



Health Insurance Marketplace Coverage Options and Your Health Coverage

PART A: General Information

Even if you are offered health coverage through your employment, you may have other coverage options through the Health Insurance Marketplace ("Marketplace"). To assist you as you evaluate options for you and your family, this notice provides some basic information about the Health Insurance Marketplace and health coverage offered through BorgWarner.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options in your geographic area.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium and other out-of-pocket costs, but only if your employer does not offer coverage, or offers coverage that is not considered affordable for you and doesn't meet certain minimum value standards (discussed below). The savings that you're eligible for depends on your household income. You may also be eligible for a tax credit that lowers your costs.

However, as a BorgWarner full-time eligible employee, you will not qualify for such premium or other reduction in cost-sharing because:

1. BorgWarner offers group health coverage to all full-time eligible employees;
2. BorgWarner's group health plan options meet the "minimum value" standard set by the Affordable Care Act because they pay for at least 60% of covered health care expenses; and
3. Your premium cost under the BorgWarner group health plan options that would cover you (and not any other members of your family) is less than 9.61% of your household income. In other words, BorgWarner pays a majority of the premium cost for your coverage under the BorgWarner group health plans.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. As a full-time eligible employee, BorgWarner offers you coverage under its group health plans which meet the standards set forth above. Consequently, you will not be eligible for tax credits that lower your monthly premium or reduce certain other cost-sharing for a qualified health plan that you choose to purchase through the Marketplace. Accordingly, you may wish to enroll during the annual enrollment or other special enrollment periods in one of BorgWarner's group health plan options.

Note: If you purchase a health plan through the Marketplace instead of accepting BorgWarner health coverage, then you may lose the employer contribution to the employer-offered coverage. Also, this employer contribution, as well as your employee contribution to employer-offered coverage, is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

When Can I Enroll in Health Insurance Coverage through the Marketplace?

You can enroll in a Marketplace health insurance plan during the annual Marketplace Open Enrollment Period. Open Enrollment varies by state but generally starts November 1 and continues through at least December 15.

Outside the annual Open Enrollment Period, you can sign up for health insurance if you qualify for a Special Enrollment Period. In general, you qualify for a Special Enrollment Period if you've had certain qualifying life events, such as getting married, having a baby, adopting a child, or losing eligibility for other health coverage. Depending on your Special Enrollment Period type, you may have 60 days before or 60 days following the qualifying life event to enroll in a Marketplace plan.

What about Alternatives to Marketplace Health Insurance Coverage?

If you or your family are eligible for coverage in an employment-based health plan (such as an employer-sponsored health plan), you or your family may also be eligible for a Special Enrollment Period to enroll in that health plan in certain circumstances, including if you or your dependents were enrolled in Medicaid or CHIP coverage and lost that coverage.

Alternatively, you can enroll in Medicaid or CHIP coverage at any time by filling out an application through the Marketplace or applying directly through your state Medicaid agency. Visit <https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/> for more details.

How Can I Get More Information?

For more information about your coverage offered by your employer, please refer to the Summary Plan Description located on the BorgWarner Benefits website, borgwarner.com/benefits/usa.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit healthcare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

PART B: INFORMATION ABOUT HEALTH COVERAGE OFFERED BY BORGWARNER

This section contains information about any health coverage offered by BorgWarner. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name BorgWarner Inc.	4. Employer Identification Number (EIN) 13-3404508	
5. Employer address 3850 Hamlin Rd.	6. Employer phone number 248-754-9200	
7. City Auburn Hills	8. State Michigan	9. Zip code 48326
10. Who can we contact about employee health coverage at this job? Corporate Benefits Department		
11. Phone number (if different from above) 248-754-0866	12. Email address benefits@borgwarner.com	

Here is some basic information about health coverage offered by BorgWarner:

Upon date of hire, all full-time eligible employees are offered coverage under the BorgWarner group health plan. BorgWarner classifies you as a full-time eligible employee if you are regularly scheduled to work at least 30 hours a week. You also may enroll your Eligible Dependents, who include your Spouse and Children (as those terms are defined under the plan documents).

BorgWarner offers two medical plan options: The HRA Choice Plan and the HRA Choice Plus Plan. Both plans work generally the same way, cover the same types of services and provide you with comprehensive coverage. However, they differ in the way you pay your portion of the costs – the balance between the amount you pay up front (through premiums) versus the amount you pay at the time of care (through deductibles and coinsurance).

The HRA Choice Plan is BorgWarner's lowest cost plan. By enrolling in this Plan, you pay less up front through lower payroll deductions, but more at the time of care through higher member deductible gap requirements and 20% coinsurance responsibility.

The HRA Choice Plus Plan requires you to pay more up front through payroll deductions, but in return, you pay less out-of-pocket if and when you need care. It has a lower member deductible gap and 10% coinsurance.

The coverage for both BorgWarner plans meet the required minimum value standard, which means the company's share of the total allowed benefit costs covered by the plan is no less than 60% of the costs. In fact, the company share for both the BorgWarner plans is much greater than 60%. As you can see in the chart below, the HRA Choice Plan is 89%, while the HRA Choice Plus Plan is 93%. HRA Choice plan coverage percentages fall between the Gold and Platinum plans offered on the Health Care Marketplace, while the HRA Choice Plus exceeds the Platinum plans offered.

Plan	% of Costs Covered
Bronze	60%
Silver	70%
Gold	80%
Platinum	90%
BW HRA Fund Plan	91%
BW HRA Fund Plus Plan	95%

If you decide to shop for coverage in the Marketplace, healthcare.gov will guide you through the process. The above employer information is the information you'll need to enter when you visit healthcare.gov to find out if you qualify for a tax credit to lower your monthly premiums or otherwise reduce cost-sharing for a qualified health plan purchased through the Marketplace.

NOTE: BorgWarner reserves the right to modify and/or discontinue the benefits it provides, the premium amounts it pays, eligibility rules and other provisions for its group health plans, within federal guidelines. In the event of a conflicting language or interpretation between this Notice, and the official plan documents, the terms of such official plan documents will control. Because these group health offerings may change or be amended from time to time, you should always check with Human Resources for current information.