



U.S. Benefits 2019 Exiting Employee Information

This notice contains information to help you understand what you need to do regarding your Benefits, Retirement & Savings Plans and Equity Compensation Programs. If you have immediate questions, call 1-408-536-4357 and follow the prompts or refer to the [Who to Contact When](#) list on benefits.adobe.com for a more comprehensive contact list.

Your “**Notification date**” is the date you notified Adobe of your intention to resign or the date Adobe notified you of your employment status. Your “**Last Day Worked**” refers to the last date you are required to report to work. Your “**End Date**” is the last day you are on payroll and employed by Adobe.

This notice contains information about the following programs:

- Health Care Benefits and COBRA continuation
- Health Care Flexible Spending Account (HC FSA)
- Dependent Care Flexible Spending Account (DC FSA)
- Health Savings Account (HSA)
- Term Life Insurance, Accidental Death & Dismemberment and Disability Insurance
- Personal Time Off (non-exempt employees)
- Sabbatical
- Long Term Care (LTC)
- Group Legal Plan
- MetLife Home, Auto & Pet Insurance
- Wellness Incentive Dollars Program
- Commuter Benefits
- Backup Care
- 401(k) Retirement Savings Plan
- Deferred Compensation Plan
- 529 College Savings Plan
- Equity & E*TRADE Account
- Outplacement Assistance
- Questions?
- Address changes

A foreword about COBRA and Medicare

*The date on which you or your dependents become entitled to Medicare can affect the length of your COBRA coverage so please plan accordingly. Please note that eligibility for Medicare is not the same as becoming entitled to Medicare. A person becomes “entitled to Medicare” on the effective date of his or her **enrollment** in Medicare. (This is not always the date on which you become eligible for Medicare or the date on which you apply for Medicare.)*

*Covered employees and qualified beneficiaries who become entitled to Medicare before completing the Adobe COBRA enrollment may continue to be covered under the Adobe plan under COBRA, however, the Adobe coverage under COBRA coordinates with Medicare **and Medicare becomes the primary payer** with the Adobe plan paying on a secondary basis.*

If you or your qualified beneficiary becomes entitled to Medicare after you complete the Adobe COBRA enrollment, COBRA coverage will end on the effective date of enrollment in Medicare. Learn more about Medicare by reviewing the CMS booklet titled [Medicare and You](#) or visiting their website <http://www.medicare.gov/>. You may contact CareCounsel healthcare advocates at 833-605-6941 to get help with your Medicare questions.

Health Care Benefits: Medical (including prescription drug), Dental, Vision and Employee Assistance Plan

Your current coverage for these programs will end on the last day of the month in which your **End Date** occurs.

You, if currently enrolled, and your currently enrolled dependents will be eligible to elect continuation of health care benefits beyond the end of the month through **COBRA** (Consolidated Omnibus Budget Reconciliation Act of 1986). *If you are Medicare-eligible see important information above (page 1). If you are a highly compensated employee see important additional information below (page 3) *.*

To continue your coverage through COBRA, you will need to complete the required COBRA enrollment forms that you will receive from TRI-AD, Adobe's COBRA Administrator. You will also need to submit your initial payment unless you have Adobe-paid COBRA. Once the forms and payment are received, coverage will be reinstated retroactive to the day following the end of your coverage. **On-line re-enrollment is also available, and instructions will be included in the packet you receive from TRI-AD.** Contact TRI-AD at 1-855-482-3623 if you have questions or need assistance.

You may drop a coverage election that you no longer need or want to participate in; and, you may also re-enroll only those individuals who may need COBRA continuation. However, once coverage or a current participant is dropped you cannot make changes until the next open enrollment period or you have a qualifying family status change. You will have 31 days from the qualifying event to notify TRI-AD of any changes. Adobe's COBRA Open Enrollment is usually held in November with changes made effective on January 1.

COBRA Continuation

Employee Paid COBRA

You will receive notification from TRI-AD which will include enrollment forms and payment instructions, within three weeks after your coverage ends. You have 60 days from the date your benefits end or the date of the notification letter from TRI-AD (whichever is later) to elect coverage. You will then have 45 days from your election date to pay for your coverage. The initial premium payment must include the premiums for coverage from the date group coverage ended through the end of the month in which the 45-day period ends. **COBRA Continuation Coverage is not reinstated until the initial premium payment has been received in full by TRI-AD.**

If the initial payment is not postmarked on time, you lose your right to have your coverage reinstated and you are no longer eligible for COBRA. Please remit your payments as directed to the address provided in your enrollment packet in a timely manner. During the continuation period, you are responsible for making payments by the due date. Although TRI-AD may send you a monthly bill as a courtesy, TRI-AD does not send reminder notices; and, if payment is not received by the due date coverage is automatically terminated.

If you elect to continue your benefits through COBRA or if you have any questions, please contact TRI-AD:

TRI-AD

Attn: COBRA Unit

P.O. Box 2059

Escondido, CA 92033

Phone: 1-855-482-3623 (Mon-Fri 5:00AM to 6:00PM PT)

Fax: 1-760-233-4742

Web site: www.tri-ad.com/cobra

Adobe Paid COBRA

If you have been offered a specified number of months of Adobe-paid COBRA as part of a severance package, it is your responsibility to coordinate with TRI-AD to enroll in your Adobe-paid COBRA benefits. You will receive enrollment instructions in the mail at your home address within three weeks of after your coverage ends. To enroll in your Adobe-paid COBRA benefits, you must return your completed and signed election form(s) to TRI-AD at the address listed below. On-line enrollment is also available. **Adobe-paid COBRA includes only your current medical, dental and vision plan elections on your End Date.** If you are enrolled in the Health Care Flexible Spending Account and wish to continue this election during your COBRA period, participation is at your own expense. If you continue coverage beyond the Adobe-paid period, your initial payment is due on the first of the month of coverage with a 30-day payment grace period unless otherwise specified in your enrollment package. You are responsible for remitting your payments by the due date or COBRA coverage will be terminated.

TRI-AD

Attn: COBRA Unit

P.O. Box 2059

Escondido, CA 92033

Phone: 1-855-482-3623 (Mon-Fri 5:00AM to 6:00PM PT)

Fax: 1-760-233-4742

Web site: www.tri-ad.com/cobra

Once Adobe receives your properly signed, effective Release of All Claims ("ROAC"), Adobe will notify TRI-AD the specified number of month(s) that you are eligible for Adobe-paid COBRA. If you elect not to receive the severance package, you are still eligible to elect COBRA, and you will be responsible for paying the premiums on your own. Return the election form to TRI-AD and indicate "participant-paid" clearly on the form. Please refer to the "Employee Paid COBRA" section above for more details.

***COBRA and Taxes for Highly Compensated Individuals**

If Adobe determines in its sole discretion that you are a highly compensated individual under Internal Revenue Code Section 105(h), Adobe Paid COBRA continuation coverage will be provided solely if permitted without penalty under applicable law and in a form determined by Adobe that is not discriminatory under Internal Revenue Code Section 105(h). If you are deemed to be a highly compensated individual, then Adobe may be required to treat payments under the applicable plan including, but not limited to, the Adobe Special Termination Plan for U.S.-Based Employees effective November 1, 2013 and Amended and Restated August 30, 2014, for the continuation coverage that you and your dependents receive as a taxable benefit, and report the value of the coverage as income to you.

Flexible Spending Accounts (FSAs)

If currently enrolled, your coverage will end on your **End Date**. See additional details below. You may submit eligible claims for the 2019 plan year to TRI-AD from either the Dependent Care FSA or Health Care FSA accounts until May 31, 2020 for eligible claims as outlined below. If you don't claim your entire balance by May 31, 2020, you will lose it.

- **Dependent Care FSA**

Once you leave Adobe, your payroll contributions and any company contributions to your pre-tax reimbursement account will stop. You can still file claims with **TRI-AD** for reimbursement of any eligible dependent care expenses incurred during the same calendar year, up to the balance of your Dependent Care FSA at your **End Date**. You cannot continue participation in the Dependent Care FSA under COBRA.

- **Health Care FSA**

You are eligible for reimbursement of any eligible health care expenses incurred through your **End Date**, up to the amount you have elected to contribute for the year into your Health Care FSA, less prior reimbursements. File your eligible claims with **TRI-AD** for reimbursement.

You have the option to continue participation in the Health Care FSA on an after-tax basis through COBRA. COBRA premiums include a 2% fee to cover the administrative expenses incurred in providing the plan. You may continue making payments into your Health Care FSA and you may then claim eligible expenses through the COBRA plan for the remainder of the plan year in which you became effective or until you stop paying your after-tax premium, whichever is sooner. This is the only way you can continue to receive reimbursement from your account for expenses incurred during the plan year, but after your **End Date**.

Your Health Care Debit Card will be cancelled upon your **End Date** and all future claims submission can be done through the TRI-AD website or using claim forms you can obtain from TRI-AD. Visit www.tri-ad.com/fsa to check your current account balance and contact TRI-AD with any claim questions.

TRI-AD

Attn: Reimbursement Plans Department 221
West Crest Street, Suite 300
Escondido, CA 92025-1737

Phone: 1-855-482-3623

Website: www.tri-ad.com/fsa

Health Savings Account (HSA)

If you have an HSA account with HealthEquity, the account and money in it is yours to take wherever you go and to use for eligible out of pocket health care expenses. Your HSA will no longer be employer-sponsored but you may keep the account with HealthEquity if you wish to. You'll need to pay the monthly account fees. HealthEquity waives the account fee if your balance is over \$2,500.

Be sure to review the contact information associated with your account. Also note per IRS, HSA contributions generally may be made for months in which an individual is HSA-eligible, and the individual's annual HSA contributions may not exceed the sum of the "monthly limitations" (the annual contribution limit divided by 12) for all months in the calendar year in which the individual actually is HSA-eligible. Thus, if you terminate HDHP coverage mid-year, review the contributions made to your HSA for the year to ensure you did not contribute more than your prorated IRS limit.

Contact HealthEquity for the current fee schedule and any other questions about your HSA account.

HealthEquity

Phone: 1-877-713-7680 (available 24/7)

Email: memberservices@healthequity.com

Member website: www.healthequity.com

Term Life Insurance, Accidental Death & Dismemberment, Disability

Life Insurance

Coverage ends on your **End Date**. You may continue your life insurance coverage for you and your Spouse/Domestic Partner beyond your **End Date**. Approximately 15 business days after termination of coverage, Lincoln Financial Group (formerly Liberty Mutual) will mail you conversion and portability forms, including a worksheet with instructions. Use the worksheet to find your rate and calculate your payments. Return the completed application and payments within 31 days of the date you are no longer

eligible under Adobe group plan.

Rates for both an individual plan and the portability option are set by the insurance provider. For all questions about conversion or portability, call Lincoln Financial Group (formerly Liberty Mutual) at 1-888-287-8494 Prompt #4.

Accidental Death & Dismemberment (AD&D)

Coverage ends on your **End Date**. Your Accidental Death and Dismemberment insurance benefit cannot be converted to an individual plan.

Short-Term Disability (STD)*

Coverage ends on your **End Date**. Conversion of STD is not available.

If you are a California employee who was enrolled in Adobe's Voluntary Disability Insurance (VDI) plan, please note that while you were participating in the VDI plan Adobe continued to report your quarterly earnings to the State of California and you continued to build up wage credits for CA SDI benefits. Therefore, if subsequent to your **End Date you experience a disability, you will be eligible to receive CA SDI benefits at the same weekly benefit level and duration that you would have received if you had never participated in the VDI plan provided you are otherwise eligible as determined by the California Employment Development Department (EDD). The VDI plan pays an assessment to CA SDI to provide this coverage.*

Long-Term Disability (LTD)

Coverage ends on your **End Date**. Conversion of LTD is available for employees who have been enrolled in the plan for at least one year and are actively at work at the time of termination. You will receive a conversion packet from Lincoln Financial Group (formerly Liberty Mutual) approximately 15 business days after your **End Date**. You must apply within 31 days of the date coverage ends and the monthly maximum benefit available is limited. Contact Lincoln Financial Group (formerly Liberty Mutual) with any questions at 1-888-786-2688.

Other Benefits

Personal Time Off (applicable to non-exempt employees)

Your accrued but unused Personal Time Off (PTO) balance will be paid to you in your final paycheck, if applicable.

Sabbatical (applicable to employees who are eligible for sabbatical at their End Date)

Your earned but unused Sabbatical will be paid to you in your final paycheck, if applicable.

Long Term Care (LTC) Insurance

If you are enrolled in Long Term Care Insurance, there is no action needed. Long Term Care Insurance is set up as direct bill, so your payments will remain active. If you have any questions please call Transamerica's Customer Service Department at 800-227-3740

Group Legal Plan

If you wish to continue your legal plan benefit, you have 30 days to convert your group legal plan to an individual plan. Please call Hyatt's Client Service Center at **1-800-821-6400**, Monday-Friday (8am – 7pm ET).

Home, Auto & Pet Insurance

If you are enrolled in any of these programs, you will be contacted by the respective vendors with your options. Please refer to your policy if you need to reach Member Services.

Wellness Incentive Dollars Program

You must be employed by Adobe when eligible expenses are paid and submitted for reimbursement. Contact TRI-AD at 1-855-482-3623 with any questions.

Commuter Benefits

If you are participating in Adobe's commuter benefits and receive a subsidy, this subsidy ends on your **End Date**. Any remaining balance stays on the card for 18 months from the order date before it expires.

Backup Care

Coverage under this plan will end on your **End Date**. Any child or elder care that may have been previously scheduled, but occurs after this date, will be your responsibility.

Savings Programs

Adobe 401(k) Retirement Savings Plan

If you are a participant in Adobe's 401(k) Retirement Savings Plan, you are eligible to receive your vested account balance upon retirement or termination of employment. You have the option to roll your account balance over to another employer's eligible plan or to an IRA. Additionally, you may choose to receive your account balance as a lump sum cash payment. A lump sum cash payment may result in taxation and possible penalties for early withdrawal may apply. If your vested account balance is greater than \$1,000 you may choose to leave your assets in the Adobe 401(k) Plan until you reach age 65. If you do not take a distribution of your account balance, an administration fee of \$12.00 will be assessed and deducted from your account on a quarterly basis.

You will soon receive a personalized termination kit from Vanguard with more details regarding your options. For answers to your questions, to access your account or to request a distribution log on to www.vanguard.com or you may call Vanguard at 1-800-523-1188.

Outstanding 401(k) Loans: If you have an outstanding Adobe 401(k) Plan loan, your unpaid loan balance will default unless it is repaid in full within 90 days of your End Date. This means your remaining unpaid loan balance will be treated as an early distribution and you may owe taxes and incur penalties. Contact Vanguard at 1-800-523-1188 for your final loan payoff balance and payoff instructions.

If you have assets in an Adobe acquired company 401(k) plan, you can initiate a rollover or account distribution by contacting the acquired company plan recordkeeper (ie., Fidelity, Schwab, etc.).

Deferred Compensation Plan

If you are a participant in Adobe's Deferred Compensation Plan (DCP) distribution payments will be paid to you according to the distribution elections you made at the time you elected to defer your income, subject to plan provisions and legal limitations. Cash distributions will be dispersed via check from Reliance Trust. Equity distributions will be managed via E*TRADE. For answers to your questions or to access your DCP account, log on to www.nolanlink.com or you may call Nolan Financial at 1-877-230-2432.

529 College Savings Plan

You may continue your participation in the 529 College Savings Plan, but you should contact your plan administrator to confirm minimum deposit requirements per beneficiary account and any other terms and conditions. Depending on the state you live in, you may have elected the Vanguard 529 College Savings Plan or a plan in your state through the Vanguard plan finder tool <http://vanguard.com/adobe529>.

Calif & Washington Vanguard 529 College Savings Plan www.vanguard.com / 1-866-734-4530

New York Direct Plan www.nysaves.org/content/home.html / 1-877-697-2837

Utah Education Savings Plan www.uesp.org / 1-800-418-2551

Virginia inVEST Plan www.virginia529.com/invest / 1-888-567-0540

If you have a CollegeBound 529 account administered by Ascensus with investments managed by Invesco, go to www.invesco.com/college-bound-529/employerplan or call 1-877-615-4116 for your continuation options.

Equity Programs & E*TRADE Account

Restricted Stock Units

Any unvested RSUs are immediately cancelled as of your **End Date**. Any shares that have been released to you are yours to keep. For information in regard to existing RSU's in your brokerage account, you may contact E*TRADE or access your online E*TRADE account.

Employee Stock Purchase Plan (ESPP)

Your participation in the Adobe Employee Stock Purchase Plan (ESPP) ends on your **End Date**. When you leave Adobe, you will automatically be withdrawn from the Plan. All accumulated payroll deductions not used to purchase stock will be returned to you, without interest. This includes any carry forward refund amount from the previous purchase, as well as any current offering period deferrals.

Purchase Participation: If your **End Date** is on or after the actual purchase dates (last NASDAQ trading day of June and December), you may participate in that purchase. Any carry forward amount from the purchase will be refunded to you upon your End Date.

Stock Options

If you have exercisable stock option(s), you can expect to receive a closing statement in the mail from Adobe's Equity team. The closing statement will include your last date to exercise your vested stock option(s). You may also reference your E*TRADE account (Employee Stock Plans) for this last date to exercise date. If you do not exercise your vested option shares by the last date noted on the closing statement and E*TRADE account, the stock option will expire. If your last date to exercise falls on a weekend or non-trading NASDAQ holiday, the transaction must be completed before the market close on the last trading day prior to your expiration date.

Tax Note

When you dispose of your stock, including any ESPP shares and vested RSU shares, any appreciation in the value of the stock over your purchase price will be subject to income tax. See your personal tax advisor for questions.

E*TRADE Account

You should log into your E*TRADE account to view your cancel, expiration, last date to exercise stock option dates as soon as possible. Update your email address to continue to receive SmartAlerts.

Contact E*TRADE at the number below or access your online E*TRADE account. You will continue to receive monthly account statements from E*TRADE as long as there is activity in your account.

E*TRADE	www.etrade.com
E*TRADE Employee Stock Plans	1-800-838-908
Outside the US & Canada	+1-650-599-0125

Outplacement Assistance

If outplacement assistance was offered to you, please see the Lee Hecht Harrison (LHH) insert in the packet provided to you for additional information about the program. In order to utilize these services, you need to initiate them within six months following your **End Date**. To initiate these services, please call 1-888-913-7366 or email your resume to resumes@lh.com.

Questions?

If you have questions on any of the information outlined in this notice, please call 1-408-536-4357 and follow the prompts or refer to the [Who to Contact When](#) list on benefits.adobe.com for a more comprehensive contact list.

Address Changes

You should keep your address current with Adobe so that we can continue to mail important benefit and tax information to you. To provide any address changes call 1-408-536-4357 and follow the prompts.

Adobe Systems Incorporated reserves the right to terminate, suspend, withdraw, amend or modify the plans, in writing, in whole or in part, at any time.

Disclaimer: In the case of any discrepancy between this document and official plan documents, the official plan documents will prevail.

2019 Monthly COBRA Rate Information

Listed below are monthly COBRA rates and the health coverage available to you, should you elect to continue coverage under the conditions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). The COBRA rates below reflect 102% of the premium equivalent rate. The additional 2% is to cover administrative costs. If you become disabled and continue your coverage beyond 18 months the COBRA rates increase to 150% of the premium equivalent rate.

You have 60 days from the date your employee benefits end or the date of the notification letter from TRI-AD (whichever is later), to elect coverage. You will then have 45 days from your election date to pay for your coverage back to your COBRA eligibility date. Note: You may continue contributing to the Health Care Flexible Spending Account (FSA) on an after-tax basis if you were actively enrolled the day before your COBRA eligibility date.

PLAN	EMPLOYEE ONLY*	EMPLOYEE AND CHILD(REN)*	EMPLOYEE & SPOUSE/ DOMESTIC PARTNER	EMPLOYEE AND FAMILY (2+ CHILDREN)
Medical plans				
Aetna HealthSave (HSA)	\$625.81	\$1,093.76	\$1,293.65	\$1,825.12
Aetna HealthSave Basic	\$573.24	\$999.60	\$1,182.18	\$1,669.74
Kaiser CA (HMO)	\$541.81	\$1,083.60	\$1,191.97	\$1,625.42
Kaiser WA (HMO)	\$526.30	\$1,075.89	\$1,124.40	\$1,674.00
Aetna HealthSave Out-of-Area Plan	\$683.40	\$1,194.42	\$1,412.70	\$1,993.08
Other				
Employee Assistance Program (EAP)	\$1.61	\$1.61	\$1.61	\$1.61
Dental plans				
Delta Dental	\$61.20	\$127.50	\$115.26	\$172.38
Vision plan				
VSP Basic	\$13.26	\$21.42	\$20.40	\$34.68
VSP Vision Plus	\$25.50	\$43.86	\$42.84	\$71.40

You will receive an eligibility notice and election form from TRI-AD, the COBRA administrator, in the mail at your home address. Please contact them directly with any questions you may have concerning your COBRA eligibility or enrollment.

COBRA Participant Services
 TRI-AD COBRA Unit
 P.O. Box 2059
 Escondido, CA 92033
 Phone: 1-855-482-3623
 Fax: 1-760-233-4742

Website: www.tri-ad.com

