Voluntary Retirement Incentive Plan
Frequently Asked Questions for Relevant Managers and Associates

The Program and Eligibility

Q. Why is the company offering voluntary retirement?
A. Anthem consistently evaluates the potential for programs that can be effective for both the business and associates involved. Simply put, this is an opportunity to review cost-saving opportunities while offering our associates who are nearing retirement the voluntary choice and advantage of an extra incentive and additional compensation.

Q. Who is eligible for the voluntary retirement offerings?
A. To best meet the needs of the enterprise, eligibility was determined by leadership evaluation within each business unit and function. Associates are eligible for the plan if they are (1) common-law employees of the company who, as of Jan. 31, 2017, are at least age 55 and have at least 10 years of service with the company; (2) assigned to work in one of the identified business units; (3) as of Jan. 31, 2017, a regular (not temporary) full-time or regular part-time employee (i.e., scheduled for 20 or more hours/week) and on active status, including an authorized leave of absence or a short-term disability, who do not become eligible for long-term disability on or before the retirement date that the company selects under the plan; and (4) approved for participation in the plan. Please note that associates covered by a written employment or other agreement that contains a severance provision or a written severance agreement, are eligible to participate in the Plan. However, they are not eligible for an additional 13 weeks of severance pay.

Q. Who is not eligible?
A. The offerings are occurring where it meets the needs of both the business and individual. Therefore, regardless of the above eligibility criteria, associates will not be eligible if they are (1) at executive level or above, (2) receiving long-term disability benefits unless they are otherwise eligible associates and return to active employment on or before Feb. 1, 2017, (3) independent contractors, consultants, or persons performing services for the company under independent contractor or consulting agreements or any other form of agreement which the company enters into for services, (4) “leased employees” as defined in Section 414(n) of the Internal Revenue Code, or (5) student interns, contract employees or temporary employees or any persons whose payment is reported on a Form 1099 (regardless of how such individuals may be later classified by any court, administrative agency or other legal authority) or covered under a collectively bargained agreement.

Q. What incentive is being offered?
A. The normal, accrued severance package is being offered with an additional 13 weeks of pay and health and welfare benefits. Severance will be paid through standard bi-weekly payroll to the associate’s current direct deposit or paycheck method. Please read the Summary Plan Description for full details.

Q. What is the process for these associates?
A. Qualifying associates will be notified via email with the basic information and instructions to complete an election form if they are interested in participating. Associates who qualify but are not interested in this program are not required to respond nor decline the offer. Election forms will be either accepted or declined. If more people in a business unit request to retire than a specific area can accommodate, applications will be approved based on the associate’s age and cumulative years of...
service. Eligible associates with the highest age plus service will be approved first. If accepted, the associate receives a severance document to sign. If declined, the associate will be notified.

Q. What is the effective retirement date for those who are selected?
A. Retirements will occur on the following three dates: April 28, May 26 or June 23 of this year. The date chosen for each retiree will be determined based on business needs.

Q. What happens if I change my mind?
A. Associates have until Feb. 28 to submit the election form. No forms will be accepted beyond that date. An associate who completes and submits an Application Form to participate in the Plan will have a one-time opportunity to revoke this election by delivering a revocation letter on or before 5:00 p.m. Eastern on Feb. 28, 2017. If the revocation of an Application Form is not received on or before 5:00 p.m. Eastern on Feb. 28, 2017 (and you ultimately are selected), your employment with the company will still terminate as of your retirement date.

Q. What are the age and service requirements?
A. Only associates who are 55 or older by Jan. 31, 2017 and have 10 or more years of service by Jan. 31, 2017 are eligible for consideration.

Q. What if an associate meets the criteria in February of 2017?
A. No exceptions will be made to meeting the minimum requirements by Jan. 31, 2017.

Q. When will associates know if their election form was selected or declined?
A. Selection decisions will be completed by March 17, 2017. If more people in a business unit request to retire than a specific area can accommodate, applications will be approved based on the associate’s age and cumulative years of service. Eligible associates with the highest age plus service will be approved first. Communications to accepted and declined associates will be sent as soon after the selection process as administratively feasible.

Q. Can an associate who is paid the incentive return to Anthem as an employee or contractor in the future?
A. Yes. However, an associate may not return to Anthem prior to two years from the retirement date.

Q. If an associate does not elect voluntary retirement, will he or she be severed through a normal RIF process?
A. The company consistently reviews appropriate staffing levels to ensure that we are meeting on our commitments to shareholders and the consumers we serve. Should any reductions occur in the future – whether it impacts a qualifying associate or non-qualifying associate in this program – the normal process and severance pay policy will be followed.

Q. Are associates who are currently on a leave of absence and who meet the minimum criteria eligible to participate? If so, how will they be notified?
A. Associates on short-term disability or FMLA leave of absence are eligible and will be notified through a mailing to their home addresses. Associates on long-term disability are unable to participate.

Q. Are associates at all levels who meet the minimum requirements eligible for electing to participate in this program?
A. No. VPs, SVPs, Presidents and the ELT are not eligible for this program. Additionally, this program is not being offered to all associates. Ultimately, following the evaluation and review process, the offerings are occurring where it meets the needs of both the business and individual.

Q. Are associates participating in this program eligible for the normal retirement celebrations?
A. Yes. They should be celebrated for their years of service and contributions just as any other retiree.

Q. Will participating associates receive AIP or QIP for 2017?
A. Yes. Associates in the AIP program will receive their annual incentive in March of 2018 based on their eligible earnings from 2017. Associates in the QIP program will receive Q1 payout only. In accordance with the QIP plan, Q2 payouts will be made only to people who are employed through the end of the performance period, June 30.

Q. Will there be another voluntary retirement plan in the future?
A. This is a one-time offering; the company currently has no plans to offer this program in the future.

Q. If I elect to participate and I am ultimately selected, are there any outplacement services?
A. You are eligible for a professional outplacement program from Right Management. The program includes resume preparation, interviewing skills and job search skills. If you have been selected, you can contact Right Management after March 17, 2017 but must initiate services no later than six months following your retirement date. Send an email to enroll in the program to GetStarted@right.com.

Q. Where can I learn the full benefits details?
A. Beyond the information shared in this document, the best sources to consult for full details on this program and severance benefits are the Summary Plan Description and the Total Rewards website (search on “VRW”). Associates are encouraged to review these resources for greater details and information.

Election Rules and Procedures

Q. When do I have to make my decision whether to participate in the Plan?
A. The window period to elect to participate in the Plan is Feb. 1, 2017 through 5:00 p.m. Eastern Time on Feb. 28, 2017. The Application Form and Resignation Agreement is attached to the Plan as Attachment I. The completed and signed Application Form may be delivered via e-mail at HRSC@Anthem.com. Please add subject line “VRW”. You may also fax or mail the completed Application Form, which information is included on Application Form, to 888-438-5207 or mail (HRSolutions Center, Mailpoint IN0205-B557, 220 Virginia Ave., Indianapolis, Indiana 46204). The Plan Administrator will not accept Application Forms received after 5:00 p.m. Eastern Time on Tuesday, Feb. 28, 2017.

Q. If I submit a completed Application Form to the Plan Administrator to participate in the Plan, can I revoke it before the end of the window period?
A. Yes. If you complete and submit an Application Form to participate in the Plan, you have a one-time opportunity to revoke your election by delivering a revocation letter on or before 5:00 p.m. Eastern on Feb. 28, 2017. If your revocation of an Application Form is not received on or before the election revocation date (and you ultimately are selected), your employment with the company will still terminate as of your retirement date. The revocation letter must be in writing and may be delivered via e-mail at HRSC@Anthem.com. It may also be delivered via fax to 888-438-5207 or mail (HRSolutions Center, Mailpoint IN0205-B557, 220 Virginia Ave., Indianapolis, Indiana 46204).
Q. If I submitted a completed Application Form to the Plan Administrator and revoked it during the window period, can I change my mind and re-apply for participation in the Plan before the end of the window period?
A. Yes. If you complete and submit an Application Form to participate in the Plan and revoke it during the window period, but again decide to participate in the Plan, you may deliver a new Application Form on or before 5:00 p.m. Eastern on Feb. 28, 2017, the last day of the window period. The new Application Form indicating your election to participate in the Plan must be in writing and may be delivered via e-mail at HRSC@Anthem.com. This second application will be irrevocable. It may also be delivered via fax to 888-438-5207 or mail (HRSolutions Center, Mailpoint IN0205-B557, 220 Virginia Ave., Indianapolis, Indiana 46204).

Q. If I filed an Application Form to participate in the Plan, can I change my mind and revoke my election after Feb. 28?
A. No. If you filed your Application Form during the window and the form was accepted, you cannot revoke your election after the window period has passed. If you are ultimately selected, your employment with the company will terminate as of your retirement date, regardless of whether you decide to execute the Release and Waiver Agreement.

Q. If I am currently active, but on a leave of absence, including short-term disability, may I elect to participate in the Plan?
A. Yes, if you otherwise meet the eligibility criteria and timely elect to participate in the Plan. Please note that if you become eligible for long-term disability benefits before your retirement date under this Plan, you will become ineligible to participate in the Plan.

Q. If I am currently receiving long-term disability (“LTD”) payments, may I elect to participate in the Plan?
A. No. A person who is not on active status as of Feb. 1, 2017 is not eligible.

Q. If I timely file my Application Form and elect to participate during the window period, does this mean that my Application Form has been accepted under the Plan?
A. No. Final selection decisions by will be made by March 17, 2017. If more people in a business unit request to retire than a specific area can accommodate, applications will be approved based on associate age and cumulative years of service. Eligible associates with the highest age plus service will be approved first. Communications to accepted and declined associates will be sent as soon after the selection process as administratively feasible.

Q. If I am selected, can I request to change my retirement date?
A. Yes. However, based on business needs, the company retains the discretion to determine your retirement date or to consider adjusting it should you so request.

Q. Do I need to sign the Release and Waiver Agreement to receive the Plan benefits?
A. Yes. To receive the Plan benefits, you must submit and not later timely revoke a signed Release and Waiver Agreement. This agreement is signed no earlier than your last day worked. Note that the Disclosure List you receive is required by law and identifies those individuals in your business unit who were selected to participate in the Plan and those who are not eligible. You are encouraged to consult with a personal attorney at your own expense to review the Release and Waiver Agreement, the Disclosure List and Plan documents if you so desire. A Release and Waiver Agreement is attached to the
Plan as Attachment II; however, you will receive a Release and Waiver Agreement, specific to you, closer to your retirement date.

Q. Can I revoke the Release and Waiver Agreement after I sign it?
A. You may revoke the Release and Waiver Agreement within seven calendar days after the date you signed it. Any such revocation must be in writing and delivered to HRSC@Anthem.com. If you timely revoke the Release and Waiver Agreement, you will not receive any Plan benefits, and your employment with the company will still terminate as of the retirement date.

Q. If I am eligible for the Plan and do not participate, and at a future date I become subject to an involuntary reduction in force, will my benefits be different?
A. Yes, the benefits available to you would be different and are expected to be less generous under an involuntary reduction in force.

Q. What happens to my Plan benefits if I do not sign the required Release and Waiver Agreement within the time periods described in the Plan, or if I sign the Release and Waiver Agreement and then revoke it within the seven-day revocation period?
A. You will not receive any Plan benefits, and your employment with the company will still terminate on the retirement date chosen by the company.

Severance Pay
Q. How will my severance payments be delivered to me?
A. Severance pay will be paid in the form of installments following your retirement date, but only after the seven-day revocation period for the signed Release and Waiver Agreement has passed without you revoking the Release and Waiver Agreement. The severance pay will generally be paid over the number of weeks of base pay that you are eligible to receive. All legally required taxes, deductions, withholding and any sums owing to the company shall be deducted from Plan payments.

Q. The package states that the company can postpone my retirement date. Does this change when I will receive the severance pay and any additional incentive pay, or do I not get any additional payment for being delayed after my original retirement date?
A. Postponement of your retirement date will affect the timing of when your severance payments begin. You will receive your regular wages through your postponed retirement date. You will be eligible for severance pay and other related benefits after your final revised retirement date. You will not receive any additional payments to account for a delayed retirement date.

Q. What happens to my annual incentive amount as of my retirement date?
A. Associates in the AIP program will receive their annual incentive in March of 2018 based on their eligible earnings from 2017.

Stock Grants
Q. What happens to my equity grants if I terminate employment under the Voluntary Retirement Incentive Plan?
A. As a retiree, all unvested equity granted prior to Jan. 1, 2017 will continue to vest on the scheduled vesting dates after you retire. If you receive a 2017 stock grant award, it will be prorated and will continue to vest on the scheduled vesting dates. If your retirement date is in April, you will receive 3/12 of your 2017 grant, 4/12 for May retirements and 5/12 for June retirements.
Q. How long do I have to exercise my remaining stock options?
A. As a retiree, you also have an extended period to exercise your remaining stock options. Stock
options need to be exercised within five years from your date of retirement, or the remainder of your
grants existing term, whichever is sooner.

Q. How do I check the details of my performance stock grants, restricted stock grants and stock
options, including vesting and expiration dates for my stock options?
A. The current status of existing grants can be found in your E*TRADE account. Grant agreements, which
include details of vesting and expiration dates for the stock option agreements, are also available in your
E*TRADE account. Please call E*TRADE at 1-800-838-0908 if you have any questions.

Tax Rate and Unemployment Benefits
Q. What is the Federal tax rate for the severance payments?
A. For ongoing severance payments, tax rates would be based on your W-4 elections. Your tax preparer
or the IRS should be consulted to discuss any specific tax-related questions.

Q. If I elect to voluntarily participate in the Plan, can I receive unemployment compensation benefits
after I leave the company?
A. Possibly, as this varies according to residence. Your eligibility for unemployment benefits is
determined by the state in which you reside. If you are eligible for state unemployment benefits, such
benefits may be offset by the Plan benefits. At any rate, the company will not contest your claim for
state unemployment benefits. Please consult a personal attorney or your state unemployment office for
more information.

Q. Will I have to pay back any severance pay if I am eligible to receive unemployment benefits?
A. No. The company will not ask you to pay back any Plan benefits to the company. However, if you are
eligible for state unemployment benefits, such state unemployment benefits may be offset by the Plan
benefits. Please consult a personal attorney or your state unemployment office for more information.

COBRA and Retiree Benefits
Q. What is the process for electing COBRA coverage for my health coverage?
A. You may elect to continue your health coverage through COBRA once your active employee coverage
ends. You have this right regardless of whether you participate in the Plan and sign the Release and
Waiver Agreement. The process for electing COBRA is the same as for any other employee whose
employment with the company terminates and the employee is receiving health coverage through the
company’s plan. You will receive a packet of information regarding COBRA, mailed to your home
address, advising you of your right to continue health coverage (if applicable). Please read that material
carefully to understand your options and important deadlines. The packet of material will include your
COBRA Notice and Application, including the full COBRA premiums that will be billed to you monthly,
should you elect COBRA coverage. If you decide to elect COBRA continuation coverage, you must
complete the COBRA application and send it to the address listed on the application by the date
indicated on the notice.
For this qualifying event, the maximum time limit for COBRA coverage will be 18 months from your
retirement date. Toward the end of receiving your severance installment payments, you will be asked if
you wish to (1) stop coverage or (2) continue coverage for any remainder of the 18 month period. If you
elect to continue COBRA coverage, you will be billed directly for the full COBRA premium (without any
subsidy) plus the 2% administrative fee. Within 30 days of your COBRA coverage ending, you can elect to
enroll in the Company’s retiree medical plan, if this plan is available to you.
Q. If I joined the company in a recent merger – such as CareMore or Amerigroup – am I now eligible for pension and retiree medical benefits?
A. No. Associates who joined Anthem in recent mergers, including CareMore and Amerigroup, are not eligible for pension and retiree medical benefits.

Q. When will I have access to retiree medical coverage?
A. This answer applies to associates who are eligible for retiree medical benefits. You will have the option to elect retiree medical coverage in lieu of COBRA when your severance payments end. If you elect this coverage, you will be responsible for paying the applicable retiree premium for you and your covered dependents (subject to adjustments each August).
If you do not elect retiree medical coverage when it is first available to you, you may defer retiree medical plan enrollment until a later date, but you will need to show proof of continuous medical coverage. For example, you may continue coverage with an individual policy or on a spouse’s plan and later enroll in our retiree medical plan. If applicable, please contact the HR Solutions Center to elect and begin retiree medical coverage. Note that if you have a Retiree Medical Spending Account (RMSA), your account will be forfeited if you do not access the account by the end of the calendar year you turn age 70.

Q. Can I enroll in life insurance coverage after severance payments end?
A. You must enroll in life insurance coverage within 30 days of your retirement date. If you are receiving severance benefits, you must maintain this coverage during your severance period if you would like to participate in the life insurance benefit after retirement.

Q. If I am age 65 or older, what options do I have to continue medical coverage if I timely file an Application Form?
A. If you are Medicare eligible (generally, age 65 or older), you may enroll in the Anthem Medicare Preferred (PPO) plan. You can either enroll upon retirement, or you can defer enrollment until a later date, as long as you can provide proof of continuous coverage. You must be enrolled in Part A and Part B. You must pay your Part B premiums to Medicare.
Medicare has its own enrollment rules, and under those rules you must timely enroll in Medicare. If you fail to timely enroll in Medicare, you must pay increased Medicare premiums for the duration of your Medicare coverage. Specific Medicare enrollment guidelines and rules are available at Medicare.gov.

Q. When can I move my 401(k) money from Vanguard?
A. Since your severance pay will not be subject to 401(k) deductions and company match, you may move your account at any time after your retirement date. However, there is a minimum 30-day waiting period for distributions from the Anthem 401(k) Plan for associates who retire, in order to ensure that all your tax-free contributions and associate company match are deposited into your account prior to any distributions. During the waiting period, you may still access your 401(k) account information at Vanguard and control the investment of your account balance. Investment election changes may be made any business day, subject to the same rules and limitations you had prior to your retirement date.

Q. If I have questions about my Plan benefits under the Plan, whom should I contact?
A. Benefit plan information and additional retirement resources are available on this site, including instructions on how to attend a webinar. If you have other questions, please contact the HR Solutions Center via email at HRSC@Anthem.com with a subject line “VRW Questions.” HR Solutions will ensure that you are directed to the correct area to answer your specific questions.

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Q. Does my participation in the Plan impact my other benefits? Where can I learn more about what happens to my other benefits when I leave?
A. If you elect to participate in the Plan and are ultimately selected, your employment will terminate as of your retirement date. Upon termination, your other benefits will be impacted the same as if your employment terminated outside of the Plan. Please see the summary provided to you in your packet regarding what happens with your other benefits and for contact information related to those benefits. As always, the governing plan documents will control.

Note: Please refer to the terms of the Plan for exact final details.