

## RETIREE FUND LETTER

On October 9, 2015, U.S. Steel Canada Inc. (“**USSC**”) suspended payment of certain health benefits (“**OPEBs**”) for USSC retirees and their eligible spouses and beneficiaries (“**OPEB Beneficiaries**”) pursuant to a Court Order as part of a cash conservation and business preservation plan. Life insurance coverage was not suspended. Given the impact of the suspension of OPEBs, the Province of Ontario provided money for the establishment of a transition fund (“**Transition Fund**”) to assist in addressing critical health care needs and to assist in transitioning to available programs for OPEB Beneficiaries in Ontario. **The Province's Transition Fund will be wound down effective March 31, 2017. The last date to submit claims for prescription drugs or emergency dental and other critical health care services to the Transition Fund is 11:59 pm Toronto time on March 31, 2017.**

On August 17, 2016, the United Steelworkers (the “**USW**”), and the court-appointed representatives of the non-USW active and retired beneficiaries of (the “**Representative Counsel**”) brought a motion for an order requiring USSC to reinstate the payment of OPEBs. The Court denied the OPEB Motion on the condition that USSC make a one-time contribution of \$2.7 million to the Transition Fund or to another fund to be administered on the same terms as the Transition Fund (“**Retiree Fund**”). Reasons for the decision were released on September 12, 2016. USSC made the one-time contribution of \$2.7 million which was used to establish the Retiree Fund. The Retiree Fund and benefits are administered by Green Shield Canada (“**Green Shield**”).

The Retiree Fund is not a continuation or restoration of the USSC OPEB plan, which remains suspended at this time. USSC is not involved in the administration of the Retiree Fund.

***When Did The Retiree Fund Start?*** The Retiree Fund became operational on February 1, 2017.

***When Will It End?*** The sooner of the money in the Retiree Fund running out, or certain other events occurring, including the date on which a court-approved plan of arrangement with respect to USSC has been implemented.

***What Will The Retiree Fund Be Used For?*** The Retiree Fund will be used in 3 ways:

- a) starting on April 1, 2017, to pay for the benefits previously covered by the Transition Fund, namely 30 day supplies of prescription drugs and claims for emergency dental and critical healthcare services (“**Transition Fund Benefits**”);
- b) to retroactively extend Transition Fund Benefits to out-of-province OPEB beneficiaries resident in Canada (“**Out-Of-Province Benefit**”); and
- c) to reimburse OPEB beneficiaries up to \$100.00 for eligible health benefits incurred after September 12, 2016 which were not covered by the Transition Fund but would have been covered under the suspended USSC OPEB plan (“**\$100.00 Health Benefit**”).

***Who is Eligible to Apply to the Retiree Fund?*** To be eligible you must: a) be a retiree of USSC or his/her eligible spouse or beneficiary who was or would have been eligible for OPEBs under the USSC OPEBs plan as of October 9, 2015 or who became a retiree of USSC after October 9, 2015, and, had the USSC OPEB Plan not been suspended, would have been eligible for OPEBs; b) not have an alternative source of coverage (e.g. spousal insurance coverage or a government program); and c) undertake to reimburse Retiree Fund in the event you receive funding for a benefit

from both the Retiree Fund and another source. There are also specific eligibility requirements under each category of benefits as described further below.

***How Do I Apply for the \$100.00 Health Benefit?*** Claims for eligible health benefits can be made to Green Shield following the same process used under the suspended USSC OPEB plan, using your Green Shield USSC Health Plan Identification Number with the prefix "UST." Green Shield will review the claim and, if it is for a health benefit that would have been covered under the suspended USSC OPEB plan, Green Shield will issue payment to a maximum of \$100.00 per covered beneficiary. Please note that Ontario law prohibits third parties, such as Green Shield, from paying a deductible for the Trillium Drug Plan.

***How Do I Apply For a Transition Fund Benefit?*** If you are an OPEB Beneficiary and a resident of Ontario, you can apply for Transition Benefits using the same process as used with the Transition Fund. If you are applying for reimbursement for prescription drugs that would have been covered under the suspended USSC OPEB plan and there is no alternative source of coverage to pay for the drug (i.e. spousal or private insurance coverage), claims for 30 day supplies of prescription drugs may be made directly by the pharmacy to Green Shield, using the retiree's Green Shield USSC Health Plan Identification Number. Once you have claimed 30 days' worth of prescriptions, you have to wait until you are 80% through the prescription (i.e., day 24 of a 30-day claim) before processing your next refill. The 30-day repeat refill will continue until the Retiree Fund runs out. To be eligible for payment of the emergency dental or other health benefits: a) the benefit must be medically necessary; b) you must not be able to pay for the emergency benefit or, paying for it would cause you economic hardship; c) the benefit must be one which was available under the suspended USSC OPEB plan; d) there must be no alternative source of coverage (e.g. spousal or private insurance coverage or government program) that will pay for it. If these criteria are met, you can submit an Emergency Dental and Other Health Expense Application Form (attaching a Green Shield Claim Form) to the Monitor in the USSC CCAA proceeding, Ernst & Young Inc. If the Monitor is satisfied that you meet the eligibility criteria based on the information you have provided in the Application Form, your request will be forwarded to Green Shield to determine if your request is eligible for payment. If you are eligible and the benefit you have applied for is covered, Green Shield will issue payment for the benefit.

***How Do I Apply For an Out-Of-Province Benefit?*** If you are resident of Canada in a province or territory other than Ontario, you may also apply for certain benefits that were covered for Ontario resident employees under the Transition Fund, namely: (i) prescription medications; and (ii) emergency dental and other emergency health care expenses.

If you are applying for reimbursement for prescription drugs that would have been covered under the suspended USSC OPEB plan and there is no alternative source of coverage to pay for the drug (i.e. spousal or private insurance coverage), Green Shield will reimburse for prescriptions purchased between January 1, 2016 and December 31, 2016, provided that no more than a 12 month supply of a particular drug will be eligible for reimbursement, and will pay claims for 30 day supplies of prescriptions purchased on and after February 1, 2017 until to the Retiree Fund is terminated. To apply for reimbursement for prescriptions purchased between January 1, 2016 and December 31, 2016, you must use a Green Shield benefits claim form and attach both the original pharmacy receipt and the cash receipt for all prescriptions being claimed. Claims for 30 day prescriptions purchased on or after February 1, 2017 can be made following the same process used under the suspended USSC OPEB Plan (i.e. the current process under the Transition Fund Benefit for Ontario members described above). Once you have claimed 30 days' worth of prescriptions, you

have to wait until you are 80% through the prescription (i.e., day 24 of a 30-day claim) before processing your next refill. The 30-day repeat refill will continue until the Retiree Fund runs out. All claims should be submitted under the retiree's Green Shield USSC Health Plan Identification Number, with the prefix USO.

To be eligible for payment of the emergency dental or other health benefit: a) the benefit must be medically necessary; b) you must not be able to pay for the emergency benefit or, paying for it would cause you economic hardship; c) the benefit must be one which was available under the suspended USSC OPEB plan; and d) there must be no alternative source of coverage (e.g. spousal or private insurance coverage or government program) that will pay for it. If these criteria are met, you can submit an Out-Of-Province Emergency Dental and Other Health Expense Application Form (attaching a Green Shield Claim Form) to the Monitor. If the Monitor is satisfied that you meet the eligibility criteria based on the information you have provided in the Application Form, your request will be forwarded to Green Shield to determine if your request is eligible for payment. If you are eligible and the benefit you have applied for is covered, Green Shield will issue payment for the benefit.

*Please note: the Emergency Dental and Other Health Benefits are intended to assist OPEB Beneficiaries who have critical health needs and who are not able to pay for them. The Emergency Dental and Other Health Benefits will not pay for routine, preventative or supplementary health care such as routine or preventative dental, routine hearing care, routine vision care, paramedical services like massage therapy, orthotics or physiotherapy, semi-private hospital, travel insurance, or psychological counseling. These items may be paid under the \$100 Health Benefit based on the rules of this coverage as described above.*

Coverage is subject to availability of funds in the Retiree Fund and subject to the claimant meeting all other eligibility and coverage criteria.

***How Will My Personal Information Be Used?*** If you apply for funding from the Retiree Fund, Green Shield will access personal information from the suspended USSC OPEBs plan to adjudicate your request. An application for funding includes you or your pharmacist submitting a prescription for payment. Personal information will also be used by the Monitor and by Green Shield to ascertain eligibility for funding from the Retiree Fund. By submitting a prescription or other application for payment to the Retiree Fund, you will be consenting to the use of your personal information in these ways.

**Can I Use my \$100.00 Health Benefit to Assist in Paying for an Emergency Dental or Other Emergency Health Benefit?** Yes. You can either indicate on the Application Form that you want your \$100.00 health benefit applied or you can submit the claim through the same process used under the suspended USSC OPEB plan.

***Where can I find more information?*** Further information regarding the Retiree Fund, the Application Forms and Green Shield Claim Form is available on the following websites:

Ernst & Young [www.ey.com/ca/ussc](http://www.ey.com/ca/ussc)

Local 1005 [www.uswa1005.ca](http://www.uswa1005.ca)

Local 8782 [www.uswa8782.com](http://www.uswa8782.com)

Koskie Minsky LLP [www.kmlaw.ca/usscrepcounsel/](http://www.kmlaw.ca/usscrepcounsel/) or email: [usscrepcounsel@kmlaw.ca](mailto:usscrepcounsel@kmlaw.ca)

Stel Salaried Pensioners Organization - [www.stel-salaried-pensioners.org](http://www.stel-salaried-pensioners.org)

If you do not have access to the internet, please call one of the following:

- All Stelco retirees may contact: Green Shield Canada Toll-free phone number: 1-888-711-1119
- Non-USW members (i.e. Salaried Members) can call Koskie Minsky at their toll-free phone number at 1-866-777-6341
- For members of the USW, please call your Local as follows:

Local 1005:	Tony McLaughlin (905)547-1417 ext. 4 <a href="mailto:tony.mclaughlin@uswa1005.ca">tony.mclaughlin@uswa1005.ca</a>	Ron Wells (905)547-1417 ext. 3 <a href="mailto:ron.wells@uswa1005.ca">ron.wells@uswa1005.ca</a>
Local 8782:	Terry Barnard 519-587-2000 ext. 225 <a href="mailto:wsib@uswa8782.com">wsib@uswa8782.com</a>	Mark Talbot 519-587-2000 ext. 301 <a href="mailto:yp@uswa8782.com">yp@uswa8782.com</a>