Checklist for the NEW YEAR

Start 2016 off right with these important tips and reminders:

- **Check your paystub.** If the deductions don’t match your Confirmation Statement, contact the Benefit Center immediately at 1-866-919-2424.

- **Complete/update your Health Assessment.** You and your enrolled spouse have until February 29, 2016 to take the online Health Assessment and earn a $75 incentive credit per person. Log on to www.myactivehealth.com/l-3com.

- **Activate your HSA.** Log on to Fidelity NetBenefits (www.netbenefits.com) to make sure your HSA is up and running. See page 2 for details.

- **Register for WellMatch.** If you’re enrolled in the Aetna HSA Medical Plan or one of the Aetna HealthFund HRA Medical Plans and haven’t done so yet, register to use WellMatch’s online medical shopping tool at www.wellmatchhealth.com.

- **Use your new ID Card.** If you received a new ID card, make sure you bring it with you to your first office visit in 2016. This is especially important if you switched medical plans. You can also view or download additional ID cards online (see page 3).

- **Make sure your beneficiaries are up to date.** Log on to the Benefit Center website at https://L-3.benefitcenter.com to check that your Basic Life and AD&D beneficiary designation(s) still reflect your wishes.

- **Submit your FSA claims.** You have until March 31 to submit your 2015 Health Care FSA and Dependent Care FSA claims to WageWorks for reimbursement. Visit www.wageworks.com, or contact WageWorks at 1-877-924-3967, for more information.

IRS Form 1095

The IRS recently extended the deadline for mailing Form 1095-C from January 31, 2016 to March 31, 2016. This extension will not impact your ability to file your 2015 tax return. Look for more information coming from the L-3 Benefit Center later this month.
NEW HSA PARTICIPANTS:
What You Need to Know About Your HSA

If you elected the Aetna HSA Medical Plan, there are a few things you should know about the HSA as you transition to the Plan.

Opening Your HSA
You should have received a welcome package from Fidelity in December with instructions for setting up and using your Health Savings Account (HSA). If you haven’t done so already, log on now to Fidelity NetBenefits (www.netbenefits.com) to make sure your HSA is up and running. You cannot make any HSA contributions—even if you have elected to do so—or receive any Incentive Credits you may have earned until your account is in good order. Contact Fidelity at 1-800-354-7125 if you have questions.

Contributing to Your HSA
Build up your HSA balance by earning all of the incentive credits available to you. You and your enrolled spouse can each earn up to $200 ($500 if eligible for condition management). Keep in mind the IRS limits the amount that can be contributed to an HSA annually, including incentive credits: $3,350 for single coverage and $6,750 for family coverage. (If you’re age 55 or older, you may make an additional $1,000 catch-up contribution.) It is your responsibility to monitor your contributions from all sources and adjust them as needed so you do not exceed IRS maximum contributions. You can change your contribution amount through the Benefit Center.

Investing Your HSA
Fidelity automatically deposits your contributions into a “cash core position,” which is similar to a money market account and is the only account used for HSA distributions. However, there are a wide variety of additional investment options, including more than 5,000 mutual funds, individual stocks and bonds, CDs, and more. Log on to www.netbenefits.com to view your options or change your investments. Keep in mind all investments carry some risk; you are responsible for your own investment decisions.

Using Your HSA
When you have an eligible medical expense, you decide whether to pay out of your pocket or use the funds in your HSA. Some people use their HSA as a spending account for current expenses, while others prefer to consider it a savings account for future health care expenses. If you choose to use your HSA now, you have several options for payment/reimbursement:

- **Fidelity HSA debit card**: Use your debit card to pay qualified medical expenses at the point of sale.
- **Fidelity BillPay**: Make online payments to providers or reimburse yourself from your HSA for qualified medical expenses you paid out of pocket.
- **Fidelity HSA Checkbook**: Write checks from your HSA.

For more detailed information about managing your HSA, refer to the materials in your Fidelity welcome package or log on to www.netbenefits.com. You can also call 1-800-354-7125 to speak to a representative.
Post-Deductible HRA (PDHRA) Timeline

If you elected the Aetna HSA Medical Plan for 2016 and had Benefit Dollars remaining in your HRA or incentive credits left in your Wage Works Incentive Credit Account (ICA), whichever applies, at the end of the 2015 plan year, these funds will transfer to a special Post-Deductible HRA (PDHRA) in April. Your PDHRA is used to cover eligible medical expenses not paid by the Aetna HSA Medical Plan only after you satisfy the Plan’s annual deductible. WageWorks will send you a check automatically to reimburse you for any coinsurance you pay after satisfying the deductible. Please note you cannot pay these expenses from your HSA. If you do, you MUST reimburse your HSA or face tax penalties.

You can track your PDHRA account balance on the WageWorks website beginning in April. You cannot contribute funds to the PDHRA; once you exhaust the balance, your account terminates.

<table>
<thead>
<tr>
<th>December 31, 2015</th>
<th>April 1, 2016</th>
<th>December 31, 2016</th>
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<tbody>
<tr>
<td>End of 2015 Plan Year</td>
<td>Remaining HRA or ICA balance transfers to new PDHRA after April 1</td>
<td>Any funds remaining in your PDHRA roll over for use after April 1, 2017</td>
</tr>
<tr>
<td>Processing period for 2015 claims</td>
<td>WageWorks automatically reimburses you from your PDHRA after annual deductible is met</td>
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Be a Smart Shopper

The Aetna HSA Medical Plan and Aetna HealthFund HRA Medical Plans have no copays. You’re responsible for the full cost of eligible medical services (except eligible In-Network preventive care services, which the Plan pays at 100%) until you meet the annual deductible, at which point you and the Plan share the cost through coinsurance. So it’s in your best interest to make sure you’re using your benefits efficiently. Ask questions, do research and use WellMatch (www.wellmatchhealth.com) to know the cost before you receive services.

Medical Plan ID Cards Go Digital

If you elected a new medical plan for 2016, or added/removed a dependent from coverage, you should have received new ID cards from Aetna in December. As of January 1, 2016, extra ID cards are exclusively available online. Aetna will not provide additional printed ID cards.

Your digital ID card is identical to your printed ID card and is accepted by all health care providers. You can view, download or print your digital ID card from Aetna Navigator or the Aetna Mobile app.
Prescription Drug Savings Checklist

If you are enrolled in the Aetna HSA Medical Plan or one of the Aetna HealthFund HRA Medical Plans, there are no separate prescription drug copays. You pay the full cost of the drug (at Aetna’s discounted rate) until you meet the annual deductible, so you’ll want to make sure you’re getting the best price you can. Here are a few tips:

✔️ **Review your current medications.** Ask your doctor if all of your prescriptions are still needed. You save money and reduce the chance of any side effects or drug interactions by avoiding unnecessary medications.

✔️ **Consider alternative medications.** There may be a more affordable drug in the same class of medications. Ask your doctor if there are any acceptable alternatives. Request the generic version if you’ve been taking a brand-name drug.

✔️ **Check the formulary.** If your doctor prescribes a drug that’s not on Aetna’s formulary—that is, the list of medications for which Aetna has negotiated manufacturer discounts (available at www.aetna.com)—ask for one that is.

✔️ **Use mail order.** If you take maintenance medications, you must fill your prescriptions through Aetna Rx Home Delivery, or through the Maintenance Choice Program. Not only are these alternatives convenient, but they also save you money.

✔️ **Take advantage of OTC drug coverage.** L-3 offers special coverage of nine over-the-counter medications: Axid, Claritin, Nexium 24HR, Nicoderm, Nicorette, Pepcid, Prevacid, Prilosec and Zantac. See the 2016 Benefit Planner for more information.

Rx Added to Aetna Navigator Mobile App

The Aetna Navigator Mobile App was recently updated to include pharmacy functionality. Use the app to submit a new mail order prescription, check the status of a current order, submit mail order refills or locate a local pharmacy. In addition, you can use the new Check Drug Cost functionality to search for a specific drug and dosage and see the expected cost at your chosen pharmacy.

To download the app, search “Aetna Navigator” in Google Play or the Apple App Store and follow the prompts to install it. Or visit www.aetnanavigator.com for more information.
ActiveHealth Wellness Webinars

Ready to make some healthy changes this year? Make it happen with the free ActiveHealth Management Wellness Webinar Series, offered through the MyActiveHealth portal. Upcoming topics include:

- January 26: Digital health
- March 15: Superfoods
- May 17: Staying active
- July 19: Bone health
- September 20: Vegetables
- November 15: Men’s health

Webinars last about 45 minutes and are available to employees and dependents. You can participate in the online webinars live at any of the three scheduled times or you can view archived webinars at any time.

For the complete schedule and to register, visit http://go.activehealth.com/wellness-webinars.

Congratulations to Our Winners!

L-3 awarded an Apple iPad Air to seven lucky employees who enrolled early for their 2016 benefits. Here are the winners:

- **Martha Brown** (Linkabit)
- **Justin Darrow** (Mission Integration Division)
- **Barbara Ann Guerra-Deason** (Crestview)
- **Joseph Hoyle** (Army Sustainment)
- **Gerald Prewit** (Coleman)
- **Linda Sirignano** (Security & Detection Systems)
- **Calvin Zellner** (Stratis)

In addition, ten employees who elected the Aetna HSA Medical Plan got their Fidelity HSA off to a great start with a $1,000 HSA contribution from L-3.

Congratulations to:

- **Leroy Bishop** (PID Waco)
- **Laura Couch** (Cincinnati Electronics)
- **Sherri Henshaw** (KEO)
- **Larry Jones** (Communications Systems West)
- **Michael Josie** (Communications Systems West)
- **Bertha Lupian** (Interstate Electronics Corp)
- **Catherine Naderi** (Linkabit)
- **Joel Richardson** (Mission Integration Division)
- **David Tisdale** (Mission Integration Division)
- **Anne Woelke** (PID Waco)

This newsletter highlights certain provisions of the benefit plans available to eligible employees of participating L-3 Communications Corporation business units effective January 1, 2016. It is meant to provide only a very brief overview of these benefits, which are made available to eligible employees and their eligible dependents. Should any questions ever arise about eligibility or the nature and extent of these benefits, the formal language of the respective documents as construed and interpreted by the Company will govern. The tax treatment of these benefits is subject to change without notice, as determined by federal, state or local tax authorities. L-3 Communications Corporation, or any successor, reserves the right to amend, modify, suspend or terminate these plans in whole or in part, at any time and for any reason, by action of the Company to the extent permitted by law and in accordance with applicable collective bargaining agreements. Your eligibility or right to benefits under the plans does not confer any legal right to continued employment by L-3 Communications or any of its business units. L-3 Communications and each business unit at all times retain the right to discharge any employee at any time, for any reason.