

Dear Douglas County Employee:

This year we met the goal of maintaining the level of coverage/benefits you receive under the medical and dental plans. However, the costs for your insurance coverage increased more than anyone anticipated for both the medical and dental plans. **Medical Plan:** Last year, the medical renewal rates changed less than 2%. This year the rate change is more substantial. Rising costs are due to a number of factors, including our high use of the plan, new and better mental health and substance abuse benefits mandated by federal law (effective January 1), higher reimbursements to doctors and hospitals, and the payment of expensive new drugs called biotherapeutics (average cost \$2,100 per month). While rising costs are very challenging for each of us, we don't want to lose sight of the fact that our medical delivery system offers a great deal in terms of quality of care, and timely access to care. We all benefit from those aspects of our healthcare system. **Dental Plan:** The dental plan is administered by Washington Dental Service and the program through which we buy coverage is the Washington Counties Insurance Fund. All employers who buy this plan pay the same premium rate, and those rates went up more than any of us liked. However, we receive feedback that you like the way WDS does business, and you are satisfied with the administration of your dental benefits by WDS.

We wish to thank the Benefits Committee for their work in reviewing options and appreciate their continued work in periodically reviewing our medical claims experience, and other options.

To all employees, we appreciate your dedication as we work together to meet the challenges we face today and in the future. We welcome your thoughts and input, and thank you for being part of the Douglas County team as we transition to a successful year in 2010.

Sincerely,

Douglas County Board of Commissioners

IMPORTANT CHANGES FOR 2010

MEDICAL PROGRAMS

Minor contract language changes are effective January 1, 2010.

Chemical Dependency – Chemical dependency treatment \$14,500 dollar limit has been removed. (Medical necessity and pre-authorization are required. Other limitations may apply per the contract).

Mental Health – Mental Health treatment visit limits (outpatient) and day limits (inpatient) no longer apply. (Medical necessity and pre-authorization are required. Other limitations may apply per the contract).

Organ Transplant – Organ Transplant lifetime maximum has increased from \$250,000 to \$350,000. The six-month waiting period for new plan members has been modified and may not apply to you. See the contract or call Asuris NW Health for details.

DENTAL PROGRAM

No benefit changes for 2010.

VOLUNTARY VISION INSURANCE

No benefit changes for 2010.

VOLUNTARY LIFE INSURANCE

No benefit changes for 2010.

Important Note: 1.) As a political subdivision, Douglas County is exempt from federal ERISA law. 2.) This Benefit Booklet is not a Summary Plan Description (SPD) as defined by ERISA. Please review thoroughly the SPD issued by each carrier for the coverage in which you are enrolled. If this Benefit Booklet and/or the SPD are *silent* as to a particular matter that is addressed in the Master Group Contract, the Master Group Contract will control. In the event of a *conflict* between this Benefit Booklet and/or the SPD, the Master Group Contract will control. You may request to review or receive a copy of the Master Group Contract at any time by making this request to the Human Resources Office. If you have questions or comments regarding this, please call Berg Andonian, Inc. at 888-858-5115 for assistance. While it is hoped that the plans summarized in this Benefit Booklet will continue indefinitely, your employer reserves the right to change or terminate any plan or plans in the future.

INSURANCE BENEFITS OFFERED

Much of the information you need regarding your insurance benefits is contained in this handbook. Enrollment forms for the various programs are available from the Human Resources office.

BENEFITS START DATE FOR NEWLY HIRED EMPLOYEES

The first day of the month following the first month in which 100 hours are worked.

MEDICAL INSURANCE

Employees may choose from two Asuris NW Health PPO plans. Both plans use the Asuris NW Health doctor and hospital network.

DENTAL INSURANCE

Our dental program is offered through Washington Dental Service (a Delta Dental plan) and covers preventive dental care as well as basic and major dental care.

VOLUNTARY VISION

Employees may purchase, at their own expense, vision insurance that covers vision hardware and vision exams through Vision Service Plan (VSP).

LIFE / ACCIDENTAL DEATH INSURANCE

Each employee is provided with a \$12,000 term life and AD&D insurance policy.

VOLUNTARY TERM LIFE INSURANCE

Employees may purchase, at their own expense, additional term life insurance at affordable rates. Coverage is available for both the employee and dependents (spouse and children).

VOLUNTARY ACCIDENTAL DEATH

Employees may purchase, at their own expense, additional accidental death insurance through Standard.

VOLUNTARY AFLAC

Employees may purchase, at their own expense, additional insurance products through AFLAC.

VOLUNTARY LONG TERM CARE INSURANCE

Employees may purchase Long Term Care Insurance (covering some of the cost of nursing home and other types of custodial care) from TransAmerica. See Human Resources for more information.

OTHER BENEFITS

Douglas County employees have access to Numerica Credit Union.

Douglas County employees have access to Washington State Department of Retirement Systems, Naco and Hartford Deferred Compensation Plans.

Douglas County offers a YMCA and Gold's Gym corporate rate membership.

Douglas County offers the option for United Way charitable contributions.

Draw Pay – you can receive a draw paycheck on the 20th of the month. The normal payday is once a month on the 5th. If the 5th or the 20th of the month falls on a weekend, you will receive your check on the Friday prior to the 5th or the 20th.

Direct Deposit – you may elect to have your paycheck deposited directly to your bank account.

SECTION 125 PLAN

PREMIUM CONVERSION PLAN: You will automatically be enrolled in the Section 125 plan so that your share of medical/dental premiums are deducted pre-tax (from gross pay). You may decline participation in the Section 125 plan by submitting a written request rejecting participation.

MEDICAL SPENDING ACCOUNT: In addition, you may set aside, through payroll deduction, up to \$600 per year of pre-tax money to pay for eligible out-of-pocket medical expenses.

DEPENDENT CARE ACCOUNT: You may also set aside, through payroll deduction, up to \$5,000 per benefit year of pre-tax money to pay for child care services for children to age 13.

Benefit elections/enrollment for those who participate in the Section 125 plan are irrevocable for the entire plan year unless you have a change in status. Change in status events include: loss of other coverage, FMLA leave, a change in marital status, change in number of dependents, or change in employment status, and more.

CUSTOMER SERVICE

If you have questions regarding specific benefits or claim problems, call the following numbers:

COVERAGE	GROUP NUMBER	CUSTOMER SERVICE	WEB ADDRESS
MEDICAL			
ASURIS NORTHWEST HEALTH NURSE HOTLINE MAIL ORDER Rx PPS	014183	888-344-5587 866-523-0078 800-552-6694	www.asurisnorthwesthealth.com www.ppsrx.com
DENTAL			
WASHINGTON DENTAL	00479-98050	800-554-1907	www.deltadentalwa.com
VISION			
VISION SERVICE PLAN	30002568	800-877-7195	www.vsp.com
SECTION 125 PLAN			
AFLAC – Sandra Noe	0LQU7	509-787-2762	www.aflac.com
UNION PLANS			
Inland Empire Teamsters Trust NW Administrators UEBT Local Teamsters Office		800-872-8979 206-329-4900 800-223-2449 509-663-2753	www.nwadmin.com

If you have difficulty obtaining answers to questions or resolving issues using the numbers listed above, contact Jessica Carr at Berg Andonian, Inc., 888-858-5115 or jessica@bergandonian.com.

2010 RATES

INSTRUCTIONS

- Choose the medical plan in which you wish to participate.
- Obtain the enrollment form(s) from the Human Resources office (medical, dental, voluntary vision, etc.)
- Fill out the enrollment form(s) in full and submit them to the Human Resources Office.
- If your plan costs are greater than the County's contribution, the additional premium will be deducted from your payroll.

COUNTY CONTRIBUTION

\$485.00 for medical

\$50.91 for dental

MEDICAL	ASURIS NW HEALTH HIGH OPTION	ASURIS NW HEALTH LOW OPTION
Deductible (individual)	\$200	\$750
Coinsurance	70%	70%
Coinsurance Maximum (individual)	\$1,000	\$5,000
Office Visit Copay	\$15	\$20
Rx Copays	\$10 generic / \$20 brand / \$40 non-preferred	\$10 generic / \$20 brand / \$40 non-preferred
Employee	\$605.81	\$514.97
Employee & Spouse	\$1,352.72	\$1,150.45
Employee & Children	\$1,129.61	\$956.37
Employee, Spouse and Children	\$1,876.52	\$1,591.85
DENTAL	WASHINGTON DENTAL SERVICE	
Employee only	\$61.56	
Employee and Dependents	\$170.62	
VISION	VSP	
Employee	\$10.64	
Employee and Dependent	\$17.02	
Employee and Children	\$17.38	
Employee, Spouse and Children	\$28.01	

2010 RATES, UNIFORMED SHERIFF'S GUILD

MEDICAL	ASURIS NW HEALTH HIGH OPTION		ASURIS NW HEALTH LOW OPTION	
Deductible	\$200		\$750	
Coinsurance	70%		70%	
Coinsurance Maximum	\$1,000		\$5,000	
Office Visit Copay	\$15		\$20	
Rx Copays	\$10 generic / \$20 brand / \$40 non-preferred		\$10 generic / \$20 brand / \$40 non-preferred	
	County Pays	Employee Pays	County Pays	Employee Pays
Employee	\$605.81	\$0.00	514.97	\$0.00
Employee & Spouse	\$1,240.68	\$112.04	\$1,055.13	\$95.32
Employee & Children	\$1,051.04	\$78.54	\$890.16	\$66.21
Employee, Spouse and Children	\$1,685.91	\$190.61	\$1,430.32	\$161.53
DENTAL	WASHINGTON DENTAL SERVICE			
	County Pays		Employee Pays	
Employee only	\$61.56		\$0.00	
Employee and Dependents	\$61.56		\$109.06	
VISION	VSP			
	County Pays		Employee Pays	
Employee only	\$10.64		\$0.00	
Employee & Spouse	\$10.64		\$6.38	
Employee & Children	\$10.64		\$6.74	
Employee, Spouse & Children	\$10.64		\$17.37	

2010 RATES, TEAMSTERS MAINTENANCE

Benefits begin the first of the month following four months of employment.

TEAMSTERS – NORTHWEST ADMINISTRATORS Inland Empire Teamsters Trust Composite Plan A		
County Pays Monthly	Employee Pays Monthly	Total Premium
\$535.91	\$279.09	\$815.00

2010 RATES, TEAMSTERS PRO TECH AND CLERICAL

Benefits begin the first of the following month in which 80 hours are worked.

TEAMSTERS United Employees Benefit Trust & NW Administrators		
County Pays Monthly	Employee Pays Monthly	Total Premium
\$535.91	\$117.99	\$653.90

All Teamsters members are required to participate in teamster's benefits.

LIFE INSURANCE

Premiums of \$1.18 are paid by the county for the employee for a Life benefit of \$12,000 and Accidental Death benefit of \$12,000. The employee may purchase \$1,000 of life insurance for each dependent for a flat rate of \$0.65 per family, when you submit a completed enrollment form to your Human Resources office.

UNION AND GUILD DUES

Teamsters

Professional Techs	\$54.00 per month
Maintenance Techs	\$43.00 per month
Both units	\$200.00 initiation fee

Current Expense – 1.4% of average monthly salary up to a maximum of \$45.75 per month.

Uniformed Guild Dues – 1.5% of monthly salary

Non-Uniformed Guild Dues – 1.5% of monthly salary

SUMMARY OF MEDICAL BENEFITS

	ASURIS NW HEALTH HIGH OPTION	ASURIS NW HEALTH LOW OPTION	ASURIS NW HEALTH RETIREE PLAN
PLAN FEATURES			
Plan Type	PPO To receive the highest level of benefits, you must use an Asuris NW Health "PPO" provider	PPO To receive the highest level of benefits, you must use an Asuris NW Health "PPO" provider	PPO To receive the highest level of benefits, you must use an Asuris NW Health "PPO" provider
Calendar Year Deductible Per Person Per Family	\$200 \$600	\$750 \$2,250	\$200 \$600
Calendar Year Out-Of-Pocket Expense Maximum (does not include deductible) Per Person Per Family	\$1,000 \$3,000	\$5,000 \$15,000	\$2,500 \$7,500
If you use a non-contracted provider	Generally covered at 60% of allowed Preferred Provider fee after deductible, out-of-pocket maximum does not apply	Generally covered at 60% of allowed Preferred Provider fee after deductible, out-of-pocket maximum does not apply	Generally covered at 50% of allowed Preferred Provider fee after deductible, out-of-pocket maximum does not apply
Dependent Children Covered	To age 25	To age 25	To age 25
Organ Transplant Waiting Period	6 months for new enrollees	6 months for new enrollees	6 months for new enrollees
Maximum Lifetime Benefit Per Insured Person	\$2,000,000	\$2,000,000	\$2,000,000
PHYSICIAN SERVICES			
Physician Office Visits	\$15 copay, not subject to deductible	\$20 copay, not subject to deductible	Covered at 80% after deductible
Visits to Specialists	\$15 copay, not subject to deductible	\$20 copay, not subject to deductible	Covered at 80% after deductible
Lab, X-ray, and Diagnostic Services (non-facility)	Covered in full (deductible may apply)	Covered in full (deductible may apply)	Covered at 80%, deductible waived
Preventive Care Well Baby/ Well Child Care Routine Physical Exam	\$15 copay	\$20 copay	Covered at 80% after deductible, \$300 annual maximum
Urgent Care Visit	\$15 copay, not subject to deductible	\$20 copay, not subject to deductible	Covered at 80% after deductible
Spinal Manipulation (Chiropractic Care)	Covered in full after deductible, no visit limit	Covered in full after deductible, no visit limit	Covered at 80% after deductible, 10 visit limit
Naturopath	\$15 copay, not subject to deductible	\$20 copay, not subject to deductible	Covered at 80% after deductible
Massage Therapy	See "Physical, Speech and Occupational Therapy"	See "Physical, Speech and Occupational Therapy"	See "Physical, Speech and Occupational Therapy"

SUMMARY OF MEDICAL BENEFITS

	ASURIS NW HEALTH HIGH OPTION	ASURIS NW HEALTH LOW OPTION	ASURIS NW HEALTH RETIREE PLAN
HOSPITAL SERVICES			
Semi-Private Room	Covered at 70% after deductible	Covered at 70% after deductible	Covered at 80% after deductible
Outpatient Surgery	Covered at 70% after deductible	Covered at 70% after deductible	Covered at 80% after deductible
Emergency Care	Covered at 70% after deductible and \$75 ER copay	Covered at 70% after deductible and \$75 ER copay	Covered at 80% after deductible and \$75 ER copay
Lab, X-ray, and Diagnostic Services	Covered at 70% after deductible	Covered at 70% after deductible	Covered at 80% after deductible
Ground Ambulance	Covered at 70% after deductible	Covered at 70% after deductible	Covered at 80% after deductible
OTHER SERVICES			
Maternity Care	Covered as any other condition	Covered as any other condition	Covered as any other condition
Mental Health			
Inpatient	Covered at 70% after deductible	Covered at 70% after deductible	Covered at 80% after deductible
Outpatient	100% after deductible	100% after deductible	Covered at 80% after deductible
Chemical Dependency			
Inpatient	Covered at 70% after deductible	Covered at 70% after deductible	Covered at 80% after deductible
Physical, Speech, Massage and Occupational Therapy	70% after deductible, \$2,500 annual limit	70% after deductible, \$2,500 annual limit	80% after deductible, \$2,500 annual limit
Diabetic Supplies	Covered under Rx	Covered under Rx	Covered under Rx
SUPPLEMENTAL BENEFITS			
Durable Medical Equipment	Covered at 70% after deductible	Covered at 70% after deductible	Covered at 80% after deductible
Temporomandibular Joint Dysfunction (TMJ)	Covered as any other condition to a maximum of \$1,000 per year, \$5,000 per lifetime	Covered as any other condition to a maximum of \$1,000 per year, \$5,000 per lifetime	Covered as any other condition to a maximum of \$1,000 per year, \$5,000 per lifetime
Routine Eye Exam	Covered at 100%, one each calendar year	Covered at 100%, one each calendar year	Not included
Prescription Drugs (up to a 30-day supply)			
Generic	\$10 copay	\$10 copay	\$12 copay
Preferred Brand	\$20 copay	\$20 copay	30% copay
Non-Preferred Brand	\$40 copay	\$40 copay	50% copay
Mail Order (up to a 90-day supply)			
Generic	\$20 copay	\$20 copay	\$24 copay
Preferred Brand	\$40 copay	\$40 copay	30% copay
Non-Preferred Brand	\$80 copay	\$80 copay	50% copay

You may search for PPO providers online at www.asurisnorthwesthealth.com.

This is a brief summary of medical benefits provided for the convenience of Douglas County employees and their dependents. If the information contained in this summary is incorrect, the Master Contract will control.

RETIREE INFORMATION

All employees upon termination of employment qualify for COBRA Continuation Coverage. Employees who qualify under PERS or LEOFF will continue their coverage under COBRA before enrolling on the Douglas County Retiree Plan. See retiree benefit information on page 6 and page 7.

RETIREE PLAN RATES	Retiree under 65	Retirees with Medicare
Employee	\$576.56	\$538.60
Employee & Spouse	\$1,190.23	\$1,203.72
Employee & Children	\$1,115.16	\$1,006.89
Employee, Spouse and Children	\$1,728.83	\$1,672.01

A Medicare supplement or MedAdvantage plan may be less expensive and provide same, or better, coverage based upon your individual circumstances. Call Sue Server or Nicole Short at Berg Andonian, Inc. 877.466.1999 for more information.

INDIVIDUAL MEDICAL COVERAGE

In some instances, you may wish to insure your dependent spouse and/or dependent children for medical coverage by applying for an individual medical policy. If you would like to review available options use the individual quoting services at:

www.affordable-insurance.com or call 877-466-1999.

APPLE HEALTH FOR KIDS PROGRAM

In Washington State, a program is offered to provide health insurance coverage to children under age 19, and qualification is based on the family income level. The program is funded by federal tax dollars, and almost all states have taken advantage of these dollars and developed similar programs.

Qualification for the Apple Health for Kids program is as shown below:

The Family's Income is:	Up to 200% of "federal poverty level"	250% of "federal poverty level"	300% of "federal poverty level"
Examples of Qualifying Income Levels	For a family of 2 people, 200% of federal poverty level is \$2,429 monthly. For a family of 4, 200% is \$3,675 monthly.	For a family of 2 people, 250% of federal poverty level is \$3,036 monthly. For a family of 4, 250% is \$4,594 monthly.	For a family of 2 people, 300% of federal poverty level is \$3,643 monthly. For a family of 4, 250% is \$5,513 monthly.
Monthly Cost to the Family	Free	\$20 per child per month (\$40 per month maximum).	\$30 per child per month (\$60 per month maximum).

Notes:

- Income levels are determined by the state and adjust each year on April. 1st.
- A pregnant woman counts as a family size of two. Other programs with different eligibility requirements are available for families and pregnant women. Call toll-free 1-877-543-7669 to find out more.

If you have questions regarding Apple Health for Kids and other programs you might qualify for, please call (877) 543-7669.

SUMMARY OF DENTAL BENEFITS

Your dental plan is administered by Washington Dental Service (Delta Dental). Washington Dental provides coverage in all 50 states.

- In order to receive the best coverage, you must use a **WDS PPO** provider. This is a separate network than the WDS member dentist network.

If your dentist is a Washington Dental Member Dentist, they will submit claims directly to Washington Dental Service. If you choose a non-member dentist, you may be responsible for submitting claims to Washington Dental Service. Claim payments for non-member dentists will be made based on a usual and customary fee schedule, and you may be "balance billed" (i.e. billed for charges that exceed the Washington Dental definition of usual, customary or reasonable).

	WASHINGTON DENTAL SERVICE
PLAN FEATURES	
Deductible	\$0
Annual Maximum	\$2,000 per member
Class I- Diagnostic & Preventive Exams, Prophys, Fluoride, X-rays, Sealants (sealants covered through age 14)	100%
Class II- Basic Fillings, Extractions, Restorations, Oral Surgery, Endodontics, Periodontics	80% (90% if you use a WDS PPO Provider*)
Class III- Major Crowns, Inlays & Onlays, Dentures, Bridges	50%
Orthodontia Child and Adult Orthodontia	Covered at 50% to a lifetime maximum of \$2,000
Dependents Covered To	Age 25

If your dental work will be extensive (in excess of \$300), ask your dentist to complete and submit a standard ADA claim form to Washington Dental Service, for a "predetermination". This will allow you to know in advance exactly what procedures are covered, the amount Washington Dental will pay toward the treatment, and your financial responsibility.

*A PPO Provider in your area can be found on the Washington Dental website, www.deltadentalwa.com by entering your zip code and type of dental services you are seeking.

SUMMARY OF VOLUNTARY VISION BENEFITS VISION SERVICE PLAN (VSP)

BENEFIT	PARTICIPATING PROVIDER	NON-PARTICIPATING PROVIDER
Examination - once every 12 months	Paid in full after \$10 copay	\$45 allowance
MATERIALS BELOW ARE SUBJECT TO A \$25 COPAYMENT		
Basic Lenses - once every 12 months		
Single vision	Paid in full after copay	\$45 allowance
Bifocal	Paid in full after copay	\$65 allowance
Trifocal	Paid in full after copay	\$85 allowance
Frames once every 24 months	\$130 allowance	\$47 allowance
Contacts (in lieu of lenses and frames) once every 12 months	\$130 allowance (no copay applies)	\$105 allowance

Frames: The VSP program covers a wide selection of quality frames. Because of the cosmetic nature of frames, VSP has a limit on the cost of frames provided under the program. Patients who select frames that exceed the limit will be responsible for the difference. You can find out from your eye doctor which ones will be within your limit when you are looking at frames.

Contact lenses (necessary) – VSP furnishes contact lenses when the member doctor secures prior approval for any of the following conditions: a) following cataract surgery; b) to correct extreme visual acuity problems that cannot be corrected with spectacle lenses; c) certain conditions of anisometropia; and d) keratoconus. If the request is approved, the contact lenses are fully covered by VSP when services are obtained from a VSP member doctor.

TIPS FOR USING YOUR VSP COVERAGE

When using a VSP participating provider give them only the employee's social security number. There is no ID card and no paperwork since they view your eligibility in the computer. If you see a non-participating provider, you pay the bill in full, and then get reimbursed the allowed amount by VSP. For reimbursement call VSP, 800-877-7195, and get a "claim number". On the receipt, they need to see the claim number, the employee's social security number, your name and your date of birth. Send the receipt to VSP, Attention Non Member Claims, PO Box 997100, Sacramento, CA 95899-7100.

For a list of participating providers call VSP Customer Service, 800-877-7195, or log into the VSP website, www.vsp.com.

Shop around for your glasses. Participating providers charge different prices, and discounts at national store chains such as Costco or Wal-Mart can be substantial. Everyone has different needs, but there are rare cases where a participating provider marks up the non-covered aspects of your hardware (progressive lenses, tinting, etc.) to the point where the cost is more than if you went to a non-participating discount store and were reimbursed at the limited schedule.

VOLUNTARY TERM LIFE INSURANCE

STANDARD

Voluntary term life insurance is purchased at your own expense through payroll deduction. It is a convenient and affordable way to supplement your family's life insurance protection. Detailed contract provisions apply. Read the contract for specific answers. If the following information conflicts with the contract, the contract will control.

	Employee	Spouse	Child
Maximum The maximum amount of insurance that can be purchased.	Six times annual salary up to \$500,000. Purchased in units of \$10,000	100% of employee amount up to \$250,000. Purchased in units of \$10,000	50% of employee amount up to \$10,000. Purchased in units of \$2,000
Minimum	Units of \$10,000	Units of \$10,000	Units of \$2,000 per child
Guarantee Issue Amount The amount of insurance that can be purchased without answering health questions (offered only when you are first eligible to sign up).	Up to \$50,000	Up to \$20,000	Up to \$10,000
Accelerated Benefit	Covered persons who are terminally ill can receive up to 75% of their benefit prior to death if diagnosed with a qualifying medical condition with 24 months, or less, to live.		
Waiver of Premium	If you become disabled prior to age 60, and cannot work for a year or more, your premium will be waived until you return to work or your coverage terminates.		
Note	If you do not apply for coverage for you or your dependent(s) during the 31-day initial enrollment period, you will need to complete an evidence of insurability form for all amounts of coverage.		
Portability and Conversion	You may elect to continue life insurance if your employment terminates for any reason other than injury or sickness, or the group policy terminates. You have 30 days from the date of separation of employment to elect this portability feature. (May not port coverage if termination from employment is due to retirement; however, retirees may convert their policies.) See Human Resources for the paperwork or for more information. Rates may change.		
AGE	EMPLOYEE RATE (monthly rate per \$10,000 of coverage)	SPOUSE RATE (monthly rate per \$10,000 of coverage)	
20-24	\$0.66	\$0.70	
25-29	\$0.71	\$0.75	
30-34	\$0.82	\$0.90	
35-39	\$0.98	\$1.05	
40-44	\$1.45	\$1.55	
45-49	\$2.35	\$2.45	
50-54	\$3.91	\$4.09	
55-59	\$5.81	\$5.87	
60-64	\$8.74	\$9.57	
65-69	\$12.53	\$13.53	
CHILDREN	\$0.44 per two thousand, each child		

PREMIUM CALCULATION WORKSHEET				
	Benefit Amount	# of Units	Rate	Monthly Cost
Employee (1 unit = \$10,000)	\$ _____	= _____ units	x \$ _____	= \$ _____
Spouse (1 unit = \$10,000)	\$ _____	= _____ units	x \$ _____	= \$ _____
Children (1 unit = \$2,000)	\$ _____	= _____ units	x \$ _____	= \$ _____
TOTAL MONTHLY COST				= \$ _____

FLEXIBLE SPENDING ACCOUNT

PREMIUM ONLY PROGRAM

The premium conversion program allows employees to avoid Social Security tax and federal income tax on monthly amounts that are payroll deducted for group insurance (medical, dental, vision and life) premiums. There are no forms to fill out. Participation in the program is automatic unless you request in writing not to participate in the premium only program (contact the Human Resources office).

MEDICAL & DENTAL REIMBURSEMENT ACCOUNT PROGRAM (HEALTH FSA)

The medical and dental reimbursement account program lets you use pre-tax dollars (up to \$600) to pay medical and dental care expenses that you have paid out-of-pocket. Your contribution will be deducted from your pre-tax salary in equal amounts for the plan year. You may submit claims for reimbursement at anytime once the expense has been incurred.

DEPENDENT CARE REIMBURSEMENT ACCOUNT PROGRAM (DEPENDENT CARE FSA)

The dependent day care account program lets you use pre-tax dollars (up to \$5,000) to pay daycare expenses. Your contribution will be deducted from your pre-tax salary in equal amounts for the plan year. The following example illustrates the benefit of using a flexible reimbursement account.

Example

<i>Without Flexible Reimbursement Account</i>		<i>With Flexible Reimbursement Account</i>	
Gross Monthly Salary	2,500	Gross Monthly Salary	\$2,500
Income Tax @ 15% plus		Qualifying Insurance Premiums	- 200
FICA @ 7.65%	- 566	Qualifying Health Care Expenses	- 50
		Qualifying Dependent Care Expenses	- 350
Net Income (after taxes)	\$1,934	Gross Taxable Income	\$1,900
Qualifying Insurance Premiums	-200	Income Tax @ 15% plus	
Qualifying Health Care Expenses	-50	FICA @ 7.65%	-430
Qualifying Dependent Care Expenses	-350		
Net Spendable Income	\$1,334	Net Spendable Income	\$1,470

As the above example shows, with only \$600 in monthly qualified expenses, you would have an extra \$136 each month (\$1,631 per year) in take home pay, dollars that would otherwise go to pay taxes.

Eligible Expenses

Expenses covered but not paid by insurance such as copays, deductible, coinsurance (the percentage of charges not covered) within the plan year, and:

- Non-reimbursed medical expenses for preventive, diagnostic, and therapeutic care
- Medicine or other drugs prescribed by a medical doctor, and over the counter drugs used to treat a specific condition
- Non-reimbursed dental expenses for preventive, diagnostic and orthodontic care
- Medicine or other drugs prescribed by a dentist
- Non-reimbursed vision expenses

Non-eligible Expenses

- Expenses reimbursed through any insurance policy or plan
- Expenses incurred before you enroll in the plan
- Expenses you claim as a deduction or credit for income tax purposes

FLEXIBLE SPENDING ACCOUNT (continued)

PLAN RULES

The IRS requires that you use all the money you contribute to your account or forfeit the remainder at the end of the plan year.

You must incur the expense during the plan year.

You have 60 days from the end of the plan year to submit claims.

Making Changes

Your dollar selection to fund your health FSA or dependent care FSA will be effective for the entire plan year, unless you have a change of family status as shown below. The plan year is January 1 through December 31.

You may change your benefit selection during the plan year within 31 days of a change in family status. These changes include: marriage, legal separation or divorce, birth, adoption or change in custody of a minor child, change in your spouse's employment status, death of your spouse or child, change between full-time and part-time status by an employee or spouse, unpaid leave of absence by employee or spouse, or significant change in coverage of employee or spouse due to spouse's employment.

Making Claims

When you incur an eligible expense during the year, file a request for reimbursement form (available in the Human Resources office).

Enclose proof of payment, such as an invoice, receipt or canceled check.

DEPENDENT CARE SPENDING ACCOUNT

The Dependent Care Spending Account is a tax-effective way to pay childcare or other dependent care services that enable you or you and your spouse to work outside the home.

You may use this account to pay for eligible day care expense incurred for:

A child up to age 13 for whom you claim a deduction on your income tax form, or

A spouse or disabled dependent age 13 or older (your parent, for instance) who is physically or mentally incapable of self-care, who normally spends at least eight hours in your home each day, and for whom you pay more than half the cost of support.

Eligible day care expenses include costs for nursery schools, day care providers, babysitters and other types of day care. A provider cannot be another dependent of yours, such as an older child. Nursery schools and day care centers must comply with state and local regulations if their expenses are to be eligible for reimbursement.

You may set aside up to \$5,000 each plan year in your Dependent Care Spending Account through automatic payroll deductions or \$2,500 if you are married filing a separate return.

Dependent Care Spending Account vs. the Dependent Care Tax Credit

For many employees, the Dependent Care Spending Account is a better method than taking the dependent care tax credit on the income tax return. Generally, the tax credit is more beneficial if your adjusted gross income is less than \$24,000.

Government Rules on Unused Funds

Federal tax law says that any money left in your account at the end of the plan year must be forfeited.

FAMILY AND MEDICAL LEAVE ACT

NOTIFICATION

The Family and Medical Leave Act of 1993 (FMLA) is a federal law that became effective on August 5, 1993 for most companies and non profit organizations with 50 or more employees.

FMLA applies to all employees who have:

- 12 months of employment with the company *and*
- 1,250 hours or more of service in the preceding 12 months.

FMLA provides 12 weeks of unpaid leave in any 12 month period for the following reasons (Federal requirements):

- To care for oneself, a child, spouse, or parent with a "serious health condition", or "covered service member" who is injured in the line of duty;
- To the immediate family members (spouse, children, or parents) of military personnel or reservists who have "any qualifying exigency" arising out of the service member's active duty or call to active duty in support of a contingency operation.
- Birth, adoption or placement of a child for foster care.

A SERIOUS HEALTH CONDITION IS DEFINED AS

- One that requires continuing treatment from a health care provider.
- Conditions that require an absence from work or regular daily activities for more than 3 days.
- Treatment for pregnancy and certain chronic conditions such as diabetes and asthma even though treatment may last less than three days.
- Conditions and medical treatments that are not ordinarily incapacitating on a day to day basis such as chemotherapy and radiation treatment, kidney dialysis, and physical therapy for severe arthritis.
- Mental illness may qualify.
- Specifically excluded are common colds, flu, upset stomach, routine dental problems and stress.

EMPLOYEE RESPONSIBILITIES

- Provide a 30-day notice for foreseeable leaves for birth, adoption, foster placement, or planned medical treatment.
- Continue to pay any required health plan contributions.

IT IS IMPORTANT TO REMEMBER

- With employer's approval, leave may be taken intermittently or by working a reduced week. However, an exception exists for an employee or family member's serious health condition whereby leave is taken whenever medically necessary.
- An employer is allowed to substitute an employee's accrued paid leave for any of the 12-week period.
- The employer is allowed to recover the cost of health benefits paid during the leave if the employee does not return to work.
- During the leave, the employee is ineligible for unemployment compensation.

COBRA

If you enroll yourself and any dependents in medical and/or dental coverage, you will be mailed an Initial Notice of COBRA Rights by your employer. **Both employee and spouse (if married) should carefully read through this information.** Should any of the following qualifying events occur while you are an active employee, you will be offered continued coverage rights through Federal COBRA law:

1. Termination of employment (for reasons other than gross misconduct), 18 months of continued coverage.
2. A reduction in your hours of employment; or
3. You are a retiree and your employer has filed for reorganization under Chapter 11 of the Bankruptcy Code, 18 months of continued coverage.

If you are the spouse or dependent child of an employee enrolled in a group medical, dental, and vision plans, you have the right to choose continuation of coverage for yourself if you lose group coverage for any of the following reasons:

1. Termination of your spouse's employment (for reasons other than gross misconduct), 18 months of continued coverage.
2. Death of your spouse, 36 months of continued coverage
3. Divorce or legal separation from your spouse, 36 months of continued coverage
4. Your spouse becomes eligible for Medicare (resulting in the loss of dependent coverage under this plan), 36 months of continued coverage.
5. Your retired spouse's employer files for Chapter 11 reorganization, 18 months of continued coverage.
6. Your child ceases to be a dependent or attains the maximum age allowed by the carrier, 36 months of continued coverage.
7. Your spouse's hours of employment are reduced, 18 months of continued coverage.