A NEWSLETTER FOR THE PACE INDUSTRIES FAMILY

January/February 2015

A Way to Control Your Healthcare Costs Participants Earn Points by Achieving Healthy & Reasonable Goals

More points mean more discounts on your insurance premiums.

Pace Industries has partnered again with Bravo Wellness to coordinate screenings and administer your wellness program for those enrolled in the health plan. Just by participating, you are taking the first step in controlling your share of healthcare costs. Participation in this program is voluntary. If you choose not to participate, you will be responsible for contributing 30% of Premium towards your healthcare coverage. Associates and covered spouses earn points separately.

Pace Industries is committed to helping you achieve your best health! Your participation in the program will have a financial impact if you are covered in the health plan. If you are unable to meet a goal under this wellness program, you might qualify to earn the same financial

impact by different means. Although voluntary, if you choose not to participate, you might miss out on earning wellness points.

We will work with you (and, if you wish, with your doctor) to find an alternative with the same reward that is right for you in light of your health status.

Note: Your specific results will not be shared with Pace and will remain confidential. Your covered spouse is also invited to participate and will earn points separately.

Health Screening	Pace Goal		Alternative Goal ¹	Points Earned	(National Institutes of Health Standards)
Body Mass Index ²	≤ 29.9		5% weight improvement.	1	≤ 24.9 kg/m2
Blood Pressure	Systolic	Diastolic			
Goal Level ³	130 or Below	85 or Below		1	≤ 120/80 mmHg
Level I	131-135	86	Move down 1 level.	1	
Level II	136-139	87-89	Move down 1 level.	1	
Level III	140-159	90-99	Move down 1 level.	1	
Level IV	160 or Higher	100 or Higher	Move down 1 level.	1	
LDL Cholesterol					
Goal Level	130 or Below			1	≤ 100 mg/dL
Level I	130-159		Move down 1 level.	1	
Level II	160 or Higher		Move down 1 level.	1	
Glucose					
Goal Level	115 or Below			1	≤ 100 mg/dL
Level I	116-125		Move down 1 level.	1	
Level II	126 or Higher		Move down 1 level.	1	
Tobacco/Nicotine	Negative		Contact Bravo Wellness once you receive your results for more information. ⁴	1	Negative

1. If we have results from your last Bravo screening, your improvement will be automatically considered. If Bravo does not have prior results, you will be provided the information you need to request an alternative goal in your results letter. 2. Waist measure automatically corrects elevated BMI due to lean muscle mass, even if the participant fails the BMI goal. See your participant guide for more information. 3. Improvement category levels are not intended to identify risk or medical appropriateness. Always consult with your medical doctor before starting any new exercise or nutrition program. 4. NOTE: The Tobacco/nicotine charge of \$20/week is not included in the above rates. This charge will be added if tested positive for tobacco/nicotine.

QUESTIONS?

Contact Bravo Wellness at 877.662.7286

%BRAVO Wellness

Alternative Goals

Just as unhealthy habits don't develop overnight, neither does health improvement. That is why it's important to recognize those taking personal accountability for their health and making progress towards their employer's health goals.

Included in Pace Industries' plan design this year are alternative goals. If you failed to meet their established goal but made improvement in that area from one category level to the next since the last health screening, you can still earn the credit!

What defines improvement?

As an example: If your 2014 screening result for LDL is 170 (Level II), you would need to either improve your LDL into the Level I range of 130-159 — OR — achieve Pace Industries' goal of ≤ 130 at your 2015 screening.

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Why We Perform Workplace Inspections

What are Workplace Inspections?

Workplace inspections are an essential component of our injury and illness prevention program. The process involves carefully examining work stations regularly with a view to:

- → Identifying and recording actual and potential hazards posed by buildings, equipment, the environment, processes and practices;
- → Recording any hazards requiring immediate attention;
- → Determining whether existing hazard controls are adequate and operational;
- → Recommending corrective action where appropriate.

An injury and illness prevention program includes several types of inspection.

- → Spot inspections are carried out on occasion to meet a range of responsibilities with respect to workplace health and safety. They focus on a specific hazard associated with a specific workstation.
- → Critical parts inspections are regular inspections of the critical parts of a machine, piece of equipment or a system that have a high potential for serious accidents. These inspections are often part of a preventive maintenance program or hazard control program.

→ Pre-operational inspections involve a series of specific tests and checks that are carried out before starting up any new piece of equipment, rebuilt piece of equipment or a process. Typically these inspections are performed by four different departments

such as manufacturing, engineering, maintenance and EHS.

→ Routine inspections are inspections carried out regularly throughout the facility. They cover all working conditions, including work hazards, processes and practices.

The Role of Routine Inspections in an Injury/Illness Prevention Program.

The underlying goal of routine workplace inspections is:

- → To identify health and safety hazards in the workplace;
- → To develop health and safety standards and procedures;
- To establish preventive controls;
- → To monitor the effectiveness of controls.

Routine inspections are performed regularly and an integral part of a systematic accident prevention program.

Key parts of our program are:

- → Top management's commitment to ensuring inspections are conducted and recognition of their importance;
- → The role of inspectors (safety teams and/or committee members) who will be responsible for ensuring the proper operation of the inspection system;
- → Ensuring that the findings are resolved promptly.

In summary:

A successful injury and illness prevention inspection program must be a part of the overall business operation. To be successful the following must be in place:

- → Top management committed to making the program work.
- Associates participatingin the program.
- → A system to identify and control hazards.
- Compliance with OSHA regulations.
- Training on safe work practices.
- → Mutual respect, caring and open communication in a climate conducive to safety.
- Continuous improvement.

Get involved in the inspection process. Volunteer to be a safety team or safety committee member. Report hazards immediately to your supervisor or manager.



Don't Let Frostbite BITE

If you live in a cold region or plan on visiting one this winter, keep these tips in mind to avoid injuries caused by frigid conditions:

- ✓ Dress in layers of warm clothing that can wick moisture away from your body. Use wind- and waterproof outer layers to protect against wind and snow. Tip: Mittens keep hands warmer than gloves.
- ✓ Limit your time outdoors, especially in subzero weather or on days when the wind chill keeps the temperatures low.
- ✓ Wear a hat and make sure it covers your ears.
- ✓ Don't drink alcohol if you plan to be outdoors for a while. Alcohol causes your body to lose heat (and dehydrates you as well).
- ✓ Know the signs of frostbite redness or pale, waxy skin, numbness and a painful prickly feeling.

ENVIRONMENTAL ISSUES

State of the Air 2014

For the past 15 years, the American Lung Association (ALA) has issued its *State of the Air* report, which is based on the Environmental Protection Agency's (EPA) most recent air pollution data for 2 pollutants — *ozone* (which causes smog), and *particulate matter* (PM2.5).

The report uses data gathered from 2,531 official air monitors overseen by states, tribes and national parks. This year the report focuses on data from 2010, 2011 and 2012, whereas the 2013 report did the same for 2009, 2010 and 2011. The report provides analysis of ozone, year-round PM2.5 and short-term PM2.5. Here are some of the key findings from the report.

First the good news. Nationally, our air is improving with both ozone and PM2.5 decreasing over the long term. The ALA credits stronger standards for the improvement, such as those resulting in lower emissions from coal-fired power plants, as well as the increased use of cleaner diesel fuels and engines in the transportation sector. According to the report, some of the positive trends continuing during the 2010-2012 period may be due to the fact that "many places made strong progress over 2009-2011, particularly in lower year-round levels of particle pollution." In fact, the report

notes that 13 of the 25 cities with the worst year-round particle pollution — including Los Angeles, Atlanta, Pittsburgh and Bakersfield — reached their lowest levels on record.

With respect to short-term particle pollution, "two-thirds of the most-polluted metro areas recorded fewer unhealthy days on average than in 2009-2011," with 7 experiencing the fewest days on average in the history of the report.

Now for the bad news. Even in light of the long-term progress, "the most-polluted cities failed to meet the official limits, or standard, for year-round particle pollution." Five of the nation's 25 most-polluted cities reported higher particle pollution levels, and Fresno-Madera, CA, earned the dubious distinction of becoming the nation's most polluted metropolitan area thanks to its high levels of year-round particle pollution. In addition, the ALA report noted that 3 of the most-polluted cities maintained the lowest levels reported in previous years, which the ALA says signals "stalled progress toward healthier air."

Even as short-term particle pollution is trending downward nationally, nine metropolitan areas saw increased short-term particle days compared to the 2013 report, including San Francisco, Chicago, Phoenix, Indianapolis, New York City and Lancaster, PA. Of these, 3 cities set records for the most average number of days ever — El Paso, TX; Las Cruces, NM; Missoula, MT; and Yakima, WA.

Ozone pollution went up considerably for the 2010-2012 period, which the ALA says is likely a result of higher temperatures in 2010 and 2012. Of the nation's 25 most ozone-polluted cities in the 2014 report, 22 had more highozone days on average when compared to the 2013 report, including New York City, Chicago and Los Angeles, the latter of which remains the nation's worst city for ozone pollution.

Overall, almost one-half of U.S. residents, or about 147.6 million, live in counties with unhealthy levels of either ozone or particle pollution. About 8.9% of the population, or 27.8 million people, reside in 17 counties with unhealthy levels of all pollutants measured. High year-round particle pollution impacts 46.2 million U.S. residents, and more than 44.1 million live with too many days of short-term particle pollution.

To find out how your air compares to the rest of the nation, go to www.stateoftheair.org/2014/key-findings.



MSW Waste Recovery is Making a Difference

Waste from homes and businesses comprises the Municipal Solid Waste (MSW) produced in the United States, and in 2012 that waste amounted to about 251 million tons. On a daily basis, each of us generated about 4.38 pounds of trash in 2012, which while coming down from a high of 4.69 pounds in 2005, was well above the 2.68 pounds recorded in 1960. However, when factoring waste recovery via composting, recycling and combustion for energy into the equation, the net per capita discard rate to landfills was 2.36 pounds per day, which is actually lower than the 1990 per capita rate of 3.19 pounds per day.

The top 2 ways to divert waste from landfills are recycling and composting (at 65.3 and 21.3 million tons, respectively, totaling almost 87 million tons of trash in 2012). But which wastes are most often recycled or composted?

Comparing individual waste streams generated to waste streams recovered in 2012, it's easy to see where opportunities for improvement may be found. For example, waste generated for paper and paperboard

amounted to 27.4% (of 251 million tons), with 51.2% (of 87 million tons) recovered. Whereas, for the 14.5% of food waste generated, only 2% of waste was recovered.

Another way to look at waste is by product, something that may also lend itself to making purchasing decisions that line up with waste reduction goals, as well as to gain a better understanding of what products are most recycled and recyclable.

The EPA defines product categories as well as comparing how well each category fared in recycling and composting overall. Examples of waste generated (of 251 million tons) versus waste recovered (as a % of waste generated) include: containers and packaging – 30% generated and 51.5% recovered; nondurable goods (lasting more than 3 years) – 20.5% generated and 33.6% recovered; durable goods – 19.9% generated and 18.5% recovered; yard trimmings – 13.5% generated and 57.7% recovered; and, finally, food waste – 14.5% generated and 4.8% recovered. Within some product categories, there are also

specific waste streams that warrant attention. For example, within the containers and packaging category, more than 76% of paper packaging and 72% of steel packaging were recovered while plastics lagged behind at only about 14%. In addition, individual products also are ranked for recovery (measured by percentage of generation) as follows:

- 1) Lead-acid batteries - 96%
- 2) Corrugated boxes 91%
- 3) Steel cans 71%4) Newspapers/ mechanical papers
- nns 71% 7) Tires 45 apers/8) Mixed pa
- 5) Major appliances - 64% 6) Aluminum cans - 55% 7) Tires - 45% 8) Mixed paper - 43%

The easiest way to make sense of the numbers is when they are applied to real-world emission reductions. For example, according to the EPA, in 2012 our 87 million tons of recycled or composted waste provided an annual benefit of more than 168 million metric tons of carbon dioxide equivalent (MMTCO₂E) emissions reduced, comparable to the annual GHG emissions from more than 33 million passenger vehicles.



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W-2 Mailouts

Please don't forget to let Pace know if your mailing address has changed. Your W-2 will be mailed to the address we have on file. So if you have changed your mailing address please notify your HR Department and complete a new Change of Address Form.

You can view your pay stubs and W-2 online at https://portal.adp.com. If you are not a registered user you will need to follow the steps below.

- Go to https://portal.adp.com.
- 2 Click First Time Users Register Here.
- 3 Select Register Now.
- Enter PACEIND-1234.
- 6 Click Next.

You will then be prompted to verify your information, enter your contact information and your Social Security Number.

Then the system will ask you to create security questions and a password. Once you have completed this you can log on at any time.

Insurance Reminders

The plan year for our Dental Insurance is January to December. Therefore, your deductible and maximum limits will restart in January.

The plan year for our Medical Insurance is July to June.

BCBS Prescription Drug Formulary Change

BCBS has changed to their prescription drug formulary effective January 1, 2015. BCBS is making this change to help companies and members save money on their prescription drugs. This change will be excluding some drugs while adding others to the prescription formulary. BCBS sent letters to the members who were affected by this change as well as their physicians, letting them know of other options covered in the same medication class and encouraging them to get a new prescription.

Some top positive tier changes (moving to a lower tier) are: Crestor, Synthroid, Dexilant, Celebrex, Lyrica, Chantix and Focalin XR.

Some negative tier changes are: Auvi-Q, Enjuvia, Combipatch, Preplus, Armour, Thyroid, Osmoprep and Zovirax.

Keep in mind that there are other lower-cost choices for everyone affected by the negative tier changes.

BCBS is also adding Prior Authorizations (PAs) or specialty guideline management (SGM) to a few drugs or drug classes. PAs and SGM assist in ensuring member safety and appropriate use of medications. At right is a list of these changes.

PACE UPDATES

Pace Patterson: Each year during our annual Company picnic, we recognize our employees who achieve their 20 years of service during the year and they are given a watch with the Patterson logo, their name and 20 years. The employees shown below began working for Patterson Mold and Tool during 1994.



Left to right: Patrick McChristy, Programmer; Dan Eagan, Designer; John Gruszczynski, Shipping and Receiving; and Bob Seebeck, Machinist.

- a. ADHD medications in members older than 26 (PA).
- b. Testosterone replacement products (PA).
- c. Multiple Sclerosis products (adding Copaxone and Avonex to the PA list).
- d. Lotronex and Amitiza (PA).

If you have any questions please contact BCBS Customer Service at 1-800-863-5561.



Human Resources
Department or
escaped convicts?

Pace Harrison celebrated Halloween this year with a trick-or-treat party for employees' children and grandchildren. The Human Resources ladies dressed up as escaped convicts to hand out the fun treats. Each child received a Halloween goodie bag and there was green punch, Halloween cookies and cupcakes, and a bowl full of candy for everyone to enjoy. It was fun seeing all the children dressed up in very cute costumes with lots of pictures taken. The pictures of kids and their families are also being displayed on the TV screens in break rooms for everyone to enjoy. The turnout was great and enjoyed by all! This is the beginning of a new tradition for Pace Harrison on Halloween.

