



LOGO PLACEMENT

# EMPLOYEE BENEFITS GUIDE



20XX - 20XX



JANUARY 1 - DECEMBER 31, 201X

# Welcome

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Your benefits are an important part of your overall compensation. We are pleased to offer a comprehensive array of valuable benefits to protect your health, your family and your way of life. This guide answers some of the basic questions you may have about your benefits. Please read it carefully, along with any supplemental materials you receive.

## Eligibility

You are eligible for benefits if you work 30 or more hours per week. You may also enroll your eligible family members under certain plans you choose for yourself. Eligible family members include:

- ▶ Your legally married spouse
- ▶ Your registered domestic partner (RDP) and/or his/her children, where applicable by state law
- ▶ Your children who are your biological children, stepchildren, adopted children or children for whom you have legal custody (age restrictions may apply). Disabled children age 26 or older who meet certain criteria may continue on your health coverage.

## When Coverage Begins

- ▶ **New Hires:** You must complete the enrollment process within 30 days of your date of hire. If you enroll on time, coverage is effective on the first of the month following your date of hire.  
  
If you fail to enroll on time, you will **NOT** have benefits coverage (except for company-paid benefits).
- ▶ **Open Enrollment:** Changes made during Open Enrollment are effective January 1 - December 31, 201X.

## Choose Carefully!

Due to IRS regulations, you cannot change your elections until the next annual Open Enrollment period, unless you have a qualified life event during the year. Following are examples of the most common qualified life events:

- ▶ Marriage or divorce
- ▶ Birth or adoption of a child
- ▶ Child reaching the maximum age limit
- ▶ Death of a spouse, RDP, or child
- ▶ You lose coverage under your spouse's/RDP's plan
- ▶ You gain access to state coverage under Medicaid or CHIP

## Making Changes

**To make changes to your benefit elections, you must contact Human Resources within 31 days of the qualified life event (including newborns).** Be prepared to show documentation of the event such as a marriage license, birth certificate or a divorce decree. If changes are not submitted on time, you must wait until the next Open Enrollment period to make your election changes.

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# Enrollment

Go to <http://www.samplebenefitswebsite.com>. There, you will find detailed information about the plans available to you and instructions for enrolling.

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**Required Information**—When you enroll, you will be required to enter a Social Security number (SSN) for all covered dependents. The Affordable Care Act (ACA), otherwise known as health care reform, requires the company to report this information to the IRS each year to show that you and your dependents have coverage. This information will be securely submitted to the IRS and will remain confidential.

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# Medical

We are proud to offer you a choice among three different medical plans that provide comprehensive medical and prescription drug coverage. The plans also offers many resources and tools to help you maintain a healthy lifestyle. Following is a brief description of each plan.

## Kaiser HMO

With this plan, you select a primary care physician (PCP) from the participating network of providers who will coordinate your health care needs, refer you to specialists (if needed) and approve further medical treatment. Services received outside of the HMO's network are not covered, except in the case of emergency medical care.

## Aetna PPO

This plan gives you the freedom to seek care from the provider of your choice. However, you will maximize your benefits and reduce your out-of-pocket costs if you choose a provider who participates in the Aetna network. The calendar-year deductible must be met before certain services are covered.

## Aetna HSA

Like the PPO plans, a High-Deductible Health Plan (HDHP) gives you the freedom to seek care from the provider of your choice. You will maximize your benefits and reduce your out-of-pocket costs if you choose a provider who participates in the Aetna network. In addition, the HDHP comes with a health savings account (HSA) that allows you to save pre-tax dollars<sup>1</sup> to pay for any qualified health care expenses as defined by the IRS, including most out-of-pocket medical, prescription drug, dental and vision expenses. For a complete list of qualified health care expenses, visit [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf).

Here's how the plan works:

- ▶ **Annual Deductible:** You must meet the entire annual deductible before the plan starts to pay for non-preventive medical and prescription drug expenses. *NOTE: If you enroll one or more family members, you must meet the full FAMILY deductible before the plan starts to pay expenses for any one individual.*
- ▶ **Coinsurance:** Once you've met the plan's annual deductible, you are responsible for a percentage of your medical expenses, which is called coinsurance. For example, the plan may pay 80 percent and you may pay 20 percent.
- ▶ **Out-of-Pocket Maximum:** Once your deductible and coinsurance add up to the plan's annual out-of-pocket maximum, the plan will pay 100 percent of all eligible covered services for the rest of the calendar year. *NOTE: If you enroll one or more family members, you must meet the full FAMILY out-of-pocket maximum before the plan starts to pay covered services at 100 percent for any one individual.*



- ▶ **Health Savings Account (HSA):** You may contribute to your HSA through pre-tax payroll deductions to help offset your annual deductible and pay for qualified health care expenses. In addition, we will contribute \$500 annually to your HSA if you enroll in employee-only coverage and \$1,000 annually if you enroll yourself and one or more family members. **To be eligible for the HSA, you cannot be covered through Medicare Part A or Part B or TRICARE programs. See the plan documents for full details.**

**Important:** Your contributions, in addition to the company's contributions, may not exceed the annual IRS limits listed below.

HSA Contribution Limit	2020
Employee Only	\$3,550
Family (employee + 1 or more)	\$7,100
Catch-up (age 55+)	\$1,000

Your HSA is yours for life. The money is yours to spend or save, regardless of whether you change health plans<sup>2</sup>, retire or leave the company. There is no "use it or lose it" rule. Your account grows tax free over time as you continue to roll over unused dollars from year to year. You decide how or if you want to spend your HSA funds. You can use them to pay for you and your dependents' doctor's visits, prescriptions, braces, glasses—even laser vision correction surgery.

<sup>1</sup> Tax free under federal tax law; state taxation rules may apply

<sup>2</sup> You must be enrolled in a qualified health plan to contribute to an HSA.

# Medical (Cont'd.)

Following is a high-level overview of the coverage available. For complete coverage details, please refer to the Summary Plan Description (SPD).

Key Medical Benefits						
	In-Network	Out-of-Network <sup>1</sup>	In-Network	Out-of-Network <sup>1</sup>	In-Network	Out-of-Network <sup>1</sup>
<b>Deductible</b> (per calendar year)						
Individual / Family						
<b>Out-of-Pocket Maximum</b> (per calendar year)						
Individual / Family						
<b>Company Contribution to Your Health Savings Account (HSA)</b> (per calendar year; prorated for new hires/newly eligible)						
Individual / Family						
<b>Covered Services</b>						
Office Visits (physician/specialist)						
Routine Preventive Care						
Outpatient Diagnostic (lab/X-ray)						
Complex Imaging						
Chiropractic						
Ambulance						
Emergency Room						
Urgent Care Facility						
Inpatient Hospital Stay						
Outpatient Surgery						
<b>Prescription Drugs</b> (Tier 1 / Tier 2 / Tier 3)						
Retail Pharmacy (30-day supply)						
Mail Order (90-day supply)						

Coinsurance percentages and copay amounts shown in the above chart represent what the member is responsible for paying.

\*Benefits with an asterisk ( \* ) require that the deductible be met before the Plan begins to pay.

To be eligible for the HSA, you cannot be covered through Medicare Part A or Part B or TRICARE programs. See the plan documents for full details.

1. If you use an out-of-network provider, you will be responsible for any charges above the maximum allowed amount.
2. If you enroll one or more family members, you must meet the full FAMILY deductible before the plan starts to pay expenses for any one individual.
3. If you enroll one or more family members, you must meet the full FAMILY out-of-pocket maximum before the plan starts to pay eligible covered services at 100% for any one individual.

# Voluntary Benefits

Our benefit plans are here to help you and your family live well—and stay well. But did you know that you can strengthen your coverage even further? It's true! Our voluntary benefits through Aflac are designed to complement your health care coverage and allow you to customize our benefits to you and your family's needs. The best part? Benefits from these plans are paid directly to you! Coverage is also available for your spouse and dependents.

You can enroll in these plans during Open Enrollment—they're completely voluntary, which means you are responsible for paying for coverage at affordable group rates.

## Accident Insurance

Accident insurance can soften the financial impact of an accidental injury by paying a benefit to you to help cover the unexpected out-of-pocket costs related to treating your injuries.

## Critical Illness

Did you know that the average total out-of-pocket cost related to treating a critical illness is over \$7,000<sup>1</sup>? With critical illness insurance, you'll receive a lump-sum benefit if you are diagnosed with a covered condition that you can use however you would like, including to help pay for: treatment (e.g. experimental), prescriptions, travel, increased living expenses, and more.

1. MetLife Accident and Critical Illness Impact Study, October 2013  
 2. Costs for Hospital Stays in the United States, 2011. HCUP Statistical Brief #168. December 2013. Agency for Healthcare Research and Quality, Rockville, MD.  
 3. National Hospital Discharge Survey: 2010

## Hospital Indemnity Insurance

The average cost of a hospital stay is \$10,000<sup>2</sup>—and the average length of a stay is 4.8 days<sup>3</sup>. Hospital indemnity insurance can help reduce costs by paying you or a covered dependent a benefit to help cover your deductible, coinsurance and other out-of-pocket costs due to a covered sickness or injury related hospitalization.

## Cancer Indemnity

The Cancer Indemnity Plan pays a flat dollar amount to you when a covered person is diagnosed with internal cancer. Other benefits include payments, directly to you, for hospital confinement, medical imaging, radiation and chemotherapy, immunotherapy, transportation and lodging. The plan also includes a cancer screening wellness benefit.

# Dental

We are proud to offer you a choice between two different dental plans.

## Delta Dental DHMO

With this plan, you choose a primary dental provider to manage your care. There are no charges for most preventive services, no claim forms and no deductibles. Reduced, pre-set charges apply to other services.

## Delta Dental DPPO

This plan offers you the freedom and flexibility to use the dentist of your choice. However, you will maximize your benefits and reduce your out-of-pocket costs if you choose a dentist who participates in the Delta Dental network.

Following is a high-level overview of the coverage available.

Key Dental Benefits	Delta Dental DHMO		Delta Dental DPPO	
	In-Network	Out-of-Network <sup>1</sup>	In-Network	Out-of-Network <sup>1</sup>
<b>Deductible</b> (per calendar year)				
Individual / Family				
<b>Benefit Maximum</b> (per calendar year; preventive, basic, and major services combined)				
Per Individual				
<b>Covered Services</b>				
<b>Preventive Services</b>				
<b>Basic Services</b>				
<b>Major Services</b>				
<b>Orthodontia</b> (Child only)				

Coinsurance percentages shown in the above chart represent what the member is responsible for paying.

\*Benefits with an asterisk ( \* ) require that the deductible be met before the Plan begins to pay.

1. If you use an out-of-network provider, you will be responsible for any charges above the maximum allowed amount.

# Vision

We are proud to offer you a vision plan.

The **Vision Service Provider (VSP)** vision plan gives you the freedom to seek care from the provider of your choice. However, you will maximize your benefits and reduce your out-of-pocket costs if you choose a provider who participates in the Vision Service Provider (VSP) network.

Following is a high-level overview of the coverage available.

Key Vision Benefits	In-Network	Out-of-Network Reimbursement
<b>Exam</b> (once every 12 months)		
<b>Materials Copay</b>		
<b>Lenses</b> (once every 12 months)		
Single Vision		
Bifocal		
Trifocal		
<b>Frames</b> (once every 24 months)		
<b>Contact Lenses</b> (once every 12 months; in lieu of glasses)		

## Flexible Spending Accounts

We provide you with an opportunity to participate in up to two different flexible spending accounts (FSAs) administered through Ceridian. FSAs allow you to set aside a portion of your income, before taxes, to pay for qualified health care and/or dependent care expenses. Because that portion of your income is not taxed, you pay less in federal income, Social Security and Medicare taxes.

### Health Care FSA

For 2020, you may contribute up to \$2,650 to cover qualified health care expenses incurred by you, your spouse and your children up to age 26. Some qualified expenses include:

- ▶ Coinsurance
- ▶ Copayments
- ▶ Deductibles
- ▶ Prescriptions
- ▶ Dental treatment
- ▶ Orthodontia
- ▶ Eye exams/eyeglasses
- ▶ Lasik eye surgery

For a complete list of eligible expenses, visit [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf).

### Limited-Purpose Health Care FSA (for HSA participants)

If you enroll in the HSA medical plan, you may only participate in a limited-purpose Health Care FSA. This type of FSA allows you to be reimbursed for eligible dental, orthodontia and vision expenses while preserving your HSA funds for eligible medical expenses.

### Dependent Care FSA

For 2020, you may contribute up to \$5,000 (per family) to cover eligible dependent care expenses (\$2,500 if you and your spouse file separate tax returns). Some eligible expenses include:

- ▶ Care of a dependent child under the age of 13 by babysitters, nursery schools, pre-school or daycare centers
- ▶ Care of a household member who is physically or mentally incapable of caring for him/herself and qualifies as your federal tax dependent

For a complete list of eligible expenses, visit [www.irs.gov/pub/irs-pdf/p503.pdf](http://www.irs.gov/pub/irs-pdf/p503.pdf).

## FSA Rules

### YOU MUST ENROLL EACH YEAR TO PARTICIPATE.

Because FSAs can give you a significant tax advantage, they must be administered according to specific IRS rules:

**Health Care FSA:** Unused funds of up to \$500 from one year can carry over to the following year. Carryover funds will not count against or offset the amount that you can contribute annually. Unused funds over \$500 will **NOT** be returned to you or carried over to the following year.

**Dependent Care FSA:** Unused funds will **NOT** be returned to you or carried over to the following year.

**You can incur expenses through March 15, 201X, and must file claims by March 31, 201X.**

*Maximum contribution amount is established by the IRS and your employer each year. See plan document for details.*

# Life and AD&D

**Life insurance** provides your named beneficiary(ies) with a benefit in the event of your death.

**Accidental Death and Dismemberment (AD&D) insurance** provides specified benefits to you in the event of a covered accidental bodily injury that directly causes dismemberment (i.e., the loss of a hand, foot or eye). In the event that your death occurs due to a covered accident, both the life and the AD&D benefit would be payable.

## Basic Life/AD&D (Company-paid)

This benefit is provided at **NO COST** to you through Anthem.

Benefit Amount	

## Supplemental Life/AD&D (Employee-paid)

If you determine you need more than the basic coverage, you may purchase additional coverage through Anthem for yourself and your eligible family members.

Benefit Option	Guaranteed Issue*
Employee	
Spouse/RDP	
Child(ren)	

\*During your initial eligibility period only, you can receive coverage up to the Guaranteed Issue amounts without having to provide Evidence of Insurability (EOI, or information about your health). Coverage amounts that require EOI will not be effective unless approved by the insurance carrier.

# Disability Insurance

Disability insurance provides benefits that replace part of your lost income when you become unable to work due to a covered injury or illness.

## Short-Term Disability

Provided at **NO COST** to you through Anthem.

Benefit Percentage	
Weekly Benefit Maximum	
When Benefits Begin	
Maximum Benefit Duration	

## Long-Term Disability

Provided at **NO COST** to you through Anthem.

Benefit Percentage	
Monthly Benefit Maximum	
When Benefits Begin	
Maximum Benefit Duration	



# Employee Assistance Program (EAP)

Life is full of challenges, and sometimes balancing it is difficult. We are proud to provide a confidential program dedicated to supporting the emotional health and well-being of our employees and their families. The employee assistance program (EAP) is provided at **NO COST** to you through The Holman Group.

## The EAP can help with the following issues, among others:

- ▶ Mental health
- ▶ Relationships or marital conflicts
- ▶ Child and eldercare
- ▶ Substance abuse
- ▶ Grief and loss
- ▶ Legal or financial issues

## EAP Benefits

- ▶ Assistance for you and your household members
- ▶ Up to five (5) in-person sessions with a counselor per issue, per year, per individual
- ▶ Unlimited toll-free phone access and online resources

# Valuable Extras

## We also offer the following additional benefits:

- ▶ 401(k) Retirement Plan
- ▶ 529 College Savings Plan
- ▶ Group Legal Plan
- ▶ Home and Auto Group Insurance
- ▶ Pet Insurance
- ▶ Travel Assistance (Company-paid)

# Cost of Benefits

Your contributions toward the cost of benefits are automatically deducted from your paycheck before taxes. The amount will depend upon the plan you select and if you choose to cover eligible family members. **Please refer to the separate rate sheet for your contributions.**

# Contact Information

Coverage	Carrier	Phone #	Website/Email
Medical	Kaiser	(555) 555-5555	<a href="http://www.kp.org">www.kp.org</a>
	Aetna	(555) 555-5555	<a href="http://www.aetna.com">www.aetna.com</a>
Voluntary Benefits	Aflac	(555) 555-5555	<a href="http://www.aflac.com">www.aflac.com</a>
Dental	Delta Dental	(555) 555-5555	<a href="http://www.deltadental.com">www.deltadental.com</a>
Vision	Vision Service Plan (VSP)	(555) 555-5555	<a href="http://www.vsp.com">www.vsp.com</a>
Flexible Spending Accounts (FSAs)	Ceridian	(555) 555-5555	<a href="http://www.ceridian.com">www.ceridian.com</a>
Life/AD&D	Anthem	(555) 555-5555	<a href="http://www.anthem.com/ca">www.anthem.com/ca</a>
Disability	Anthem	(555) 555-5555	<a href="http://www.anthem.com/ca">www.anthem.com/ca</a>
Employee Assistance Program (EAP)	The Holman Group	(555) 555-5555	<a href="http://www.theholmangroup.com">www.theholmangroup.com</a>

## Benefits Website

Our benefits website <http://www.samplebenefitswebsite.com> can be accessed anytime you want additional information on our benefits programs.

## Questions?

If you have additional questions, you may also contact:

My Benefits Champion  
(555) 555-5555  
[champion@hubinternational.com](mailto:champion@hubinternational.com)

HR Team  
(555) 555-5555  
[hrradmin@sample.com](mailto:hrradmin@sample.com)



**DISCLAIMER:** The material in this benefits brochure is for informational purposes only and is neither an offer of coverage or medical or legal advice. It contains only a partial description of plan or program benefits and does not constitute a contract. Please refer to the Summary Plan Description (SPD) for complete plan details. In case of a conflict between your plan documents and this information, the plan documents will always govern. **Annual Notices:** ERISA and various other state and federal laws require that employers provide disclosure and annual notices to their plan participants. The company will distribute all required notices annually.

