



Wal-Mart Health Care Benefits Overview for 2008

What our associates are telling us...

- ✓ Over the past few years, we have spent a lot of time talking to our associates and listening to what they need from their health benefits.
- ✓ We continue to hear that affordability, accessibility and the security of knowing that the plan is there when they need it most are very important to our associates and their families.
- ✓ Based on associate feedback, we developed a benefits package for 2008 that is even stronger, more affordable and gives our associates and their families more tools to help them save money and live better lives.
- ✓ **More than 92 percent (92.7 percent) of Wal-Mart associates reported having some form of health coverage,** according to a survey taken during our fall 2007 open enrollment period.
- ✓ **More than 50 percent (50.2 percent) of Wal-Mart associates obtain their health coverage through the company,** our fall 2007 open enrollment survey revealed. According to the Kaiser Family Foundation, only 44 percent of employees at other retailers who offer health insurance select their employer's coverage.
- ✓ **More than 1.1 million Americans** – associates and their family members – are covered by Wal-Mart plans.

We are committed to providing affordable coverage to our associates and their families.

- ✓ **Both full- and part-time Wal-Mart associates can become eligible for health coverage.** Overall, **79 percent of Wal-Mart associates were eligible for coverage** during the annual 2007 open enrollment period. According to the Kaiser Family Foundation, the average eligibility rate was 57 percent among U.S. retailers in 2007. Only 24 percent of companies in the United States offer health benefits to part-time employees.
- ✓ **Minor children of Wal-Mart associates – both full- and part-time – are eligible for health benefits** as soon as the parent is eligible. The **cost for dependent coverage in our new plans ranges from 15 cents to less than 50 cents more per day,** no matter how many children an associate has on the plan.
- ✓ Associates have access to low deductibles, pre-deductible health care credits, more than 2,000 generic prescriptions for \$4 and no lifetime maximums.
- ✓ Associates have **more than 50 ways of customizing their health care coverage options,** allowing them to select various deductibles, health care credits and premiums, depending on their needs.
- ✓ For associates who enroll in the Value Plan, **we have introduced an annual pre-deductible health care credit for each covered family member.** Associates can choose a \$100, \$250 or \$500 health care credit. This credit means the plan, not the participant, pays for the first \$100, \$250 or \$500 of eligible medical expenses before costs are applied to the deductible.
- ✓ Associates now have access to **more than 2,000 different generic prescriptions for \$4,** up from less than 20 generic drugs for \$3 available in 2007. We estimate this program will **save our associates approximately \$25 million** in 2008.

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- ✓ Full- and part-time associates in the continental United States can become eligible for the **Value Plan, which has premiums that vary with the health care credit and deductible chosen.** For example, with a \$1,000 deductible and a \$250 health care credit, individual premiums are no more than \$24 a month for the basic network and as little as \$12 in some areas. With a \$2,000 deductible and a \$100 health care credit, the premiums are less than \$5 a month in some areas and no more than \$8 per month nationwide for the basic network. Both have a \$5,000 out-of-pocket maximum.
- ✓ Wal-Mart's plan has **no lifetime maximum** on most health care expenses – protecting associates and their families from the costs associated with a catastrophic illness. Wal-Mart is one of few retailers to offer this type of coverage
- ✓ Wal-Mart's medical plan typically covers 80 percent of charges for most services included in the plan, after an annual deductible is met. Starting in 2008, the health care credit on the Value Plan pays for covered expenses before the deductible. Once an associate reaches their annual out-of-pocket maximum, the plan pays 100 percent of most eligible charges.
- ✓ Wal-Mart also offers **Health Savings Accounts (HSAs)** to our associates, which provide an option for families to gain access to health insurance and save for future health care needs.

Our initiatives are working.

- ✓ **For many associates, a job at Wal-Mart means new access to health coverage.** According to data collected in our fall 2007 open enrollment survey, **more than 30,000 associates (50.9 percent) who chose Wal-Mart's coverage for the first time were previously uninsured.** In the same survey, 24.8 percent of associates selecting coverage for the first time said they had not previously been able to afford coverage, while 12 percent said they were previously on Medicaid or other state insurance programs.
- ✓ Considering factors that include the turnover typical of the retail industry, this growth in enrollment leaves Wal-Mart with **more than 690,000 associates (or more than 1.1 million people, including spouses and dependents) on Wal-Mart health plans** as of November 9, 2007.
- ✓ **The percentage of uninsured Wal-Mart associates declined by more than 20 percent compared to one year ago.** As of November 9, 2007, 7.3 percent of Wal-Mart associates were uninsured, compared to 9.6 percent a year earlier. This rate is also less than half the 17.7 percent uninsured rate nationwide for U.S. employed workers, as reported by the U.S. Census Bureau. We plan to continue working to better understand why these associates decline coverage and what we can do to further reduce the percentage of uninsured associates.
- ✓ **Our benefits also compare favorably to other similar employers.** According to the results of The Hewitt Benefit Index®, conducted by benefits consulting firm Hewitt Associates, **Wal-Mart's broad eligibility ranks it among the highest in its comparative set of 18 large retailers and grocers.** While the average retail score is 100, Wal-Mart scored 113.8 on its health benefits. This score is an increase from Wal-Mart's score last year of 102.0 in health benefits.

At Wal-Mart, we are firmly committed to providing comprehensive and affordable health care benefits for our associates. We will continue to make sure our workforce has access to the health care they need, at prices they can afford. But no one business can solve this country's health care crisis alone, and we welcome the opportunity to work together as we address these issues.

For more information on benefits offered to Wal-Mart associates, please visit walmartfacts.com.

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