Important Unisys Benefits Information

be...

self-aware  ■  self-directed  ■  self-confident  ■  self-sufficient

2007 Health and Wealth Guide

It’s Your Life | Family | Future
It’s time to focus on you and your family. This guide is designed to give you the information you need to make smart decisions during the 2007 Annual Enrollment and when saving for your retirement throughout your career. It’s structured around the major issues or questions you need to think about for 2007 and beyond. We’ve highlighted what’s new for 2007, what’s most important and what resources can help you learn more.

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Unisys has taken a step back to look at where we've come from and where we're going. We've decided to make changes — to both our business strategy and benefits offerings — to reposition the company for profitable growth.

We encourage you to take a step back, too. Look at what you've done so far to ensure your well-being and to plan your retirement savings. Think about what you'd like to accomplish in the future. As you consider what you need, take action to be...

**self-aware  ■  self-directed  ■  self-confident  ■  self-sufficient**

Getting you there is our goal. As you’ll see, the changes we’re making share a common theme: a focus on YOU. You’ll have to take ownership and responsibility for understanding the benefits available to you and making the choices that best meet the needs of you and your family.

As we adopt changes to our health and wealth benefits offerings for 2007, we want to underscore how important it is that you take action. This guide can help you focus on the actions you need to take that will make a difference for your immediate well-being and your long-term financial security.

Why wait? After all, it’s your life, your family and your future. **Start building your plan today.**

Unisys continues to offer eligible employees a competitive benefits package. The 2007 Annual Enrollment is a great time to think about all of your benefits choices — not just your medical coverage. Take time to think about the coverage you need for:

- Medical
- Vision
- Long-Term Disability (LTD)
- Dental
- Flexible Spending Accounts
- Long-Term Care (LTC) Insurance
- Group Universal Life Program (GULP)
- You and your family
- Other benefits
Here are some important issues to start thinking about now:

**What are your options?**

We’re changing the medical options offered through Unisys. Here’s how:

- Introducing two new account-based medical options* to round out the mix of medical choices
- Realigning contributions to reflect the value of the medical options
- Adding consumerism features to some existing medical options

**Is your medical coverage through Unisys and who’s included?**

- If you cover a dependent spouse or same-gender domestic partner who has access to subsidized medical coverage elsewhere, we are introducing a surcharge
- If you opt out of Unisys Medical Plan coverage, we are eliminating the cash incentive

**How much coverage do you need?**

The contribution for each medical option will reflect the value of the benefit offered — so the richer the benefit is under the option, the higher the required employee contribution.

**How healthy are you?**

You can receive discounts on your monthly contributions for medical coverage through Unisys or other health-related incentives.

- If you have not used tobacco products since January 1, 2006 and you pledge not to do so in the future, you will receive a $30 per month discount in your medical contribution through Unisys in 2007
- If you use tobacco products, the prescription drug benefit in most of our medical options will help you quit by covering smoking cessation products that require a prescription
- If you need an incentive to exercise, many of the medical options will include discounts for membership in health clubs
- We will continue to offer a $10 per month discount in your medical contribution through Unisys in 2007 if you complete or update your Health Risk Assessment

**Are you taking full advantage of the company match under the Unisys Savings Plan?**

Unisys is tripling the maximum company-matching contribution under the Savings Plan beginning in 2007. If you don’t save at least six percent of your eligible pay on a before-tax basis, you’re missing out on some of the company-matching contribution.

**What kind of saver are you?**

Saving for retirement isn’t just about how much money you put away. You also need to consider what level of risk you are willing to accept and how you want to invest the money in your Savings Plan. Also, consider saving for future medical expenses through a Health Savings Account (HSA) if you participate in one of the two new account-based medical options.

* Not available to residents of Hawaii
Annual Enrollment

This year, don’t just sit back and do nothing. We’re holding the first “active” Annual Enrollment since 1988, and you must make benefits elections for 2007. So, resist the temptation to just put a check mark next to your current options and be done with it — especially this year with so many medical plan changes and new options. Take a look at the available benefits options to make an informed decision and then register your elections online.

Not taking action during the 2007 Annual Enrollment will mean significant consequences through lost coverage and missed discounts. Additional information about medical options, surcharges and discounts begins on page 5. Here’s a snapshot of what will happen if you don’t make elections during the 2007 Annual Enrollment. You will:

- default to the new UnitedHealthcare (UHC) Choice Plus Account Based 70 medical option* with no company contribution to the Health Savings Account (HSA) — missing out on company contributions of $300 per year for individual coverage or $750 per year if you cover other family members (Note: if you have no medical coverage through Unisys in 2006, then you will default to no medical coverage in 2007);
- be assessed a $75 per month surcharge if your spouse or same-gender domestic partner is included in your medical coverage;
- miss out on the $30 per month discount for non-tobacco product users as well as the $10 per month discount for completing the Health Risk Assessment;
- have no dental or vision coverage; and
- not be able to participate in the Flexible Spending Accounts.

As you can see, doing nothing is not in your best interest. You will not be able to change these elections, unless you experience a qualifying life event during the year. So explore your benefits options, assess your needs and make decisions about your 2007 benefits on or before November 8, 2006.

The 2007 Annual Enrollment period runs from October 18 through November 8, 2006. Be sure to carefully consider your options and make your elections online by midnight, Eastern time on November 8, so you get the coverage you want. You can register your elections or get answers to your questions through the Your Benefits Resources™ (YBR) Web site at http://resources.hewitt.com/unisys, or by calling the Unisys Benefits Service Center (UBSC) at 1-877-864-7972 before 7:00 p.m., Eastern time on November 8.

*Residents of Hawaii who are enrolled in a Unisys medical option for 2006 will default to the Kaiser Hawaii option.
Unisys Savings Plan

Starting January 1, 2007, we're increasing the company-matching contribution to the Unisys Savings Plan. But you don't have to wait for January 1 to start making smart retirement decisions. You can start today! Here are some everyday things you can do to start preparing for the future:

- **Saving early is better.** The sooner you start putting money away, the longer it can grow for your retirement. If you aren’t participating in the Savings Plan, log on to the Fidelity NetBenefits™ Web site at [http://netbenefits.fidelity.com](http://netbenefits.fidelity.com) and consider enrolling today.

- **Take advantage of the full company-matching contribution.** If you’re not contributing at least four percent of your eligible pay on a before-tax basis right now, you may be leaving money on the table. And starting January 1, 2007, the maximum company-matching contribution on before-tax contributions will go up to six percent of eligible pay, subject to IRS limits. Think about this additional money you can get from Unisys.

- **Understand where you are today.** In late September, you received your “Just the Facts” personalized retirement benefit statement. This provides you with information on your estimated Pension Plan benefit as of December 31, 2006 (if eligible) and models how much you could be saving in the Unisys Savings Plan. Use this information to understand your current savings situation and to plan how you could be saving even more.

Don’t forget...

In March, we provided a number of educational pieces about the changes to the Unisys Savings Plan and Unisys Pension Plan. These materials and other tips are posted on the Employee Network at [http://www.unisys.com/employee/yf_future.asp](http://www.unisys.com/employee/yf_future.asp). Log on to find the top Five Things to Know, the Unisys Retirement Program Changes e-brochure, Frequently Asked Questions (FAQs) and links to online planning resources.
You’ve Got Medical Options

For 2007, the focus is on giving you more control over how you use your healthcare benefits. We provide the options, but it’s up to you to take responsibility for identifying your needs, understanding your choices and making the most appropriate decisions. There are several choices when it comes to your medical options, including: health maintenance organizations (HMOs) in many locations; a point of service (POS) option; and two new account-based medical options. Before making your choice, consider the features of each medical option.

Your Account-Based Medical Options* — New

These two new medical options are designed to give you greater control over how you spend your healthcare dollars or save for medical expenses later, perhaps at retirement.

You have the freedom to see any healthcare provider or visit any facility, including specialists. You don’t need a referral. You’ll save money by choosing to use network providers — their services are available at negotiated rates, you pay a lower coinsurance percentage once the annual deductible has been met and you are protected by a cap on your out-of-pocket expenses.

To encourage healthy living, eligible preventive care services — such as well-woman, routine cancer screenings and well-baby exams — are covered at 100 percent when care is provided by network providers. All other services, including prescription drugs, are subject to an annual deductible before the option pays a portion of the cost.

Here is how the two new account-based medical options pay benefits:

<table>
<thead>
<tr>
<th>Funding the HSA</th>
<th>Meeting the Deductible</th>
<th>After Meeting the Deductible</th>
<th>Out-of-Pocket Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Health Savings Account (HSA) is funded with tax-free contributions from you and the company. You earn interest tax-free and can save the funds for future use. Withdrawals are not subject to Federal income tax if used for covered expenses.</td>
<td>Eligible preventive care from network providers is covered at 100%. For all other covered services, including prescription drugs, you are responsible for paying the full cost until you meet the annual deductible. If you cover a dependent, the entire family deductible must be met before the option pays a portion of the cost. You can pay your expenses from your HSA or yourself.</td>
<td>Once the annual deductible is met, a percentage of your covered medical expenses are paid under the option (and the remainder is paid by you), until you meet the specified annual out-of-pocket maximum from network providers. You can pay your expenses from your HSA or yourself.</td>
<td>Once you meet the annual out-of-pocket maximum for the year, 100% of your covered medical and prescription drug expenses are paid under the option for the rest of that year.</td>
</tr>
</tbody>
</table>

* Not available to residents of Hawaii

What’s preventive care?

Covered preventive care services are defined based on your age. For more details on the covered preventive care services, refer to the 2007 Summary of Plan Changes, which is available on the Unisys U.S. Benefits Web site at http://www.app2.unisys.com/usbenefits (User ID: Unisys, Password: usbenefits).
E lecting one of the two new account-based medical options allows you to participate in an HSA offered by Exante Bank (a UnitedHealth Group company). You can use the HSA to help you pay your deductible, help you pay your coinsurance, or save to help you pay for medical services in the future, perhaps at retirement.

An HSA is a Federal income tax-favored bank account that you control. In some states, HSAs also receive favorable state income tax treatment. To participate in an HSA (even if only through company contributions), you must set up an account with Exante Bank.

You can benefit from the following Federal income tax advantages of an HSA.

1. **Contributions:** Contributions can be taken before-tax through payroll deductions or through tax-deductible contributions made directly to your HSA at Exante Bank.

2. **Earnings:** Your account is insured by the Federal Deposit Insurance Corporation (FDIC), and your balance earns interest (four percent per year through December 31, 2007) Federal income tax-free.

3. **Using your balance:** If you use your account to pay covered medical expenses, distributions are made Federal income tax-free.

If you elect to participate in one of the two new account-based medical options, Unisys makes contributions to your HSA each pay period, regardless of what you elect to contribute. Refer to the side-by-side comparison chart on page 11 for details about the Unisys contributions to your HSA. However, if you default into an account-based medical option for 2007, you’ll need to take additional action to set up your HSA before any Unisys contributions can begin — all the more reason to be sure that you take an active role during Annual Enrollment.

You cannot participate in an HSA unless you participate in one of the account-based medical options because Federal law requires that your medical coverage must have a relatively high deductible. This is one of the restrictions placed on the accounts in exchange for favorable tax treatment. Please refer to the IRS Web site at http://www.irs.gov.

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**How The HSA Works**

- Option to reimburse eligible healthcare expenses from this account
- Receive Federal income tax-free earnings while your money remains in your HSA
- Protects you from high costs
- Coinsurance similar to traditional medical plan options
- Annual out-of-pocket maximums are in place for added peace of mind
- Amount that needs to be satisfied before health coverage begins
- Preventive care not subject to deductible

**Resources and Tools**

- Available via phone or Web
- Health Coaches
- Cost/Quality Comparisons
- And more...

- Eligible preventive care from network providers covered at 100%
The two new account-based medical options will be administered by UnitedHealthcare (UHC) and will be called the **UHC Choice Plus Account Based 70** and **UHC Choice Plus Account Based 90**. While the underlying design of these two new options is the same, the options differ in:

- the amount Unisys contributes to the HSAs;
- the coinsurance amounts the options pay once the annual deductible has been met; and
- the annual out-of-pocket maximums.

Refer to the side-by-side comparison chart on page 11 for further details.

If you elect one of these options, in 2007 Unisys will pay the employer contribution and $3 monthly maintenance fee as long as you are enrolled in one of the account-based options and you are in active employee status or receiving medical continuation coverage sponsored by Unisys through COBRA.

**Account-Based Medical Option Advantages**

- **Freedom.** You don’t have to leave your favorite doctor. You’ll receive benefits for covered services from both network and non-network providers. You’ll pay less when you use network providers and hospitals.

- **Control.** You own the funds in your HSA from day one. You decide when and how to use them.

- **No use-it-or-lose-it.** Unused HSA funds can carry over from year-to-year, and accrue earnings Federal income tax-free. Used wisely, the money can be there when you need it — now or in the future.

- **Investment options.** HSA balances in excess of $2,000 may be invested in a variety of independent investment funds offered by Exante Bank — a $100 minimum applies to transfers to the investment funds.

- **Contribution flexibility.** Federal law permits anyone to contribute to your HSA — Unisys, you (by contributions through payroll deductions or separate deposits) and/or any other person, through Federal income tax-deductible contributions.

- **Portability.** Even if you change jobs, your HSA stays with you.

- **Save for retiree medical expenses.** Allowing your account to grow is a great way to plan for covering medical expenses after retirement.

**Note:** HSAs for the two new medical options are offered by and managed through Exante Bank and are not affiliated with Unisys. The sole involvement of Unisys is to make available to eligible employees the option of making payroll deductions, which Unisys then sends to Exante Bank (a UnitedHealth Group company), and to make certain employer contributions. These HSAs are outside the Unisys Flexible Benefits Program and are not part of an employer-sponsored welfare benefit plan for purposes of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Unisys makes no representations about the terms and conditions of your HSA. You are encouraged to consult your personal financial, legal or tax advisor before taking any action or making any investment decisions.
Your Aetna Choice POS II Medical Options*

Aetna Choice POS II Option One will not be available in 2007. The new UHC Choice Plus Account Based 70 replaces this option.

Unisys will continue to offer the Aetna Choice POS II Option Two under a different name. For 2007, this medical option will be called the Aetna Choice POS II Option 80. Under this option, you have the freedom to see any healthcare provider or visit any facility, including specialists. You don’t need a referral. You will continue to have copayments for office visits to network providers. You can save money by choosing to use network providers for other services — their services are available at negotiated rates, you pay a lower coinsurance percentage once the annual deductible has been met and you are protected by a cap on your out-of-pocket expenses.

The Aetna Choice POS II Option 80 will have some important changes this year:

■ New name — Aetna Choice POS II Option 80
■ Lifetime maximum will be eliminated
■ Prescription drugs will be subject to coinsurance (which is a shared percentage of the total cost) — in place of copayments
■ Family annual deductible will increase
■ Annual out-of-pocket maximums will increase

Refer to the side-by-side comparison chart on page 11 for additional details.

Aetna Choice POS II Option 80 Advantages

■ Freedom. You won’t have to leave your favorite doctor. You’ll receive benefits for covered services from both network and non-network providers. You’ll pay less when you use network providers and hospitals.

■ Low annual deductible. Other than your prescription drug coverage and office visits with network providers, you will have to take responsibility for the first portion of your healthcare by paying a deductible. But this POS medical option offers a relatively low annual deductible: $250 for an individual; and $625 for families. Once any individual in your family meets the $250 individual annual deductible, that individual begins receiving 80 percent coinsurance coverage paid by Unisys for covered services from network providers.

* Not available to residents of Hawaii

Looking for specific information?

The Health Plan Comparison Chart on the YBR Web site at http://resources.hewitt.com/unisys allows you to compare the major features of each medical option side-by-side. You can look at features like deductibles, copayments and coinsurance for various services. Contact information for the medical options’ Web sites and customer service phone numbers are provided as well.
Your Health Maintenance Organization (HMO) Medical Options

Unisys offers a number of HMO medical options. To receive benefits under one of these HMO options, you must see a doctor who participates in the network, unless it is a qualified medical emergency. Most HMOs require that you name a network Primary Care Physician (PCP), and some require that you get referrals from your PCP before you can obtain covered services from other network providers.

A number of changes, particularly for prescription drugs, are being made to the current HMO medical options we offer. You should check the major benefit provisions reflected on the health plan comparison tool on the YBR Web site. In addition, the following changes will apply:

■ **PPOM/ABS**: Unisys will no longer offer the PPOM/ABS medical option after 2006 due to Aetna’s purchase of PPOM. Instead, the Aetna HMO medical option will be offered in 2007 in its place. If you decide to participate in the Aetna HMO medical option in 2007, the most significant changes are that you need to name a PCP and obtain referrals for specialty care in the network. To identify other differences that may be of importance to you, use the health plan comparison tool on the YBR Web site to compare the major features of the 2007 Aetna HMO medical option. If you need additional information, call Aetna at the telephone number provided in the comparison tool.

■ **Medica Choice Classic HMO**: this option will be absorbed into the UnitedHealthcare Choice Exclusive Provider Organization (EPO) medical option due to an alliance between Medica and UnitedHealthcare. The well-recognized Medica identity will continue to be reflected on identification (ID) cards and on the option’s Web site. To identify differences between the 2006 Medica Choice Classic HMO medical option and the 2007 UnitedHealthcare EPO medical option that may be of importance to you, use the health plan comparison tool on the YBR Web site to compare the major features of the 2007 UnitedHealthcare EPO. If you need additional information, call UnitedHealthcare at the telephone number provided in the comparison tool.

The ZIP code service area for an HMO is matched against your home ZIP code to determine if you are eligible for a given HMO medical option. Refer to the YBR Web site at [http://resources.hewitt.com/unisys](http://resources.hewitt.com/unisys) to determine which HMO medical options are available to you.

Here’s how the HMO medical options pay benefits:

■ There is no annual deductible to meet.

■ You pay a specified copayment each time you use the benefit for covered services from network providers. The HMO medical option covers the remainder for covered services. However, for 2007, you will see that coinsurance rather than copayments may apply to prescription drugs and some select services.

**HMO Advantages**

■ **No surprises.** With an HMO, you know what each doctor’s visit, covered emergency room visit or hospital stay will cost you.

■ **No annual deductible.** There are no annual deductibles to meet before the HMO shares the cost through copayments.

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Everyone can be a smart healthcare consumer.

Being smart about how you spend your healthcare dollars isn’t limited just to the new account-based medical options. Under all of the medical options, you should take responsibility for understanding what your medical services cost and how you can manage those costs. In addition, everyone can benefit from making a commitment to healthy lifestyle decisions.
Understanding Costs

A key component of our healthcare strategy for 2007 involves a significant step in our move to “pricing equity.” Pricing equity means that richer benefits will cost you more. We’re aligning the employee contributions for each medical option with the relative “richness” of the benefits offered. This means that what you pay each month for coverage will be a direct reflection of the underlying value of the benefit. For some options, this will mean a decrease in monthly contributions, while other options will experience an increase in monthly contributions when compared to 2006.

Making a decision about your coverage should involve more than just the price tag. You need to balance the amount you pay in monthly contributions with the amount you pay at the time you receive medical services. Use the Medical Expense Estimator on the YBR Web site at http://resources.hewitt.com/unisys to model your total estimated expenses under each medical option based on how you and your covered dependents plan to use healthcare in 2007. You can reduce these costs by taking advantage of discounts for healthy living.

When is “no Unisys medical coverage” the best choice?

Opting out of coverage through Unisys may be best when you or your spouse or same-gender domestic partner has access to medical coverage that better fits your needs. Don’t forget to compare his/her options with your own when thinking about coverage through Unisys. Also, if you cover your spouse or same-gender domestic partner under your medical option through Unisys, you’ll pay an additional $75 a month in 2007 to cover him/her as your dependent if he/she has access to subsidized medical coverage elsewhere.

Spousal surcharge

During enrollment, you will be asked to answer True or False to the following question: “My spouse or same-gender domestic partner is NOT eligible for medical coverage through a current or former employer, including the military, where the current or former employer pays some or all of the cost of coverage. (Please note: If your spouse is a Unisys employee eligible for medical coverage through Unisys or if your spouse is eligible for Medicare, please select True.)”

The spousal surcharge will not apply if your spouse or same-gender domestic partner has coverage through Medicare or Medicaid, COBRA at full COBRA rates or Unisys as an employee or retiree.
## Side-by-Side Comparison Chart of the Medical Plan Options Available in 2007

<table>
<thead>
<tr>
<th>2007</th>
<th>UHC Choice Plus Account Based 70*</th>
<th>Aetna Choice POS II Option 80*</th>
<th>UHC Choice Plus Account Based 90*</th>
<th>Typical HMO**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health Savings Account (HSA)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Company contributions to HSA</td>
<td>$25 per month employee only; $62.50 per month employee + one or more</td>
<td>N/A</td>
<td>$50 per month employee only; $125 per month employee + one or more</td>
<td>N/A</td>
</tr>
<tr>
<td>Your contributions to HSA</td>
<td>$0 to $75 per month employee only; $0 to $187.50 per month employee + one or more</td>
<td>N/A</td>
<td>$0 to $50 per month employee only; $0 to $125 per month employee + one or more</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual deductible</td>
<td>$1,200 employee only; $3,000 employee + one or more</td>
<td>$250 per individual; $625 per family</td>
<td>$1,200 employee only; $3,000 employee + one or more</td>
<td>None</td>
</tr>
<tr>
<td>■ Network providers</td>
<td>Combined with services from network providers</td>
<td>Combined with services from network providers</td>
<td>Combined with services from network providers</td>
<td>N/A</td>
</tr>
<tr>
<td>■ Non-network providers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preventive care</td>
<td>Covered services from network providers paid at 100%</td>
<td>Covered services paid like other medical services</td>
<td>Covered services from network providers paid at 100%</td>
<td>Covered services from network PCPs paid like other medical services</td>
</tr>
<tr>
<td>Coinsurance</td>
<td>70% network providers (you pay 30%); 50% non-network providers (you pay 50%)</td>
<td>80% network providers (you pay 20%); 60% non-network providers (you pay 40%)</td>
<td>90% network providers (you pay 10%); 70% non-network providers (you pay 30%)</td>
<td>100% network providers (you pay nothing except applicable copays); 0% non-network providers (you pay 100%, except for emergency care)</td>
</tr>
<tr>
<td>Office visit copay</td>
<td>Treated like other medical expenses</td>
<td>$15 PCP visit; $20 specialist visit</td>
<td>Treated like other medical expenses</td>
<td>$15 PCP visit; $20 specialist visit</td>
</tr>
<tr>
<td>Annual out-of-pocket maximum (OOP)</td>
<td>$4,000 employee only; $8,000 employee + one or more</td>
<td>$2,000 individual; $4,000 family</td>
<td>$3,000 employee only; $6,000 employee + one or more</td>
<td>Unlimited</td>
</tr>
<tr>
<td>■ Network providers</td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td>■ Non-network providers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Contributions</td>
<td>$ (lowest)</td>
<td>$$</td>
<td>$$$</td>
<td>$$$$$ (highest)</td>
</tr>
</tbody>
</table>

* Not available to residents of Hawaii
** May differ by individual medical option. For more details, refer to the YBR Web site at [http://resources.hewitt.com/unisys](http://resources.hewitt.com/unisys).
**Prescription Drug Coverage**

In an effort to increase awareness and responsibility surrounding prescription drug usage and costs, we’re introducing coinsurance (which is a shared percentage of the total cost) to our prescription drug program — in place of flat copayments used in prior years.

Starting in 2007, for the majority of our medical options, you’ll pay coinsurance for your prescription drugs, with minimum and maximum amounts. You will be responsible for the following coinsurance amounts:

**Network Retail Pharmacy** (up to 31-day supply)

- **Generic**: 20 percent coinsurance ($15 minimum and $30 maximum)
- **Brand (no generic available)**: 30 percent coinsurance ($25 minimum and $50 maximum)

**Note**: If the cost of the drug is lower than the $15 or $25 minimum, then you pay the cost of the drug plus a dispensing fee.

**Medco by Mail** (up to 90-day supply)

- **Generic**: 20 percent coinsurance ($30 minimum and $60 maximum)
- **Brand (no generic available)**: 30 percent coinsurance ($50 minimum and $100 maximum)

**Note**: If the cost of the drug is lower than the $30 or $50 minimum, then you pay the cost of the drug.

When a generic equivalent is available, and you decide to use the brand-name drug, you’ll pay the full difference between the brand-name cost and the generic cost in addition to the 20 percent coinsurance. If a brand-name drug is medically necessary, however, you can precertify the brand-name drug and pay only the brand-name coinsurance rate.

The medical options vary based on when the coinsurance applies for prescription drug benefits. Refer to the chart below for additional details on how this benefit will work in 2007.

<table>
<thead>
<tr>
<th>UHC Choice Plus Account Based 70</th>
<th>Aetna Choice POS II Option 80</th>
<th>UHC Choice Plus Account Based 90</th>
<th>Typical HMO*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Until annual deductible met, you pay 100%</td>
<td>Above coinsurance rates apply</td>
<td>Until annual deductible met, you pay 100%</td>
<td>Above coinsurance rates apply for most HMO options</td>
</tr>
<tr>
<td>After annual deductible met, you pay above coinsurance up to annual out-of-pocket (OOP) maximum**</td>
<td></td>
<td>After annual deductible met, you pay above coinsurance up to annual out-of-pocket (OOP) maximum**</td>
<td></td>
</tr>
<tr>
<td>After annual OOP maximum met, you pay nothing**</td>
<td></td>
<td>After annual OOP maximum met, you pay nothing**</td>
<td></td>
</tr>
</tbody>
</table>

* May differ by individual medical option. For more details, refer to the YBR Web site at [http://resources.hewitt.com/unisys](http://resources.hewitt.com/unisys).

** However, if a brand-name drug is not medically necessary, then the difference between the cost of a brand-name drug and a generic drug does not count toward the deductible and is not paid at 100 percent after the annual deductible is met. It is not covered.
Flexible Spending Accounts (FSAs)

Flexible Spending Accounts (FSAs) offer you a great way to use before-tax dollars to pay for certain covered healthcare expenses. Contributing money to an FSA is easy, with contributions taken on a before-tax basis through convenient payroll deductions. Your before-tax contributions reduce the amount of income on which you pay Federal income taxes — and in many states, state income taxes as well.

For 2007, Unisys will offer three FSAs:

■ the Health Care FSA (HC FSA);
■ a new Limited Scope HC FSA (LSHC FSA) for participants in the two new account-based medical options; and
■ the Dependent Day Care FSA (DDC FSA).

You can use an HC FSA to cover the cost of eligible healthcare expenses for you and your dependents including eligible medical, dental and vision expenses not covered by your medical option.

One of the Federal rules for Health Savings Accounts limits other coverage you may have, including FSA participation. So if you enroll in one of the two new account-based medical options, you may not participate in the HC FSA — only in the LSHC FSA (and if you are covered under a general-purpose FSA sponsored by your spouse's or same-gender domestic partner's employer, then you may not participate in the HSA). If you participate in the LSHC FSA, you can submit eligible dental, vision and non-covered medical expenses, as well as any eligible medical expenses you incur after you meet the annual medical option deductible. You **MAY NOT** submit to the LSHC FSA any medical expenses used to meet the annual deductible. Remember, you can use your HSA to pay for any eligible expenses, including those incurred before the annual deductible is met.

You can use the DDC FSA to reimburse covered day care costs for an eligible dependent child or disabled adult. These costs must be incurred while you and your spouse or same-gender domestic partner are at work, or while you are at work and your spouse or same-gender domestic partner is attending school full-time or is disabled. Eligible expenses may include babysitters (other than your dependent), day care, nursery school and elder care for dependents who live with you if you meet all the applicable IRS rules. Federal law imposes different tax treatment for same-gender domestic partners. A same-gender domestic partner that meets IRS rules for a dependent may qualify.
<table>
<thead>
<tr>
<th>FSA And HSA Comparison Chart</th>
<th>Unisys Health Care Flexible Spending Account (HC FSA)</th>
<th>Unisys Limited Scope Health Care Flexible Spending Account (LSHC FSA)</th>
<th>Health Savings Account (HSA)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>When should I consider participation?</strong></td>
<td>You or your spouse cannot also be participating in an HSA</td>
<td>If you or your spouse participate in an HSA and are enrolled in an account-based medical option</td>
<td>If you or your spouse enroll in one of the new Unisys account-based medical options and generally do not have other health coverage (including a general-purpose HC FSA)</td>
</tr>
<tr>
<td><strong>Who can contribute?</strong></td>
<td>You can contribute through convenient before-tax payroll deductions</td>
<td>You can contribute through convenient before-tax payroll deductions</td>
<td>■ If you enroll in one of the new account-based medical options, the company will contribute to your HSA every payroll cycle&lt;br&gt;■ You can contribute through convenient before-tax payroll deductions&lt;br&gt;■ You (or someone on your behalf) can contribute directly to your account</td>
</tr>
<tr>
<td><strong>How much can I contribute monthly?</strong></td>
<td>■ Minimum monthly contribution: $8.33&lt;br&gt;■ Maximum monthly contribution: $416.67</td>
<td>■ Minimum monthly contribution: $8.33&lt;br&gt;■ Maximum monthly contribution: $416.67</td>
<td>■ UHC Choice Plus Account Based 70&lt;br&gt;– Employee only: $0 to $75 per month&lt;br&gt;– Employee + one or more dependents: $0 to $187.50 per month&lt;br&gt;■ UHC Choice Plus Account Based 90&lt;br&gt;– Employee only: $0 to $50 per month&lt;br&gt;– Employee + one or more dependents: $0 to $125 per month</td>
</tr>
<tr>
<td><strong>What can be reimbursed from the account?</strong></td>
<td>■ Unreimbursed medical expenses (e.g., copayments, deductibles, coinsurance)&lt;br&gt;■ Eligible medical expenses not covered under your medical option&lt;br&gt;■ Eligible dental expenses&lt;br&gt;■ Eligible vision expenses</td>
<td>■ Eligible medical expenses not covered under your account-based medical option&lt;br&gt;■ Coinsurance amounts after the annual deductible is met under your account-based medical option&lt;br&gt;■ Eligible dental expenses&lt;br&gt;■ Eligible vision expenses</td>
<td>■ Unreimbursed medical expenses (e.g., copayments, deductibles, coinsurance)&lt;br&gt;■ Eligible medical expenses not covered under account-based medical option&lt;br&gt;■ Premiums for long-term care insurance&lt;br&gt;■ COBRA premiums for medical benefits&lt;br&gt;■ Health insurance premiums while receiving unemployment compensation&lt;br&gt;■ For individuals age 65+, all medical premiums (except Medigap), including employer-sponsored health plans and Medicare premiums*</td>
</tr>
<tr>
<td><strong>What happens if I have a balance in the account at the end of the year?</strong></td>
<td>You forfeit the balance not used during the calendar year</td>
<td>You forfeit the balance not used during the calendar year</td>
<td>Unlimited carryover is permitted</td>
</tr>
</tbody>
</table>

* HSA distributions for any other purpose are subject to Federal income tax plus 10 percent penalty tax; no 10 percent Federal penalty tax after HSA owner dies or reaches age 65.
Use It or Lose It

Because of the favorable Federal income tax benefits of participating in an FSA, Federal law requires advance elections that bear some risk — any unused funds on December 31 each year are forfeited — you have until the end of April of the following year to submit your expenses for covered services received through December 31. (Your HSA balance is not subject to the same “use it or lose it” provisions.)

To help get the most benefit from your FSA accounts and minimize your exposure to forfeitures, use the tools on the YBR Web site at http://resources.hewitt.com/unisys to estimate how much you think you will spend out-of-pocket for covered healthcare expenses and dependent day care expenses during 2007.

For example, the Health Care FSA Estimator (shown below) on the YBR Web site can help you estimate your Federal income tax savings opportunities if you use an FSA to pay for out-of-pocket covered healthcare expenses. It allows you to model your potential savings based on your income and Federal income tax bracket.

HC FSA extension period eliminated

To accommodate the changes to the medical options for 2007 and to comply with Federal law, we’re eliminating the extension period for the Unisys HC FSA for 2006 (that is, we’re eliminating the grace period for incurring additional covered expenses). If you participate in a HC FSA in 2006, this means that you must receive covered services or expenses on or before December 31, 2006 in order to apply them to your 2006 HC FSA balance. Claims must be received by April 30, 2007 for covered expenses incurred in 2006.
Healthy Life Incentives

Discount For NOT Using Tobacco Products

We’re committed to supporting healthy lifestyle decisions, and we’re willing to put money behind it for non-tobacco users! If you haven’t used tobacco products since January 1, 2006 and you pledge not to use tobacco products in the future, in 2007 you are eligible to receive a $30 a month discount on your contributions for medical coverage through Unisys. This only applies to employee use of tobacco products — it does not apply to your spouse or other covered dependents.

If you start using tobacco products, you need to report your change in status to the Unisys Benefits Service Center. Your contributions will be adjusted accordingly.

If you do use tobacco products, Unisys is committed to helping you quit. If you need an extra boost to help you quit, beginning in 2007, the prescription drug program for the account-based medical options, Aetna Choice POS II Option 80, the Aetna HMO option, the HealthPartners HMO option and the UnitedHealthcare Choice EPO option will begin to cover “smoking cessation” prescription drugs at the normal coinsurance rates (although over-the-counter smoking cessation products will continue not to be covered). Refer to the prescription drug benefit chart on page 12.

The value of what you save by quitting smoking:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A year’s supply of cigarettes (assuming one pack a day):</td>
<td>$1,825</td>
</tr>
<tr>
<td>Annualized forfeited healthcare discount:</td>
<td>$360</td>
</tr>
<tr>
<td>Average annual healthcare expenses related to tobacco use:</td>
<td>$1,625</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,810</strong></td>
</tr>
<tr>
<td>Adding six more years to your life:</td>
<td><em>priceless</em></td>
</tr>
</tbody>
</table>

Health Risk Assessment

Do you know that what you’re doing right now affects your health? Do you know your family’s health history, and what you can do to limit your risks for a condition that is prevalent in your family? Completing the Health Risk Assessment can be a positive step forward in maintaining and improving your health by identifying health risks you may have and helping you on your way to a healthier lifestyle.

The Health Risk Assessment is a questionnaire about your health. After you’ve answered the questions, you receive immediate feedback and education on potential health risks specifically related to your lifestyle and family history. You can even get online help in setting an action plan to reduce your risks and lead a healthier life.

Remember

Unisys won’t receive any of your health information. However, the results of your Health Risk Assessment will be shared with the medical carrier you choose for 2007 if your medical carrier can accept the data. Your medical carrier may review the data and you may be contacted if you could benefit from any disease management programs offered. You are encouraged to share your results with your doctor.
As part of our commitment to promoting healthy lifestyles, we'll give you a $10 per month discount on your contributions for medical coverage through Unisys for completing the Health Risk Assessment.

If you took the Health Risk Assessment in 2005 or 2006, you now have a great way to measure the progress you've made and maintain momentum for the coming year. All you need to do to receive the discount for all of 2007 is return to your profile on or after October 1, 2006, but before December 31, 2006 and update your profile and/or any responses that have changed from the last time you completed the Health Risk Assessment.

You can access the Health Risk Assessment through the YBR Web site at http://resources.hewitt.com/unisys or you may access the Health Risk Assessment directly at http://www.simplestepslife.com. If this is your first time on the Web site, you'll be prompted to enter your Unisys e-mail address. If you do not have a Unisys e-mail address, use employee access code P32KVPDUVZ1.

Please note:

■ Plymouth UAW 1313 and Twin Cities IBEW 949 employees with a negotiated contribution formula are invited to take the Health Risk Assessment. However, there is no financial incentive for doing so, and there is not a $10 per month contribution discount on the cost of the Unisys medical plan.

■ Spouses and same-gender domestic partners of eligible employees are invited to take the Health Risk Assessment. However, there is no financial incentive if they do, and there is not an additional $10 per month contribution discount on the cost of the Unisys medical plan.

Dental and Vision Plans

You’ll also need to think about your dental and vision benefits coverage for 2007 when you make your 2007 Annual Enrollment elections. You’ll see a modest increase in contributions if you elect dental or vision coverage for 2007. There are no changes to the dental or vision benefits available, but you must make an active election if you wish to participate in these benefits for 2007. If you do not, your coverage from 2006 will not automatically renew and you’ll have no dental or vision coverage in 2007, unless you experience a qualifying life event during the year.
Understanding Your Healthcare Needs

Here are some questions you can ask yourself about your medical needs in 2007 as you prepare to use the tools on the YBR Web site at [http://resources.hewitt.com/unisys](http://resources.hewitt.com/unisys):

### How often?

- How often do I (does my family) expect to see a doctor in 2007?
- How many prescriptions do I (does my family) get filled every year?
- Does anyone in my family have a chronic or recurring illness that requires continued medical attention?
- Could my family cut back on some non-essential doctors’ visits if we wanted to lower our medical costs?

### Why?

- Am I generally healthy and don’t need much more than preventive care and the occasional office visit?
- Does my family often need to see specialists or doctors beyond the Primary Care Physician (PCP)?
- Does my family have a clean bill of health, but a nagging conscience? Regardless of what we actually use, do we like the comfort of knowing we’re protected no matter what?

### Who?

- Are my younger covered dependents particularly illness-prone?
- Are there changes in my family’s medical future on the horizon? A baby on the way? A condition that seems to be giving me (or someone in my family) more and more trouble?
- Does my spouse or eligible same-gender domestic partner have access to other subsidized medical coverage?
- Does it make sense for me to cover family members who may already have coverage through another source?

### What care?

- How important is it to stay with current providers? Would a change be too disruptive?
  - Are the doctors, hospitals, laboratories and other medical providers that I use in the network for the options I am considering?
  - If I want to use a doctor outside of the network, will the medical option permit it and still pay some of the benefit? Is it going to cost me a lot?
  - How easily can I change my PCP if I want to?
- What if any of my preferred providers decide to leave the network?
- Do I prefer going through one doctor to manage all of my medical needs, or do I want to be able to see specialists without seeing my PCP first?
- What are the procedures for getting care and being reimbursed in an emergency situation, both at home and out of town?
- Do I mind switching to a generic drug to lower my costs?
- Would a network option or an HMO really be the best idea for me if I’m (my family is) out of our area frequently but need to see a doctor (for example, my covered dependents are away at school)?
Make Decisions About Your Wealth

We’re changing the way we provide opportunities to save for retirement. After December 31, 2006, Unisys employees will no longer accrue future benefits under the company’s defined benefit Pension Plan. Instead, in 2007 we are increasing the maximum company-matching contribution to the Unisys Savings Plan.

If you were vested under the Pension Plan, you will remain so. If you weren’t yet vested in the Pension Plan, your pension benefit will remain, and you’ll continue to earn service toward vesting, early retirement service requirements and reduced early retirement reduction factors while employed by Unisys.

Enhancing the Unisys Savings Plan

An important element of your retirement plan is the Unisys Savings Plan, which provides a great way to save for your retirement and receive a company-matching contribution on eligible before-tax contributions at the same time. The Savings Plan offers you a number of benefits:

- **It’s easy and convenient.** You can set aside money on a before-tax basis or on an after-tax basis, or both. So, you can potentially lower your Federal taxable income and benefit from tax-deferred growth.

- **There’s a dollar-for-dollar matching contribution.** Beginning January 1, 2007, we’re enhancing the Savings Plan by increasing the maximum annual company-matching contribution to 100 percent of the first six percent of eligible pay you contribute on a before-tax basis, subject to IRS limits. That’s essentially three times the current company-matching contribution of 50 percent of the first four percent of eligible pay contributed on a before-tax basis, subject to IRS limits.

- **You are immediately 100 percent vested in your account.** That means that if you leave Unisys, you keep the full value of your Savings Plan account. By comparison, it generally takes five years, or reaching age 65, to be vested under the Pension Plan.

- **It’s flexible.** Also beginning in January 2007, Unisys company-matching contributions made on or after January 1, 2007 will be eligible for immediate diversification by all participants. Additional diversification opportunities may become available in accordance with recent Federal legislation. What’s more, you can go online to the Fidelity NetBenefits™ Web site at [http://netbenefits.fidelity.com](http://netbenefits.fidelity.com), 24x7, to change your future contribution rates, view your available investment choices for your account balance and more. Making a habit of gradually increasing your contribution rate will help you to have money there when you need it.
It's never too late
to boost your savings

Worried you started saving too late? You’re not alone. Most people haven’t saved as much as they should for retirement. If you are over 50 years old and meet certain other plan rules, you can take advantage of “catch up” before-tax contributions (up to $5,000 in 2006) over the maximum regular before-tax contribution (up to $15,000 in 2006, subject to IRS limits) to save even more in the Savings Plan.

You can enroll in the Savings Plan any time, so why not think about doing it now? Annual Enrollment is a great time to reassess your financial situation and examine how you can take advantage of the many benefits Unisys offers.

Getting Smart: Tools and Resources

Planning for retirement can be confusing, so don’t be afraid to ask questions. Take advantage of the tools and resources Unisys makes available to help you.

You can visit the Fidelity NetBenefits℠ Web site at http://netbenefits.fidelity.com, 24x7. Questions about the Unisys Savings Plan can also be directed to 1-800-600-4015.

Some of the tools available on Fidelity NetBenefits℠ include:

- **e-Learning programs**: in just 20 minutes, you can learn more about a specific topic, depending on where you are in your career and retirement planning stage. Use the convenient e-Learning modules to get some helpful information. For example:
  - Are you considering enrolling in the Savings Plan, or have you recently enrolled? The *Determining Your Retirement Savings Needs* program is designed to help you make decisions that meet your needs.
  - *Creating an Investment Profile* is for those who are already enrolled in the Savings Plan and need to improve their asset allocation by understanding how their risk tolerance and time horizon will affect their investment decisions.

- **Live Web Workshops**: almost every day, a different 30-minute workshop is available. These workshops can help you get started, find the right investment strategy for you and keep it on track to achieve a sound retirement. The convenient Web format eliminates the need to travel, but you get the ability to interact and ask questions. Learn more about what you need to know now:
  - Are you just beginning to participate in the Savings Plan? Then *Retirement Savings Basics* can provide some guidance in making the most of the Savings Plan.
  - Have you been participating, but now face saving for a child’s college education or dealing with estate planning? Check out the *College Planning Web Workshop* or *Basics of Estate Planning*.

- **Approximately 100 plan literature documents** for viewing and printing that provide information on everything from considering a loan to investing in a changing market to managing your portfolio.
Note: These Fidelity tools and resources contain a lot of information and are intended to assist you as you do your retirement planning. However, you are strongly urged to consult your own sources when retirement planning, based on your own personal facts, circumstances and preferences. Unisys makes no representations about these tools and resources.

Before investing in any mutual fund, please carefully consider the investment objectives, risks, charges and expenses. For this and other information, call or write Fidelity for a free prospectus. Read it carefully before you invest.

Fidelity Investments Institutional Services Company, Inc., 82 Devonshire St., Boston, MA 02109

Understanding Your Retirement Needs

Think those tee times and fishing trips are too far off to plan for today? Think again. How you will spend your retirement has a lot to do with the decisions you make today. Ask yourself some important questions about your retirement. And consider the actions you need to take today to make it happen.

When?

■ When do I plan to retire or semi-retire?
■ When will I receive payment of my vested accrued benefit under the Unisys Pension Plan?
■ When will I begin receiving my Social Security benefit?

How?

■ How will I invest my money between now and retirement?
■ How will I manage and invest my money after I retire?
■ How will I spend my time in retirement?
■ How will I receive my vested retirement benefits from Unisys — in a lump sum payment or as monthly payments?
■ How will I pay for my healthcare expenses in retirement?
■ How will I meet other medical and age-related needs in retirement such as dental care, prescription drugs, life insurance and long-term care?

Where?

■ Where will I live? Will it be year-round or a part-time residence?
■ Where can I get more information to help with my planning?

View the Unisys privacy statement online at:
http://www.app2.unisys.com/usbenefits/benefits_offerings_privacy_statement.asp
(User ID: Unisys; Password: usbenefits).

Please note: The above communication refers to changes to certain Unisys benefit plans, without going into all of the details. The provisions of the applicable plan documents solely determine the legal rights and obligations of any person. In the event of any discrepancy between this communication (or any oral representations made by any person regarding this document) and the official plan documents, the applicable plan documents (including any amendments), as interpreted by the plan administrator, in his/her/its sole discretion, will always govern. Unisys reserves the right to amend or terminate any or all of its benefit plans, in whole or in part, at any time and for any reason to the extent permissible under applicable law. For active employees whose benefits are governed by collective bargaining agreements, benefit changes will be implemented consistent with the company’s statutory and contractual obligations.