

# V O L V O

September 4, 2025

**To:** All active employees or their dependents who have, or may be eligible for, Medicare coverage

**Subject:** *Medicare Part D – Notice of Creditable Coverage*

Starting January 1, 2006, Medicare added a **voluntary** prescription drug benefit. This new prescription drug benefit is called Medicare Part D. For Medicare-eligible beneficiaries without prescription drug coverage, Part D filled the gap that existed within Medicare. However, if you are enrolled in a Volvo Medical Plan, the Volvo Prescription Drug Plan provides a higher level of benefits than the standard Medicare Part D Plan.

As an employee of Volvo Group North America, LLC your primary prescription drug coverage is most likely with Volvo. We are providing you with the following Notice of Creditable Coverage to keep you informed of the new Medicare prescription drug benefit and its implications if you or your spouse become eligible for Medicare benefits while you are actively employed.

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## Important Notice from Volvo about Your Prescription Drug Coverage and Medicare

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Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Volvo and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide if you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Volvo has determined that the prescription drug coverage offered by the Volvo Prescription Drug Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.

Because your Volvo coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> to December 7<sup>th</sup>. This may mean that you may have to wait to join a Medicare drug plan and that you may pay a higher premium (a penalty) if you join later. You may pay that higher premium (a penalty) if you have Medicare prescription drug coverage. However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

If you do decide to enroll in a Medicare prescription drug plan and drop your Volvo prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

You should also know that if you drop or lose your coverage with Volvo and don't enroll in Medicare prescription drug coverage within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 continuous days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You will have to pay this higher premium if you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to enroll.

**For more information about this notice or your current prescription drug coverage**, contact Volvo People Services at 336-393-3477 or 800-344-8339. NOTE: You will receive this notice annually and at other times in the future, such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through Volvo changes. You also may request a copy.

**For more information about your options under Medicare prescription drug coverage** – More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage notice. If you enroll in one of the new Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).**

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