

New Health Insurance Marketplace Coverage Options and Your Health Coverage

Under the Affordable Care Act, there is a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by VMware Inc.

Part A: General Information

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. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment to select health insurance coverage through the Marketplace typically begins October/November every year for coverage starting as early as the following January.

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

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

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

Yes. If you have an offer of health coverage from VMware Inc. that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in VMware Inc.'s health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of health insurance coverage from VMware Inc. that would cover you (and not any other members of your family) is more than 9.78% (as adjusted) of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit. An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by VMware, Inc., then you may lose the VMware Inc. contribution (if any) to the employer-offered coverage. Also, VMware Inc.'s 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.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description located at benefits.vmware.com/document-library

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit [HealthCare.gov](https://www.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 VMware Inc.

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

Employer Name VMWARE INC	Employer Identification Number (EIN) 94-3292913	
Employer Address 3401 HILLVIEW AVE	Employer Phone (650) 427-5000	
Employer City PALO ALTO	Employer State CA	Employer Zip 94304
Health Coverage Contact Name Benefits Advisor		
Health Coverage Contact Phone Number (888) 869-2738	Health Coverage Contact Email Address hrsourc@vmware.com	
Basic information about health coverage offered by this employer: As your employer, we offer coverage to: <input type="checkbox"/> All employees <input checked="" type="checkbox"/> Some employees To be eligible you must be an employee working a minimum of 20 hours per week.		
With respect to dependents: <input checked="" type="checkbox"/> We do offer coverage <input type="checkbox"/> We do not offer coverage Spouse or domestic partner, dependent child; dependent child of domestic partner; adopted child (including child placed for adoption), and/or foster child of the employee working a minimum of 20 hours per week are eligible.		
<input checked="" type="checkbox"/> If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable based on employee wages.		
NOTE: Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.		