lenses	\$ 56	\$ 50
Lens options		
• Ultraviolet coating	\$ 20	\$ 15
• Scratch resistant coating	\$ 20	\$ 15
Total	<u>\$196</u>	<u>\$140</u>
		You Save \$56

CHANGE #5: Updated Contact Information

(Refer to pages 2-3 of the *2006 Retiree Health Benefits Guide*)

- The BCBS PPO Pharmacy Network Administrator, Caremark is now known as CVS Caremark. The CVS Caremark phone numbers remain the same. You can still use the same national network of pharmacies that you used previously. For now, CVS Caremark will continue to maintain www.caremark.com Web site.
- The phone number for the Eye-Care Discount Program has changed to 866-723-0391.
- The name for the PacifiCare Secure Horizons HMO, serving the Dallas/Fort Worth and San Antonio areas, has changed to Secure Horizons HMO - Texas.
- The name for the UHC Medicare Complete HMO, serving Rhode Island, has changed to Secure Horizons HMO – Rhode Island.

OTHER INFORMATION

Special Notice. As required by the Women’s Health and Cancer Rights Act of 1998, the TI Plan provides benefits for mastectomy-related services, including all stages of reconstruction and surgery to achieve a symmetrical appearance between the breasts, prostheses and treatment of physical complications of all stages of mastectomy, including swelling associated with the removal of lymph nodes. Contact TI SmartLink at 800-890-2600 for more information regarding such benefits provided by the TI Plan.

Questions. If you have any questions about the information contained in this notice or would like to request another copy of the *2006 Retiree Health Benefits Guide*, contact the TI Benefits Center through TI SmartLink at 800-890-2600. You can also access the *2006 Retiree Health Benefits Guide* via the Your Benefits Resources™ (YBR) Web site (<http://resources.hewitt.com/ti>). First, click on “Benefits Manual” on the left-hand side of the screen. Then, click “View or Print Summary Plan Descriptions”. The *2006 Retiree Health Benefits Guide* can also be found at www.tialumni.org.

Updated Medicare Prescription Drug Coverage Information

(The following text updates pages 65-71 of the *2006 Retiree Health Benefits Guide*)

Medicare Prescription Drug Coverage Information

Medicare began offering prescription drug coverage in 2006. This coverage is only available to individuals who are enrolled in Medicare Part A and/or Part B. **It is important to note that you may obtain medical coverage through the TI Employees Health Benefit Plan (the “TI Plan”) or Medicare Prescription Drug Coverage, but not both.**

If you decide to enroll in Medicare Prescription Drug Coverage, be aware that this will affect your TI Plan coverage. Your current coverage under the TI Plan pays for other health expenses in addition to prescription drug coverage. Detailed below is more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

- **If you terminated employment on or after January 1, 1998:**
 - If **you** choose to enroll in Medicare Prescription Drug Coverage, you and any covered family members will lose coverage under the TI Plan, and WILL NOT be eligible to re-enroll at any time. *This means medical and prescription drug coverage under the TI Plan ends for you and any covered family members. Once coverage ends, it cannot be reinstated.* Please plan carefully, because if you enroll for Medicare Prescription Drug Coverage, your family members will be left without medical and prescription drug coverage if they don't have coverage elsewhere.
 - If **any of your covered family members** choose to enroll in Medicare Prescription Drug Coverage, they will lose their coverage under the TI Plan. *This means their medical and prescription drug coverage under the TI Plan ends.* If they drop their Medicare Prescription Drug Coverage, you will be able to re-enroll them for prescription drug coverage through the TI Plan during any annual enrollment period or within 30 days of an appropriate qualified status change (provided that you notify TI through Your Benefits Resources™ (YBR) Web site or the TI Benefits Center within the same thirty day period of the status change), as long as you remain enrolled in the TI Plan. If you drop coverage under the TI Plan, neither you nor your dependents can re-enroll in the TI Plan.

- **If you terminated employment prior to January 1, 1998:**
 - If **you** choose to enroll in Medicare Prescription Drug Coverage, you and any covered family members will lose coverage under the TI Plan. *This means medical and prescription drug coverage under the TI Plan ends for you and any covered family members.* Please plan carefully because if you enroll for Medicare Prescription Drug Coverage, your family members will be left without medical and prescription drug coverage if they don't have coverage elsewhere. However, under the current provisions of the TI Plan, you will be able to re-enroll yourself and any eligible family members for coverage under the TI Plan at the next annual enrollment if Medicare Prescription Drug Coverage is dropped.
 - If **any of your covered family members** choose to enroll in Medicare Prescription Drug Coverage, they will lose their coverage under the TI Plan. *This means their medical and prescription drug coverage under the TI Plan ends.* However, under the current provisions of the TI Plan, you will be able to re-enroll them in the TI Plan if they drop Medicare Prescription Drug Coverage. You can re-enroll your family members in the TI Plan during any annual enrollment period or within 30 days of an appropriate qualified status change (provided that you notify TI through Your Benefits Resources™ (YBR) Web site or the TI Benefits Center within the same thirty day period of the status change), as long as you are enrolled in the TI Plan.

IMPORTANT NOTE: If you elect Medicare Prescription Drug Coverage, you cannot elect medical coverage through the TI Plan. If you elect Medicare Prescription Drug Coverage and you terminated employment on or after January 1, 1998, you WILL NOT be eligible to re-enroll in medical coverage through the TI Plan.

Creditable and Non-Creditable Prescription Drug Coverage Notices

Below are samples of the Creditable and Non-Creditable Prescription Drug Coverage Notices. You should have received a personalized copy of a creditable or non-creditable notice (depending on which plan you're enrolled in). If you didn't receive a personalized copy of this notice, you can contact the TI Benefits Center at 800-890-2600 to request one.

**Welfare Plan
Creditable Coverage Disclosure
Notice**

Statement Date [MM-DD-CCYY]

JANE M SAMPLE and Family
123 MAIN STREET
CITY STATE ZIP

Important Notice from Texas Instruments (“TI”) About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage under the TI Employees Health Benefit Plan (the “TI Plan”) and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare prescription drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare prescription drug plan or join a Medicare Advantage Plan (like a HMO or PPO) that offers prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

You have decisions to make about Medicare’s prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join. Read this notice carefully – it explains your options.

Creditable Coverage

TI has determined that the prescription drug coverage options listed below are, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is considered Creditable Coverage.

- BCBS PPO, all “Build Your Own” health plan option except the Pre-Medicare 40% in-network retail prescription option
- SecureHorizon HMO – Rhode Island
- SecureHorizon HMO – Texas

Because the TI prescription drug options listed above are, on average, at least as good as standard Medicare prescription drug coverage, you can keep this coverage under the TI Plan and you will not pay a higher premium (a penalty) if you later decide to join a Medicare prescription drug plan.

If you decide to join a Medicare prescription drug plan, be aware that this will affect your TI coverage. Your current coverage under the TI Plan pays for other health expenses in addition to prescription drug coverage.

Detailed below is more information about what happens to your current coverage if you join a Medicare prescription drug plan.

- If **you** choose to join a Medicare prescription drug plan, you and any covered family members will lose coverage under the TI Plan, and **WILL NOT** be eligible to re-enroll at any time (unless you terminated employment prior to January 1, 1998). **This means medical and prescription drug coverage under the TI Plan ends for you and any covered family members.** Please plan carefully, because if you join a Medicare prescription drug plan, your family members will be left without medical and prescription drug coverage if they don't have coverage elsewhere. You will be able to enroll for TI coverage at the next annual enrollment if Medicare prescription drug coverage is dropped, unless you terminated employment on or after January 1, 1998 in which case **once TI coverage ends, it cannot be reinstated.**
- If **any of your covered family members** choose to join a Medicare prescription drug plan, they will lose their coverage under the TI Plan. This means their medical and prescription drug coverage under the TI Plan ends. If they drop their Medicare prescription drug coverage, you will be able to re-enroll them for prescription drug coverage through the TI Plan during any annual enrollment period or within 30 days of an appropriate qualified status change (provided that you notify TI through Your Benefits Resources™ or TI Benefits Center within the same thirty day period of the status change), as long as you remain enrolled in the TI Plan. If you drop coverage under the TI Plan, neither you nor your dependents can re-enroll in the TI Plan (unless you terminated employment prior to January 1, 1998).

General Information

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. This may mean that you may have to wait to join a Medicare prescription drug plan and that you may pay a higher premium (a penalty) if you join later. You may pay that higher premium (a penalty) as long as you have Medicare prescription drug

coverage. However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a sixty (60) day Special Enrollment Period (SEP), because you lost creditable coverage, to join a Part D plan. In addition, if you lose or decide to leave employer coverage; you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period. You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

When TI Prescription Drug Coverage Ends

You should also know that if you drop or lose your coverage under the TI Plan and don't join a Medicare prescription drug coverage plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare prescription drug plan later.

If you go 63 continuous days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up by at least 1% of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 19 months without coverage, your premium may consistently be at least 19% higher than the base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare coverage. In addition, you may have to wait until the following November to join.

For more information about this notice or your current prescription drug coverage...

If you need additional information, access the *Your Benefits Resources™* Web site at <http://resources.hewitt.com/ti> or call the TI Benefits Center toll-free at **1-800-890-2600**. TI Benefits Center Representatives are available between **8:30 a.m.** and **4:30 p.m.**, Central Time Monday through Friday. The automated telephone system is available 24 hours a day, Monday through Saturday, and after 12:00 p.m., Central Time, on Sunday. Please have your Social Security number and Hewitt password available when you call.

Please address any written correspondence to:

TI Benefits Center
100 Half Day Road
P.O. Box 1542
Lincolnshire, IL 60069-3242

NOTE: You will get a notice each year. You will also get one before the next period you can join a Medicare prescription drug plan, and if this coverage through TI changes. You also may request a copy.

For more information about your options under Medicare prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You’ll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the Medicare & You handbook for their telephone number) for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for a Medicare prescription drug plan is available. For information about this extra help visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you decide to join one of the Medicare prescription drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained Creditable Coverage and whether or not you are required to pay a higher premium (a penalty).

SAMPLE

**Welfare Plan
Creditable Coverage Disclosure
Notice**

Statement Date [MM-DD-CCYY]

JANE M SAMPLE and Family
123 MAIN STREET
CITY STATE ZIP

Important Notice from Texas Instruments (“TI”) About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage under the TI Employees Health Benefit Plan (the “TI Plan”) and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare prescription drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare prescription drug plan or join a Medicare Advantage Plan (like a HMO or PPO) that offers prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

You have decisions to make about Medicare’s prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join. Read this notice carefully – it explains your options.

Non-Creditable Coverage

TI has determined that the prescription drug coverage option listed below is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays and is considered Non-Creditable Coverage. This is important, because most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription coverage from the TI Plan.

- BCBS PPO, the Pre-Medicare “Build Your Own” health plan option of 40% in-network retail prescription

You can keep your coverage from the TI Plan. You can keep the coverage regardless of whether it is as good as a Medicare drug plan. However, because the TI prescription drug options listed above are, on average, NOT at least as good as standard Medicare prescription drug coverage, you may pay a higher premium (a penalty) if you later decide to join a Medicare prescription drug plan.

If you decide to join a Medicare prescription drug plan, be aware that this will affect your TI coverage. Your current coverage under the TI Plan pays for other health expenses in addition to prescription drug coverage. Detailed below is more information about what happens to your current coverage if you join a Medicare prescription drug plan.

- If **you** choose to join a Medicare prescription drug plan, you and any covered family members will lose coverage under the TI Plan, and **WILL NOT** be eligible to re-enroll at any time (unless you terminated employment prior to January 1, 1998). **This means medical and prescription drug coverage under the TI Plan ends for you and any covered family members.** Please plan carefully, because if you join a Medicare prescription drug plan, your family members will be left without medical and prescription drug coverage if they don't have coverage elsewhere. You will be able to enroll for TI coverage at the next annual enrollment if Medicare prescription drug coverage is dropped, unless you terminated employment on or after January 1, 1998 in which case **once TI coverage ends, it cannot be reinstated.**
- If **any of your covered family members** choose to join a Medicare prescription drug plan, they will lose their coverage under the TI Plan. This means their medical and prescription drug coverage under the TI Plan ends. If they drop their Medicare prescription drug coverage, you will be able to re-enroll them for prescription drug coverage through the TI Plan during any annual enrollment period or within 30 days of an appropriate qualified status change (provided that you notify TI through Your Benefits Resources™ or TI Benefits Center within the same thirty day period of the status change), as long as you remain enrolled in the TI Plan. If you drop coverage under the TI Plan, neither you nor your dependents can re-enroll in the TI Plan (unless you terminated employment prior to January 1, 1998).

General Information

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. This may mean that you may have to wait to join a Medicare prescription drug plan and that you may pay a higher premium (a penalty) if you join later. You may pay

that higher premium (a penalty) as long as you have Medicare prescription drug coverage. However, if you lose or decide to leave employer coverage; you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period. You will need to make a decision. When you make your decision, you should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

When TI Prescription Drug Coverage Ends

You should also know that if you drop or lose your coverage under the TI Plan and don't join a Medicare prescription drug coverage plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare prescription drug plan later.

If you go 63 continuous days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up by at least 1% of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 19 months without coverage, your premium may consistently be at least 19% higher than the base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare coverage. In addition, you may have to wait until the following November to join.

For more information about this notice or your current prescription drug coverage...

If you need additional information, access the *Your Benefits Resources™* Web site at <http://resources.hewitt.com/ti> or call the TI Benefits Center toll-free at **1-800-890-2600**. TI Benefits Center Representatives are available between **8:30 a.m. and 4:30 p.m.**, Central Time Monday through Friday. The automated telephone system is available 24 hours a day, Monday through Saturday, and after 12:00 p.m., Central Time, on Sunday. Please have your Social Security number and Hewitt password available when you call.

Please address any written correspondence to:

TI Benefits Center
100 Half Day Road
P.O. Box 1542
Lincolnshire, IL 60069-3242

NOTE: You will get a notice each year. You will also get one before the next period you can join a Medicare prescription drug plan, and if this coverage through TI changes. You also may request a copy.

For more information about your options under Medicare prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You’ll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the Medicare & You handbook for their telephone number) for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for a Medicare prescription drug plan is available. For information about this extra help visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

