



Legal Notices Related to the Patient Protection and Affordable Care Act (PPACA)

In accordance with the health care reform law, Toys“R”Us is providing the following required legal notices outlining the parts of the new law that will become effective July 1, 2011.

Adult Dependent Eligibility Notice

Team members with dependent children under the age of 26 (“adult children”) are now eligible to enroll them in medical coverage under the Toys“R”Us, Inc. Health Benefits Plan (“the Plan”). Team members may enroll eligible adult children during Annual Enrollment (April 21 – May 23, 2011), with medical coverage becoming effective July 1, 2011.

The Department of Labor defines an eligible adult child as a married or unmarried dependent child who has not yet reached age 26. A child is not required to be financially dependent on or reside with his/her parents to be eligible for medical coverage. However, the spouse or children of an adult child are not eligible for this coverage.

When you enroll an adult child, you will need to provide a birth certificate or notice of guardianship/legal adoption so we can verify dependent eligibility. If you don’t submit adequate documentation in the required timeframe, coverage for the adult child will not become effective.

For more information, see the fact sheet issued by the Department of Health and Human Services at www.hhs.gov/ociio/regulations/adult_child_fact_sheet.html.

Lifetime Limits on Benefits Notice

The lifetime limits on the dollar value of benefits under the Plan no longer applies. Team members and/or eligible dependents whose coverage was terminated when reaching a lifetime limit under the Plan are eligible to re-enroll in coverage. Team members and families may re-enroll during Annual Enrollment (April 21 – May 23, 2011), with medical coverage becoming effective July 1, 2011. For more information, see the notice from the Department of Labor at www.dol.gov/ebsa/lifetimelimitsmodelnotice.doc.

Grandfathered Plan Status Notice

In the Patient Protection and Affordable Care Act, health plans like ours that existed at the time of enactment were “grandfathered” and excluded from certain aspects of the law. Toys“R”Us will fully comply with the regulations in the Patient Protection and Affordable Care Act and we expect to maintain our grandfathered status for all of the Plan medical options except the Aetna Choice POS II Health Plan, the Aetna Indemnity Medical Plan and Kaiser HMO - Hawaii.

Since you started working here, you’ve had access to a wide range of doctors and hospitals, protection against major medical expenses, big savings on your prescription drugs, and free or low cost preventive care through our plans. This won’t change with the new law. And, like recent years, you can expect periodic changes to our plans to respond to health care inflation. At this time, we anticipate the changes will be within the guidelines for grandfathered plans, except for the three plans identified above. However, changes in plan design and or cost-sharing arrangements could cause us to lose our grandfathered status in the other plans in the future.

For more information about how grandfathered health plan status is maintained or what might cause the loss of such status, visit the Employee Benefits Security Administration’s website at www.dol.gov/ebsa/healthreform, which includes a table summarizing which protections do and do not apply to grandfathered health plans.