2019 - 2020

BENEFITS GUIDE

HEWITT
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Welcome

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 7 days of your date of hire. If you enroll on time, coverage is effective on the first of the month following 60 days of employment.

  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 August 1 - July 31, 2020.

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 or gain 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.

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.*

Inside

Medical Benefits

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

Baylor Scott & White 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.

Baylor Scott & White 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.

Baylor Scott & White 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[1] 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.

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.
- **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.
- **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, the City will contribute $1,300 annually to your HSA. For new enrollees, the City of Hewitt will fund $600.00 upon an employee's first-time enrollment in the HSA plan. **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	*2019*
Employee Only	$3,500
Family (employee + 1 or more)	$7,000
Catch-up (55+)	$1,000

Your HSA is yours for life. The money is yours to spend or save, regardless of whether you change health plans[2], 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.

[1] *Tax free under federal tax law; state taxation rules may apply*
[2] *You must be enrolled in a qualified health plan to contribute to an HSA.*

Medical Benefits *continued*

Key Medical Benefits – Baylor Scott & White Health	HMO Buy-Up Plan		HSA HDHP 100% Plan		HMO Core Plan	
	In-Network Only	Out-of-Network[1]	In-Network Only	Out-of-Network[1]	In-Network Only	Out-of-Network[1]
Deductible (per calendar year)						
Individual / Family	$0 /$0	N/A / N/A	$3,500 / $7,000	N/A / N/A	$2,500 / $5,000	$7,500 / $15,000
Out-of-Pocket Maximum (per calendar year)						
Individual / Family	$3,000 [3] / $6,000 [3]	N/A / N/A	$3,500 / $7,000	N/A / N/A	$5,000 / $10,000	$15,000 / $30,000
City Contribution to Your Health Savings Account (HSA)						
Annual Contribution	N/A	N/A	$1,300		N/A	N/A
Covered Services						
Office Visits (physician/specialist)	$40 Copay	Not Covered	0% after Deductible	Not Covered	$30 / $50 copay	50% after Deductible
Routine Preventive Care	No charge	Not Covered	No charge	Not Covered	No charge	50% after Deductible
Outpatient Diagnostic (lab/X-ray)	No charge	Not Covered	0% after Deductible	Not Covered	No charge	50% after Deductible
Complex Imaging	20% of charges	Not Covered	0% after Deductible	Not Covered	20% after Deductible	50% after Deductible
Chiropractic	20% of charges	Not Covered	0% after Deductible	Not Covered	$20 copay	50% after Deductible
Ambulance	20% of charges	20% of charges	0% after Deductible	0% after Deductible	20% after Deductible	20% after Deductible
Emergency Room	20% of charges	20% of charges	0% after Deductible	0% after Deductible	$250 copay / 20%	$250 copay / 20%
Urgent Care Facility	$75 Copay	$75 Copay	0% after Deductible	0% after Deductible	$75 Copay	$75 Copay
Inpatient Hospital Stay	20% of charges	Not Covered	0% after Deductible	Not Covered	20% after Deductible	50% after Deductible
Outpatient Surgery	20% of charges	Not Covered	0% after Deductible	Not Covered	20% after Deductible	50% after Deductible
Prescription Drugs (Tiers)						
Retail Pharmacy (30-day supply)	$10 / $45 / $85	Not Covered	0% after Deductible	Not Covered	$10 / $45 / $85	50% after Deductible
Mail Order (90-day supply)	$25 / $112.50 / $212.50	Not covered	0% after Deductible	Not Covered	$25 / $112.50 / $212.50	50% after Deductible

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

NexStep GAP Supplement

In combination with the Consumer Choice HMO Core Plan, the City will be providing a GAP Supplement Plan through NexStep. This plan can assist in offsetting out of pocket expenses if you were to have an in-patient or out-patient claim during the plan year. The City will fund the cost for employee-only coverage, and employees will have the option of purchasing additional coverage for dependents.

- Out-Patient Benefit Up to $1,500 (per condition; Four per family per calendar year)
- In-Hospital Benefit Up to $3,000 (per calendar year)

Exclusions: In addition to following the exclusions outlined by Scott and White Health Plans, the GAP plan does not reimburse for copays, mental health, and alcohol or drug addiction treatments.

Dental Plan

We are proud to offer you a dental plan.

United Concordia 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.

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

Key Dental Benefits	United Concordia - DPPO	
	In-Network Only	Out-of-Network[1]
Deductible (per calendar year)		
Individual / Family	$50 / $150	$50 / $150
Benefit Maximum (per calendar year; Preventive, Basic, and Major Services combined)		
Per Individual	$1,500	$1,500
Covered Services		
Preventive Services	100%	100%
Basic Services	80%	80%
Major Services	50%	50%
Orthodontia	$1,500 Maximum / 50%	$1,500 Maximum / 50%

***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. Deductibles and Maximums are combined for Network and Out of Network.

Vision Plan

We are proud to offer you a vision plan.

The **Avesis** 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 **Avesis** network.

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

Key Vision Benefits - Avesis	In-Network	Out-of-Network Reimbursement
Exam (once every 12 months)	$10 Copay	Up to $45
Materials Copay **Lenses (Once every 12 months)**	$15 Copay	Up to $50
Frames (once every 24 months)	$150 Allowance	Up to $50
Contact Lenses (once every 12 months; in lieu of glasses)	Covered up to $130	Up to $130

We provide you with an opportunity to participate in up to two different flexible spending accounts (FSAs) administered through Discovery Benefits. 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 2019, you may contribute up to $2,700 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**.

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 2019, 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 qualified 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.

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.

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

Life and AD&D Insurance

Life/AD&D Insurance

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 Lincoln Financial.

Benefit Amount	1 Times your base salary, up to a $150,000 maximum

Supplemental Life/AD&D (Employee-paid)

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

Benefit Option		Guaranteed Issue*
Employee	Class 1: 5X BAE up to $300,000 Class 2: 5X BAE up to $300,000 Class 3: 5X BAE up to $300,000	Class 1: $100,000 Class 2 & 3: $150,000
Spouse/RDP	$10,000 increments; to $200,000	$20,000
Child(ren)	Under age 26 - Up to $10,000	$10,000

*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.

Voluntary Short-Term Disability	
Provided to you/an affordable group rate through Lincoln Financial	
Benefit Percentage	60%
Weekly Benefit Maximum	$1,000
When Benefits Begin	8th day
Maximum Benefit Duration	12 weeks

Long-Term Disability	
Provided at NO COST to you/an affordable group rate through Lincoln Financial	
Benefit Percentage	60%
Monthly Benefit Maximum	$5,000
When Benefits Begin	After 90th day of disability
Maximum Benefit Duration	Social Security Retirement Age

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 Alliance Work Partners.

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 three in-person sessions with a counsellor per issue, per year, per individual
- Unlimited toll-free phone access and online resources

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.

Specified Health Event

Did you know that the average total out-of-pocket cost related to treating a critical illness is over $7,000[1]? 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.

Hospital Confinement Insurance

The average cost of a hospital stay is $10,000[2]—and the average length of a stay is 4.8 days[3]. 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.

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

Cost of Benefits

Your contributions toward the cost of benefits are automatically deducted from your paycheck before taxes, when permitted. The amount will depend upon the plan you select and if you choose to cover eligible family members.

Contact Information

If You Have Questions About	Contact	By Phone	On the Internet
Medical Coverage	Scott & White Health Plan	800-728-7947	www.swhp.org
Pharmacy Coverage	Scott & White Health Plan	800-728-7947	www.swhp.org
Dental Coverage	United Concordia	800-332-0366	www.UnitedConcordia.com
Vision Coverage	Avesis	800-828-9341	www.avesis.com
Health Savings Account (HSA)	Discovery Benefits	877-765-8815	www.discoverybenefits.com
Flexible Spending Account (FSA)	Discovery Benefits	866-451-3399	www.discoverybenefits.com
Life and AD&D	Lincoln	800-423-2765	www.lfg.com
Long Term Disability	Lincoln	800-423-2765	www.lfg.com
Retirement	TMRS	800-924-8677	www.tmrs.org
457 Plan	ICMA Retirement Corp.	800-669-7400	http://www.icmarc.org/
Employee Assistance Program	Alliance Work Partners	800-343-3822	www.alliancewp.com
AFLAC	Jim Cox	254-495-8559	james_cox@us.aflac.com

Questions?

If you have additional questions, you may contact:

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