


AMERICAN GREETINGS

Shared Services
One American Road
Cleveland, OH 44144-2398

Open enrollment is November 1–November 12, 2010

Get ready to enroll

It's your once-a-year opportunity to enroll in or make changes to your health and insurance benefits. Your elections will be in effect January 1–December 31, 2011, unless you experience a qualifying life event such as getting married, having a baby or losing eligibility for benefits.

Here's how you can prepare ...

- 1 Learn about what's available to you and understand how the plans work.
 - » Read this newsletter. It explains changes to your health and insurance benefits for 2011.
 - » Attend an associate meeting at your work location to hear about our new approach to health, why it's important to enroll and how to evaluate your medical plan options.
- 2 Do your homework to choose benefit plans that are the best fit for your family.
 - » Your enrollment packet materials explain which plans you are eligible for, your costs for coverage and more.
 - » Your plan administrator's website can help you find doctors and service providers in the network. You can also research provider quality ratings.

Can't make the on-site associate meeting?

You (and your spouse) can participate in an upcoming webinar, offered on:

October 13 from 9–10 a.m. EST

October 19 from 3–4 p.m. EST

October 27 from 12–1 p.m. EST

Webinars will also be recorded and posted on the AGBenefits website.

To join the webinar

- 1 Go to <http://www.800rollcall.com/webpresenter>
- 2 Enter Participant Code: 8252486
- 3 Enter your name and American Greetings
- 4 Click "Log In"

To join the audio conference:

- 1 Dial 1-800-827-8333
- 2 Enter Participant Code: 8252486#

Questions about enrollment or your benefits?

Want more detailed information about AG benefit programs?
Your enrollment packet provides plan design information and enrollment instructions. Look for it in mid-October. Log on to the AGBenefits website at any time for information about all AG benefit programs and plan provider contact details.
www.americangreetingsbenefits.com

Contact the AGBenefits Solution Center at 1-877-213-6240. During the enrollment period of November 1–12, we will extend business hours to provide additional support to associates and their families. Representatives will be available:
» Monday through Friday from 6 a.m. to 9 p.m. EST
» The weekend during enrollment (November 6–7) from 11 a.m. to 4 p.m. EST
Normal business hours are Monday through Friday from 8 a.m. to 6 p.m. EST.

live well

It's Time to Take Charge Together!

Last month, we announced a new health and wellness benefits approach for 2011 and beyond to address increasing health care costs for you and American Greetings. At the core is our ongoing commitment to provide plans, tools and incentives that will help you and your family make smart health care decisions, improve your health and save you money.

That's where you come in. To succeed at managing costs—yours and ours—we're asking you to take charge of your health and benefits by becoming a smarter consumer. This newsletter will explain how the Consumer Plans may help you lower your costs.

It's also a good time to take one small step to improve your overall health—whether it's taking a walk, getting a little more sleep or opting for carrots instead of chips at lunch. And kicking the tobacco habit for good means you'll spend less for your health care coverage.

This newsletter highlights the 2011 changes that support our new approach. Please review and share with any other decision-makers in your household who will help you take charge in 2011.

What's changing for 2011

Medical Plan Changes

Increased payroll premiums for 2011 medical plan coverage

Your premiums will increase to keep pace with ongoing increases in costs of health care, plus additional costs generated by the recent federal Patient Protection Act (health care reform). The personalized enrollment worksheet in your enrollment packet explains your actual costs, but here's what you can expect:

Consumer Plans (formerly called CDHP Low and High): Minimal premium increases since these plans do a better job of managing overall costs. You'll pay less per month when you choose one of these plans—period. Plus, you'll be eligible to open a health savings account (HSA) and receive free money from AG in January to help with your eligible health care expenses.

Traditional Plan (formerly called PPO): Significant premium increases in 2011, 2012 and 2013 (up to 50% each year depending on your coverage level) because this plan doesn't do as well at managing overall costs. You'll pay less per month and probably lower your total costs during the year by choosing one of the Consumer Plans because premiums and out-of-pocket maximums for these plans are lower.

Network Only Plan (formerly EPO): Significant premium increases (up to 50% depending on your coverage level) for this plan in 2011. This plan will be discontinued in 2012, so now is a good time to consider moving to one of the Consumer Plans.

Mark Your Calendar

September 28–late October: On-site confidential biometric screenings and flu shots. Check your location for dates, times and how to sign up.

September–early November: Associate meetings (check your locations) and webinars.

November 1: Open enrollment begins.

November 1–December 10: Complete confidential online health risk assessment to receive maximum credit and for inclusion in first 2011 paycheck.

November 12: Online enrollment ends at 11:59 p.m. EST (9 p.m. EST by phone).

November 30: Special re-enrollment period for adult dependent children (age 19–26) ends.

January 1: Your 2011 benefit elections become effective.

January 10: If you enroll in a Consumer Plan, AG makes full company contribution to your health savings account (HSA). You must open your HSA to receive the contribution from AG.

New medical plan names clear up confusion

We've changed the medical plan names to better reflect how the plans actually work.

Old Plan Name		New Plan Name
CDHP (low)	→	Consumer Plan
CDHP (high)	→	Enhanced Consumer Plan
PPO	→	Traditional Plan
EPO	→	Network Only Plan

Medical plan design changes

All of American Greetings high-quality medical plans provide you with the preventive care you need to live well and comprehensive coverage to protect you in case of a serious accident or illness. More detailed information about the features of each plan is included in your enrollment packet and will be available on the AGBenefits website in mid-October. Go to www.americangreetingsbenefits.com

Here's a snapshot of changes for 2011:



All plans (changes required by the Patient Protection Act)	<p>Preventive care: Annual in-network wellness exams, recommended screenings and recommended immunizations will be covered 100% by all plans (no annual limits). You pay nothing! Routine mammograms will now be covered annually, rather than every two years.</p> <p>Dependent eligibility for medical coverage: You may enroll (or re-enroll) your child who is over age 19 and under age 26 in one of our medical plans from November 1–30, 2010, for coverage effective January 1, 2011. (Does not apply to dental, vision, life and AD&D).</p> <p>Lifetime limits: As of January 1, 2011, our plans will no longer have lifetime limits. If you lost eligibility for our health plans when your health care costs reached the lifetime limit, you can now re-enroll in our plans from November 1 - 30, 2010, for coverage effective January 1, 2011.</p> <p>Mandatory W-2 reporting: AG will be required to report the total value of employer-provided health care. It will be calculated on a monthly basis and included on your 2011 Form W-2, normally sent in January 2012.</p>
Consumer Plans (formerly called PPO)	<p>Preventive drugs: Certain preventive drugs, such as smoking cessation, cholesterol, blood pressure and weight-loss drugs, are no longer subject to an annual deductible. You will no longer have to meet your annual deductible before these drugs are covered. The plan will share the cost of these drugs with you immediately just like the Traditional and Network Only Plans. See a list of preventive drugs on the AGBenefits website, or contact Caremark directly at 1-800-776-1355.</p> <p>Health savings account (HSA) changes: AG will deposit the full company contribution (\$300–\$1,000 depending on the consumer plan you choose and your coverage level) into your HSA by January 10! That means you can start using it immediately to pay for eligible health care expenses or save it for future expenses. You can also contribute to your HSA on a pretax basis (up to IRS limits).</p>
Traditional Plan (formerly called PPO)	<p>Annual in-network deductible: The annual in-network deductible for single coverage will increase to \$500 (from \$400 in 2010); family coverage will increase to \$1,500 (from \$1,200), in addition to higher premiums than the Consumer Plans.</p> <p>For Danville associates, your plan administrator will change: The UHC Traditional Plan (PPO) will replace the Anthem Traditional Plan (PPO) beginning January 1, 2011. While it's likely your current doctors also participate in the UHC network, you'll want to make sure by contacting UHC. Go to www.myuhc.com or call 1-866-844-4869.</p>
Network Only Plan (formerly called EPO)	<p>Annual deductible: The annual deductible for single coverage will increase to \$500 (from \$250 in 2010); family coverage will increase to \$1,500 (from \$750).</p> <p>Coinsurance: Your coinsurance rates will increase to 15% (from 10% in 2010).</p> <p>Medical in-network out-of-pocket maximum: The annual out-of-pocket maximum for single coverage will increase to \$1,750 (from \$1,500 in 2010); family coverage will increase to \$5,250 (from \$4,500 in 2010). Also, the deductible and copays will no longer apply to the out-of-pocket maximum.</p> <p>Plan to be discontinued in 2012: Because this plan does not manage costs as well as the Consumer Plans, we will eliminate it in 2012. If you keep or enroll in the Network Only Plan in 2011, you'll need to choose a new medical plan for 2012. Now is a good time to reevaluate your health care coverage needs and decide if you should choose a new medical plan that fits best <i>this year</i> rather than waiting until next year, when you will have to change.</p>

Dental Plan Changes

To keep your monthly contributions for dental coverage unchanged for 2011, we're making the following plan design changes:

MetLife PPO: In-network preventive services are still covered at 100%. Now, you'll share 20% (from 15% in 2010) of the cost for basic services and 50% (from 45%) of the cost for major services once you meet the deductible. Since 95% of our associates use less than \$1,000 in benefits annually, the annual maximum benefit for in-network services has been reduced from \$1,500 to \$1,000 per individual. In addition, the missing tooth exclusion no longer applies to the MetLife PPO option.

Aetna DMO: Copays for office visits will increase to \$10 (from \$5).

Other Changes

American Greetings Retirement Profit Sharing and Savings Plan changes

Beginning January 1, 2011, the one-year service requirement to receive company matching contributions and the two-year service requirement to participate in profit sharing contributions will be eliminated. That means if you were hired between January 1, 2009 and December 31, 2011, you will be eligible to receive profit sharing and match contributions, if made, for plan year 2011 (calendar year). The match and profit sharing contributions will be deposited to your account during the second quarter of 2012 provided you are still employed by AG on December 31, 2011.

New wellness and disease management vendor

As of November 1, 2010, our new partner—OptumHealth—will administer AG wellness and disease management programs, including the online health risk assessment (HRA). When you complete the HRA, OptumHealth may follow up with you to discuss your results, along with opportunities to participate in wellness programs.

Disability change

Beginning January 1, 2011, the eligibility waiting period for short-term and long-term disability will be reduced to the same as the medical—the first of the month following 30 days of service, or if the hire date is the first calendar day of the month, employees are eligible the first of the following month. This change impacts newly hired associates, as well as existing associates with less than six months of service.

Changes to eligible HSA and FSA expenses

As of January 1, 2011, IRS regulations will no longer allow over-the-counter medications to be eligible for reimbursement from your health savings account (HSA) or your health care flexible spending account (FSA) unless prescribed by a doctor. You can see a list of eligible expenses for 2011 on the IRS website at www.irs.gov or on plan administrators' (OptumHealthBank and ADP) websites.

★ Smart Tip!

Save even more each month by ...

- » **Completing the confidential online health risk assessment (HRA).** When you do, you'll earn a \$150 credit (divided equally per pay period) toward your monthly plan contributions. **New for 2011!** Earn an additional \$60 credit when your enrolled spouse also completes the HRA—that's \$210 in credits to reduce your contributions! Check the AG Benefits website for instructions and links to access the HRA in November.
- » **Kicking the tobacco habit for good.** Non-tobacco users pay 10% less of the total plan cost per month. See rates on your personalized enrollment worksheet and in the online enrollment system.

Updated same-sex partner definition

As of October 1, 2010, when you enroll same-sex partners in AG health plan coverage, you'll be able to specify designation of civil unions and registered same-sex domestic partnerships. The affidavit form required to enroll your same-sex partner has been updated to reflect this change.

Optional life insurance continuance

Beginning January 1, 2011, associates may elect to continue payment for optional life insurance for up to one year while on leave.

Eligibility for retiree medical

Beginning January 1, 2011, retiree medical coverage for an associate who becomes totally disabled or for a surviving spouse in the event of an associate death, is only available if the associate was hired prior to January 1, 1992, and if, at the time of the event, the associate is age 55 with at least 15 years of service or age 65 with at least 10 years of service.



This newsletter serves as a Summary of Material Modification ("SMM"), and advises you of changes in the information presented in the Summary Plan Description ("SPD") for the American Greetings Health and Welfare Plan (the "Plan"). The information contained in this SMM replaces contrary information in your SPD. You should retain this document with your copy of the SPD. Defined terms in this SMM have the same meaning as in the SPD. In the event of a conflict between this and any other description of these benefit plans, the plan documents, service agreements and insurance contracts will govern. As with all company-sponsored benefit plans, American Greetings reserves the right to amend, modify, revoke or terminate these plans in whole or in part at any time. Neither this document nor participation in the benefit plans described here constitutes a promise of continuing employment with American Greetings.