



Tobacco Surcharge Policy Effective as of January 1, 2014

We are committed to promoting the health and wellbeing of our employees and their families. The goal of our healthcare program is not only to make sure you have access to the services you need when you are sick but also to help you live a healthier life.

If you are a tobacco user, you already know that one of the best things you can do for your health is to quit. We support those efforts and have a program in place to help you and your eligible family members beat the addiction.

Tobacco Surcharge Policy

If you or your spouse/declared domestic partner is covered under the Stryker medical plan, is a tobacco-user (see tobacco-user definition below), and have not completed the Breathe Easy Tobacco Cessation program this year or other program recommended by your physician, you will pay a surcharge for medical coverage.

You and your covered spouse/declared domestic partner must be tobacco free for at least 6 months or have completed the Breathe Easy Tobacco Cessation program or other program recommended by your physician this year when certifying your tobacco status to be considered a non-tobacco user.

The surcharge is applied once per employee regardless of the number of tobacco users you cover.

Tobacco-Use Certification

Current employees must verify their tobacco status along with their covered spouse/declared domestic partner tobacco status by certifying their tobacco status every year during annual open enrollment.

New hires must verify their tobacco status along with their covered spouse/declared domestic partner tobacco status by certifying their tobacco status during their initial benefits enrollment period.

If an employee fails to certify their tobacco status, they will be considered a tobacco user for purposes of the Tobacco Cessation Program.

Tobacco Surcharge

For employees who are required to pay the Tobacco Surcharge, the following apply:

- For current employees, the Tobacco Surcharge will be charged automatically starting with the first pay period of the following calendar year.
- For new hires, the Tobacco Surcharge will be charged automatically with the first medical plan contribution.

The Tobacco Surcharge can be removed by completing the Breathe Easy Tobacco Cessation program, complying with a program recommended by your physician, or by confirming via the Benefits Enrollment Site that the employee and/or spouse/declared domestic partner has quit using tobacco for a period of 6 months prior to the certification date. The Tobacco Surcharge will be removed within two pay periods following certification of your Tobacco Status via the Benefits Enrollment Site. You will be credited with any surcharges paid for the year.



If you identify yourself and your spouse/declared domestic partner as a tobacco user, both individuals must complete the Breathe Easy Tobacco Cessation program, or program recommended by your physician, for the surcharge to be removed.

Definition of a Tobacco User

You will be considered a tobacco user if you used tobacco products during the last six months, including but not limited to cigarettes, cigars, pipes, ecigarettes, chewing tobacco and snuff. You will not be considered a tobacco user if you used tobacco products at the rate of once per month or less on average (such as an occasional celebratory cigar).

If you falsify your non-tobacco use you will be immediately subject to the surcharge and may face termination of employment and/or termination of the medical plan.

To enroll in Stryker's Tobacco Cessation Program, Breathe Easy, log into your Stryker Strive (*strive.stryker.com*) account or call 844-357-7606.

Q&A: Tobacco surcharge policy

Updated September 1, 2017

Stryker introduced a tobacco surcharge in 2014 as part of our ongoing commitment to your good health.

If you enroll in a Stryker medical plan during annual enrollment, as a new hire or as a result of a qualifying life event, and affirm that you and/or your covered spouse/declared domestic partner have not used tobacco within the last 6 months, you will not be charged the tobacco surcharge.

If you enroll in a Stryker medical plan during annual enrollment, as a new hire or as a result of a qualifying life event, and you and/or your covered spouse/declared domestic partner indicate that you have used tobacco within the past 6 months, and have not completed the Breathe Easy tobacco cessation program in the current year, you will be charged the Tobacco Surcharge.

1. Why does Stryker have a Tobacco Surcharge?

The primary goal of our health and wellbeing programs is to help employees and their family members reach and maintain good health. Consider some facts about tobacco use:

- In the United States, tobacco use is responsible for nearly one in five deaths. (Source: Cancer Facts & Figures 2014)
- Lung cancer is the most preventable form of cancer death and is the leading cause of cancer death in the United States for both men and women. (Source: Cancer Facts & Figures 2014)

2. What are other companies doing? Is it typical for companies similar to Stryker to have a tobacco surcharge?

Mercer's 2016 National Survey of Employer Sponsored Health Plans shows that 48% of companies with 20,000+ employees have a tobacco/non-tobacco contribution differential.

3. Why is Stryker focusing on tobacco rather than other problems like weight?

According to the American Cancer Society®, tobacco use is the number one cause of preventable illness and death in the United States. We know quitting is hard: only four to seven percent of Americans quit smoking without help. (Source: American Cancer Society, Guide to Quitting Smoking 2014) We're helping our employees and families become tobacco-free to improve the health of our total population, and to combat rising healthcare costs.

4. How is tobacco use defined?

Tobacco products include cigarettes, electronic nicotine delivery systems (ENDS), cigars, pipes and any form of smokeless tobacco (i.e. "chew"). Tobacco use is defined as any use of tobacco, regardless of the frequency or location, within the past 6 months. The rare, once per month or less on average use of a tobacco product (such as a celebratory cigar) does not constitute tobacco use for purposes of being charged the surcharge.

5. What if I only smoked once (a cigar while golfing) in the past 6 months? The rare, once per month or less on average use of a tobacco product (such as a celebratory cigar) does not constitute tobacco use.

6. How will Stryker know if I use tobacco?

Every year during Annual Enrollment you will be asked to affirm your tobacco use along with your spouse/declared domestic partner's tobacco use by certifying your tobacco status.

7. How will you monitor smoking status?



Integrity is one of our core values and we trust that our employees will make the appropriate choice when selecting their status. However, an employee who falsifies his/her non-tobacco-use status will be immediately subject to the surcharge, and may face termination of employment and/or termination of coverage in the Stryker medical plan.

8. Why is everyone defaulted to a tobacco user and not a non-tobacco user? Why does Stryker require everyone go in the system and make the change?

We will rely on our employees to self-report their own tobacco-use status (and the status of their covered spouse/declared domestic partner, if applicable) during Annual Enrollment. When you enroll in benefits, you will be asked about use of tobacco products of any kind (including smoking and smokeless varieties). If you don't certify your tobacco status, we don't have any support or evidence that you do not use tobacco. Similar to other Stryker policies, we need you to affirm your status and agree to the tobacco use policy.

9. When can I complete the Tobacco Use Affidavit?

You must certify your status each year during Annual Enrollment to certify your tobacco status. You may also visit the Benefits Enrollment Site at any time throughout the year and declare a change in Tobacco Status life event to update your tobacco status.

10. Why do I have to certify my Tobacco Status each year?

Many factors may change throughout the year including marital status, dependent status and tobacco status. We want to make sure we have the correct and most up to date information on file each year. Recertifying your tobacco status ensures that Stryker has your most up-to-date status.

11. My spouse/declared domestic partner uses tobacco, but I don't. My spouse/declared domestic partner is covered by the Stryker medical plan; will I be charged the Tobacco Surcharge?

Yes. Since your spouse/declared domestic partner uses tobacco and is covered by the Stryker medical plan, you will be charged the Tobacco Surcharge.

12. My spouse/declared domestic partner and I both use tobacco. Will we be charged the Tobacco Surcharge for both of us?

The Tobacco Surcharge is applied once per employee. The Tobacco Surcharge will be the same if you, your spouse/declared domestic partner or both is a tobacco user.

13. If my adult child is covered on my medical plan and they use tobacco, will I be charged the tobacco surcharge?

No. You will only be charged a surcharge if either you or your covered spouse/declared domestic partner are tobacco users and have not completed a Stryker provided tobacco cessation program or quit tobacco.

14. If I use tobacco, how can I remove the Tobacco Surcharge?

Tobacco users can remove the Tobacco Surcharge by enrolling in and completing the Breathe Easy tobacco cessation program or by quitting tobacco use for at least 6 months. If both you and your spouse/declared domestic partner are tobacco users, both need to enroll and complete the Breathe Easy tobacco cessation program or quit tobacco use for at least 6 months to qualify.

15. I quit tobacco this year but will not be "tobacco free for 6 months" when I need to indicate my tobacco status. How do I avoid the Tobacco Surcharge?

You must enroll and complete the Breathe Easy tobacco cessation program or wait until you are tobacco free for 6 months and affirm your tobacco status by declaring a Change in Tobacco Status life event through the Benefits Enrollment Site.

16. What will Stryker do with the additional funds from the Tobacco Surcharge?

Any additional funds will be used to offset healthcare costs for all who participate in the medical plan, including the portion paid by Stryker.

Breathe Easy

1. How do I enroll in the Breathe Easy tobacco cessation program?

Call the Stryker Strive Coaching Program at 1-844-357-7606 or enroll online by logging into your Stryker Strive account at strive.stryker.com.

2. What ways can I complete the program? Is it only over the telephone?

When you initially sign up, you can choose if you would like to complete the program telephonically with a coach or by webinar. When you enroll, you will also gain access to email with your coach as many times as you like, however these emails do not count as completing a session.

3. How does my spouse/declared domestic partner or adult child (over age 18 and considered eligible for the Stryker health plan) enroll?

They can also call the Stryker Strive Coaching Program at 1-844-357-7606. The Stryker Strive coaching team will gather their enrollment information and begin the program for your child. They will then contact Stryker Benefits and confirm eligibility. If someone attempts to enroll who is not an employee, spouse or declared domestic partner of an employee or an adult child of an employee their enrollment in the program will be terminated immediately.

4. How long will it take me to complete the Breathe Easy tobacco cessation program?

The actual length of the program will vary based on a person's motivation and readiness to quit. On average, it takes people five to eight weeks to complete.

5. How do I complete the Breathe Easy tobacco cessation program?

You complete the program by completing 6 coaching sessions (telephonically or by webinar) and completing a survey after each of those sessions.

6. How do I find out how many sessions I have earned credit for?

To find out how many sessions you have earned credit for, please contact the Stryker Strive coaching team at 844-357-7606.

7. If I complete the program but am unable to quit smoking, do I still have to pay the Tobacco Surcharge?

No. You can certify your tobacco status and choose the option that states "I am a tobacco user and have completed a Stryker provided Tobacco Cessation Program within this calendar year."

8. How long will it take to remove the Tobacco Surcharge?

The Tobacco Surcharge will be removed within two pay periods following certification of your tobacco status. Once you update your status to non-tobacco user, you will be reimbursed for any surcharges you paid during the year.

9. What if one (but not both) participates in the Breathe Easy Program?

Both the employee and spouse/declared domestic partner covered by the Stryker medical plan must complete the Breathe Easy Program or be a non-tobacco user to avoid the Tobacco Surcharge.

10. Can I quit "cold turkey" or use another program to meet the requirements?

Tobacco cessation is a personal decision and you need to identify what is going to work for you. If you quit on your own, you can affirm your tobacco status by logging into the Benefits Enrollment Site and declaring a Change in Tobacco Status life event.

Vapes, E-Cigs, Hookah Pens and other Electronic Nicotine Delivery Systems (ENDS):

1. Why are ENDS considered tobacco?

In 2016, FDA finalized a rule extending CTP's regulatory authority to cover all tobacco products, including electronic nicotine delivery systems (ENDS) that meet the definition of a tobacco product. FDA now regulates the manufacture, import, packaging, labeling, advertising, promotion, sale, and distribution of ENDS, including components and parts of ENDS but excluding accessories.

For questions and assistance

Have questions about the tobacco surcharge? Contact your benefits team.

Orthopaedics shared services P 201 831 6996 hshared@stryker.com

Spine benefits P 201 760 8096 spinebenefits@stryker.com

Benefits shared services P 877 795 2002 (option 1) benefits@stryker.com