



Section 5: **Employee Group Benefits**
Policy:
Applies To: All Employees
Effective Date: July 1, 2016

Performance Driven. Patient Oriented.

Employee Group Benefits

- Benefits
- Medical, Dental, Vision and Prescription Benefits
- Life Changing Events
- Life and AD&D Insurance / Supplemental Life and AD&D Insurance
- Long Term Disability Insurance
- Voluntary Short Term Disability Insurance
- Flexible Spending Accounts
- 401(k) Retirement Savings Plan
- Group Benefit Updates

Benefits

The Company has an excellent group of employees and wonderful benefit offerings. Our benefits, unless otherwise noted, are available for our regular full-time employees (scheduled to work a minimum of 30 hours a week) after completion of the required waiting periods. The information provided in this handbook is intended to provide you with a general understanding of the different benefits. All newly eligible employees will receive instructions on how to enroll in the Company benefits. This information is available via the Company Portal (under the HR Tab) or can be provided to you individually. The package will include a description of the various benefits as well as the required forms.

The time period to respond to any benefit information is defined in the benefits package and should be followed very closely in order to avoid a missed opportunity to participate in a benefit. If you do not elect these benefits during your initial waiting period, future opportunities to enroll will be limited to periodic open enrollment times. Employees who have questions about our benefit information are expected to talk to Human Resources.

Employees are encouraged to visit the State's Health Insurance Marketplace offerings (www.healthcare.gov) as a medical coverage option. Our medical plans exceed the government's "affordability" and "minimum value" criteria, so you will probably not be eligible for a premium subsidy.

This handbook or any summary plan description (SPD) that the Company provides does not constitute the legal representation or description of a benefit. Approved plan documents are the legal documents that dictate the benefit offerings and the plan documents will supersede the handbook or an SPD in the case of a discrepancy between information contained in the plan documents and information contained in this handbook or an SPD.

Summary plan descriptions are provided to all applicable employees are required by law and upon request. In its sole discretion, the Company may modify, supplement or discontinue any and all benefit programs and plans.

Your Responsibility

After initial benefit notices and instructions are sent, it is your responsibility to follow-up, enroll and submit the proper paperwork within the defined time in order to participate in the eligible benefit.



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Medical, Dental, Vision and Prescription Benefits

All regular full-time employees are eligible to participate in the group medical, prescription, dental and vision plans. Enrollment is available for you and your eligible family members. The Company reviews these benefits annually and makes adjustments to remain competitive. Your premium payments for these benefits are paid through pre-taxed payroll deductions.

Enrolling in or cancelling these benefits are limited to specific times. The only exception to this is when an employee has a life-changing event, as defined by the applicable benefit plan.

Life Changing Events

Life Changing Events are situations that affect an employee's existing participation in any recognized group health plan. Below are examples of life changing events that could allow you to change coverage between plan enrollment dates:

- Birth of a child
- Adoption of a child
- Death of an employee, spouse, or child
- Marriage
- Divorce
- Significant change in benefit plan design or cost of a spouse's group plan
- Any loss of coverage on a spouse's plan

There is a 31-day window after a life-changing event for employees to submit the appropriate applications in order to be eligible for the benefit change between enrollments. Employees should refer to their summary plan descriptions (SPD) for any updates or changes to the life changing categories.

Life and Accidental Death & Dismemberment (AD&D) Insurance

The Company provides a Group Term Life and AD& D policy on all regular full-time employees. The face value of the policy is in direct proportion to your annual salary up to the applicable cap limits. You should refer to the current SPD for details concerning this benefit. You are required to assign primary and contingent beneficiaries for this insurance.

Supplemental Life and AD&D Insurance

Regular Full-Time employees have the option to purchase supplemental term life and AD&D insurance. This insurance can be purchased for you and your immediate family members.

Long Term Disability Insurance

The Company provides regular full-time employees with long term disability. This coverage provides 60% of your standard pay in disability income in the event you are not able to work as a result of a non-work related injury for longer than 90 days.

Voluntary Short Term Disability Insurance

Regular full-time employees have the opportunity to purchase short term insurance coverage. This coverage provides 60% of your standard pay in disability income in the event you are not able to work as a result of a non-work related



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injury or illness. In the event of a qualified injury or illness, there is a brief 14 day waiting period before benefits begin. Short term disability will last no longer than 90 days.

Flexible Spending Accounts

Eligibility

Regular full-time employees who are regularly scheduled for a minimum of 30 hours a week are eligible to participate in the Flexible Spending Account plans.

Effective Dates

Plans are effective January 1 – December 31 of each year.

General Provisions

Flexible Spending Accounts (FSA) provide tax-free reimbursement to you for health care and dependent care expenses that are not reimbursed by any other insurance or reimbursement program. *IRS regulations require any money not used for eligible expenses in a plan (calendar) year be forfeited.*

Health Care Flexible Spending Account (HFSA)

A Health Care Flexible Spending Account provides employees the opportunity to pay for medical, dental, prescription or vision related expenses, on a pre-tax basis, that are not reimbursed by an insurance plan. The amount you contribute and the amount you are reimbursed from your HFSA are income tax-free. The annual maximum reimbursement for HFSA is \$1,200 per eligible employee under our plan.

Eligible expenses may include the following examples:

- Office and prescription co-pays
- Deductibles
- Eyeglasses, contact lenses
- Orthodontics
- Certain over-the-counter medications

Reimbursements can be made only for services that are incurred during the plan (calendar) year. Services must occur after the first of day of enrollment.

To determine how much money to set aside from your paycheck for your HFSA, estimate annual health and wellness related expenses and divide this amount by the number of pay periods for the plan (calendar) year. This amount you elect to deposit into your HFSA accumulates tax free in your account.

Each time you incur a qualified health care expense at a health care provider or pharmacy, you may present your HFSA Debit Card, may file a claim for reimbursement from your account or complete and submit an HFSA Reimbursement Claim Form, along with an insurance explanation of benefits (EOB) or an itemized bill for services not covered by the insurance plan.

Dependent Care Flexible Spending Account (DFSA)

A Dependent Care Flexible Spending Account provides employees the opportunity to pay for dependent care expenses for a child, disabled spouse or dependent parent, on a pre-tax basis. The amount you contribute and the amount you are reimbursed from your DFSA are income tax-free. You may contribute up to \$5,000 per household. If you are married



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and file a separate income tax return, contributions cannot exceed \$2,500 for each of you. The cost of care provided in or out of your home for a qualified dependent is a qualified expense.

According to IRS regulations, the following are examples of expenses that are non-reimbursable:

- Payments made to anyone you claim as a tax dependent
- Payments made to your children under age 19 who provide care to one of your dependents
- Overnight summer camp expenses
- Schooling for children in kindergarten or higher

Reimbursements can be made only for dependent care services that are provided during the plan (calendar) year.

A qualifying dependent is defined as a child under age 13 who is your IRS tax dependent; your spouse who is physically or mentally disabled and unable to care for herself or himself; or your IRS tax dependent, such as an elderly parent or child over the age of 13, who is physically or mentally disabled and unable to care for herself or himself. According to IRS definition, a disabled person is one who is not physically or mentally able to dress, clean, or feed himself or herself or requires constant attention to prevent self-injury.

To file a claim for reimbursement from your account, complete and submit a DFSA Reimbursement Claim Form along with a receipt from your day-care provider. You have the option to elect the direct deposit for your reimbursements.

Please note that if a reimbursement request exceeds the account balance, reimbursement will only be up to the balance available in the account. The outstanding claim balance will be held and paid with future deposits made into your DFSA account.

Changes in FSA Elections

IRS regulations require any money not used for eligible expenses in a plan (calendar) year, be forfeited. Once you enroll in an FSA, participation must continue unchanged until the end of the plan (calendar) year unless you have a qualifying life event. Qualifying life events include:

- Marriage
- Divorce
- Death, birth/adoption
- Change in employment

An adjustment in your election must be consistent with the change in status. For example, if your employment status goes down, then your election would too. Any adjustment to your election must occur within 31 days of the qualifying life event.

401(k) Retirement Savings Plan

We offer competitive retirement plan options for all eligible employees through the HCFS 401(k) Retirement Savings Plan. All employees over the age of 19 are eligible to participate in the plan as outlined in the Summary Plan Document.



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The 401(k) plan allows you to contribute pre-taxed or post-taxed (Roth) money to a selected investment funds. You can contribute any amount, up to the maximum contribution allowed by the federal regulations. The Company provides a matching contribution each pay period.

You may enroll in the plan on the first day of the month following two (2) months of service. You may also change deferral percentages, change fund allocations and talk to a fund advisor at any time. Both telephonic and on-line support is available to assist participating employees.

Our plan automatically enrolls an eligible participant in the plan at 6% deferral (to take full advantage of the company match). All eligible employees are invited to attend a benefits orientation at least 30 days prior to enrollment to explain the details of the plan offerings. You can call Human Resources with any questions concerning this benefit or reference this material at any time on the Company Portal (under the HR tab). You are encouraged to participate and take advantage of this benefit and the company match.

Group Benefit Updates

The Company makes it a practice to continuously review and monitor governmental regulations that apply to group benefits. We also strive to offer other types of insurances that supplement our group insurance. As a result, our employee benefit offerings will periodically change. We will communicate all required changes and new benefit offerings to employees by postings on the Company Portal, individual notifications, newsletters, and/or open enrollment meetings. You are encouraged to call Human Resources if you have a question concerning group benefit eligibility or plans.