



This annual update provides financial information about the Trust as of December 2014. The Trust is required to provide you with updated financial information annually.

This document does not involve any changes to your health care benefits. You do not need to take any action in response to this letter.

Dear UAW Trust Member:

We are writing on behalf of the Committee which oversees the administration of the UAW Retiree Medical Benefits Trust (the "Trust"). The Trust provides health care benefits for UAW retirees of General Motors, Ford and Chrysler.

The mission of the Trust is to serve as a source of retiree health care coverage for its members. This involves purchasing and managing health care benefits today while investing assets to provide benefits in future years. In the following pages, we describe the updates to the Trust's financial position during the 2014 calendar year.

We are proud of the progress we have made since the Trust launched in 2010. This includes strong performance in diversified investments, finding ways to control costs while improving benefits, and focusing more closely on retiree health care needs. Our performance in 2014 paved the way for the Trust to enhance 2015 benefits by increasing primary care office visits, identifying and addressing gaps in members' care, and providing members with tools and resources to help improve health.

Immunizations, vaccines, check-ups and routine physicals are all essential to good health. Many of you have taken advantage of these preventive benefits, which can help you live a healthier life. Preventive care is an important part of maintaining good health. Take a look at the enclosed flyer with information on preventive services available through your Trust coverage.

It's crucial that we all become informed and shape the future of health care for ourselves and our families. You can learn more about the Trust by visiting our website at www.uawtrust.org, by attending retiree meetings in your area, or by calling the UAW Trust Eligibility Center — Retiree Health Care Connect (RHCC) at 866-637-7555, if you have any questions about your health care benefits.

We wish you good health.

Robert H. Naftaly
Committee Chair

Dennis Williams
UAW President & Committee Member

About the Trust

Since January 1, 2010, the UAW Retiree Medical Benefits Trust has provided the medical coverage for UAW retirees of GM, Ford and Chrysler. The Trust is separate from the auto companies and the UAW. The Trust is governed by an 11-person Committee, with six independent members and five members appointed by the UAW. **The Trust provided benefits for approximately 750,000 people during 2014. Of these, more than 165,000 are from Ford.**

During 2014, the Trust paid out more than \$4.2 billion to provide medical and prescription drug benefits for its members. It filled nearly 16.5 million prescription drug claims. The Trust call center, Retiree Health Care Connect, handled more than 294,000 calls, helping retirees get answers to their questions about health care claims.

Annual Cost of Benefits

How much money did the Trust spend in 2014?

In total, the Trust spent \$4.2 billion in 2014. Of that, \$1.1 billion was for Ford retirees. This covers \$961 million of direct payments to hospitals and doctors, as well as prescription drug and other direct patient care costs.

In addition to direct health care costs, the Trust must spend money to administer the medical plan itself, including the cost of reviewing and paying millions of individual medical and prescription drug claims, and the cost to maintain an eligibility system to keep track of our members. We regularly add new programs to help retirees. We continue to strengthen our case management and pharmacy programs to help our members who have complex chronic conditions. Additionally, we pay outside investment managers to make sure we invest the Trust's assets as well as possible. The total of these administrative, operational and program costs was \$117 million for the Ford retirees in 2014.

Funds Available in the Trust

The value of the Trust's assets at the beginning of 2015 was approximately \$59.9 billion. The Ford portion of those assets was \$17.3 billion.

During 2014, the Trust's financial health remained strong, primarily as a result of three factors:

- The Trust's on-going efforts to control costs by delivering benefits more efficiently.
- Retirees engaging in prudent purchasing of health benefits.
- Good investment performance.

Trust Investments

The assets in the Ford portion of the Trust are invested in a diversified portfolio of stocks, bonds and other investments. The Trust and its Investment Sub-Committee, internal investment staff, and outside investment professionals regularly review investment policies, results and practices to make sure that our investments are aligned with the Trust's long-term goals.

How did the Trust investments perform during 2014?

Investment markets performed well during 2014. The investments in the Ford account returned roughly 6.2% for calendar year 2014. Since 2010, the investments in the Ford account have earned an annual rate of return of 8.3%, not including the return on Ford-related holdings.

Current Retiree Needs and Long-Term Solvency

How does the Trust balance the needs of current retirees and the need to maintain long-term financial stability for future retirees?

The Trust is always working to balance two goals:

- Medical benefits are vital to the economic security of every family, particularly retirees who must live on a fixed income. The UAW fought for retiree medical benefits at the bargaining table for decades. The Trust is now the entity that provides these vital benefits. The Trust continues to design and develop benefits uniquely suited to the needs of our retired members. **We continue to work hard to provide the best possible benefits to current retirees who need those benefits today.**
- The money in the Trust must be used carefully. We need to protect the long-term financial health of the Trust. In addition to the 750,000 current retirees, there are 90,000 active workers who will be eligible for Trust benefits upon their retirement. Both these groups will have medical needs for many years. **A key part of our job is to make sure there is still money in the Trust to provide those benefits for many years.**

We have **improved benefits and expanded coverage** in many ways. Last year, we added traditional dental and vision coverage for Chrysler retirees. We added coverage of primary care office visits, urgent care centers, immunizations, and a variety of educational and other programs to help our members with chronic conditions such as diabetes. We added Medicare Advantage options in 30 states to give our Medicare-eligible retirees an additional choice of programs. Our "Vital Decisions" program helps members facing end-of-life issues.

We work hard to **hold down retiree costs** to make benefits as affordable as possible. We were pleased that we were able to avoid any retiree cost increases for 2016.

We understand that we must **save money wherever possible** so that the long-term future of the Trust is solid. Every dollar we save is a dollar we can use to pay for medical benefits. We are proud of our cost-saving efforts. We believe our efforts have helped you and the Trust tremendously. However, especially when it comes to your health care, it's not just about saving money. It's also about spending wisely. Your engagement can help protect the Trust's financial health and ensure that you and your fellow UAW retirees receive good medical benefits for many years into the future.

SUMMARY ANNUAL REPORT FOR UAW FORD RETIREES MEDICAL BENEFITS PLAN

This is a summary of the annual report of the UAW Ford Retirees Medical Benefits Plan, EIN 90-0424876, Plan No. 502, for period January 1, 2014, through December 31, 2014. The annual report has been filed with the Employee Benefits Security Administration, U.S. Department of Labor, as required under the Employee Retirement Income Security Act of 1974 (ERISA).

Insurance Information

The plan has contracts with Health Alliance Plan, Humana Health Plan, Inc., Kaiser Foundation Health Plan of The Northwest, Kaiser Foundation Health Plan of Georgia, Midwestern Dental Plans, Inc., Univera Healthcare, Blue Care Network of Michigan, Blue Cross and Blue Shield of Kansas City, Kaiser Foundation Health Plan, Inc. - California, Kaiser Foundation Health Plan of Colorado, Single Vision Solution, Kaiser Foundation Health Plan of Mid-Atlantic States, Inc., Healthpartners, HealthPlus of Michigan, Coventry Health and Life, Coventry Health Care of Missouri, Blue Cross Blue Shield of Michigan, Aetna Life Insurance Co., Humana Health Insurance Company of Florida, Inc., Humana Insurance Company and United Healthcare Insurance Company to pay health, dental, vision, prescription drug, HMO and PPO claims incurred under the terms of the plan. The total premiums paid for the plan year ending December 31, 2014, were \$176,999,983.

Because they are so called "experience-rated" contracts, the premium costs are affected by, among other things, the number and size of claims. Of the total insurance premiums paid for the plan year ending December 31, 2014, the premiums paid under such "experience-rated" contracts were \$52,098,729 and the total of all benefit claims paid under these contracts during the plan year was \$16,085,907.

Basic Financial Statement

The value of plan assets, after subtracting liabilities of the plan, was \$17,315,587,329 as of December 31, 2014, compared to \$17,155,058,889 as of January 1, 2014. During the plan year the plan experienced an increase in its net assets of \$160,528,440. This increase includes unrealized appreciation and depreciation in the value of plan assets; that is, the difference between the value of the plan's assets at the end of the year and the value of the assets at the beginning of the year or the cost of assets acquired during the year. During the plan year, the plan had total income of \$1,238,590,954, including employee contributions of \$24,792,858, other contributions of \$125,836,656, realized gains of \$59,627,718 from the sale of assets, earnings from investments of \$1,020,065,756, and other income of \$8,267,966.

Plan expenses were \$1,078,062,514. These expenses included \$116,930,170 in administrative expenses, and \$961,132,344 in benefits paid to participants and beneficiaries.

Your Rights To Additional Information

You have the right to receive a copy of the full annual report, or any part thereof, on request. The items listed below are included in that report:

- an accountant's report;
- financial information;
- information on payments to service providers;
- assets held for investment;
- fiduciary information, including non-exempt transactions between the plan and parties-in-interest (that is, persons who have certain relationships with the plan);
- transactions in excess of 5% of the plan assets;
- insurance information, including sales commissions paid by insurance carriers; and
- information regarding any common or collective trusts, pooled separate accounts, master trusts or 103-12 investment entities in which the plan participates.

To obtain a copy of the full annual report, submit your check for \$15.00 payable to "UAW Retiree Medical Benefits Trust" and mail to UAW Retiree Medical Benefits Trust Ford SAR, P.O. Box 14309, Detroit, MI 48214. If you have any questions, call Retiree Health Care Connect at (866) 637-7555.

You also have the right to receive from the plan administrator, on request and at no charge, a statement of the assets and liabilities of the plan and accompanying notes, or a statement of income and expenses of the plan and accompanying notes, or both. If you request a copy of the full annual report from the plan administrator, these two statements and accompanying notes will be included as part of that report. The charge to cover copying costs given above does not include a charge for the copying of these portions of the report because these portions are furnished without charge.

You also have the legally protected right to examine the annual report at the main office of the plan (UAW Retiree Medical Benefits Trust, 200 Walker Street, Detroit, MI 48207) and at the U.S. Department of Labor in Washington, D.C., or to obtain a copy from the U.S. Department of Labor upon payment of copying costs. Requests to the Department should be addressed to: Public Disclosure Room, Room N1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210.