



# Phoenix House

## **PHOENIX HOUSE BENEFIT SUMMARY**

**ALL STATES EXCEPT CALIFORNIA**

The Phoenix House Employee Benefits Program illustrates the organization's commitment to providing comprehensive benefit protection for employees and their families. In addition, the Benefits Program recognizes and rewards the contributions that employees make in enabling Phoenix House to fulfill its mission of helping troubled people change their lives. Full-time employees are eligible for the benefits listed in this Summary in accordance with the provisions of each benefit plan. Employees working less than full-time are eligible for benefits in accordance with the "Benefit Coverage" schedule on the last page of the Benefits Summary and the provisions of each benefit plan.

Employees are eligible for most benefits after some period of employment (see individual benefit listing for specific eligibility rules). Any employee who changes their status from part-time under 30 (not eligible for benefits) to part-time over 30 (eligible for benefits) or to full-time (eligible for benefits), will be allowed to count the time worked in a part-time capacity toward meeting the benefit eligibility waiting period. If an employee leaves Phoenix House and is eligible for benefit coverage at the time of their departure, the employee will be eligible for immediate benefit coverage if the employee returns within 90 days of the date of departure. If the employee returns after 90 days, the employee will not be eligible for benefit coverage until they meet the specified eligibility waiting period. If the employee was not eligible for benefit coverage at the time of the departure, the employee will not be eligible for benefit coverage until they meet the specified eligibility waiting period.

Phoenix House benefits are available to employees within the first six months of employment. Changes to employee benefits can only be made during open enrollment, and / or if you have a "Qualified Life Event." Qualified Life Events are: birth, marriage, divorce, death, the employee and / or dependent child(ren) lose eligibility for coverage under Medicaid or CHIP, or the employee and / or dependent child(ren) becomes eligible for premium assistance from Medicaid or CHIP allowing him or her to enroll in Phoenix House's benefit plans.

If it is determined that an employee applied for and received benefit coverage for a non-eligible dependent and/or an employee entered incorrect data in order to obtain coverage and/or to receive a more favorable employee cost, the employee will be subject to disciplinary action, up to and including termination.

Phoenix House reserves the right to change the benefit package and/or our pay practices, or any components thereof, at its discretion at any time. Neither the supplying of benefits nor any information contained herein implies or infers that Phoenix House has any contractual obligations as it relates to employment or benefit continuation. This benefit summary provides an outline of the plans in the Phoenix House benefits program. Detailed descriptions of each plan are contained in the official plan texts, insurance contracts and trust agreements, which are the legal documents that govern the operation of the plans, the rights of employees to benefits, and the calculation and payment of benefits. In the event of a conflict between the official plan documents and the summaries contained herein, the applicable plan texts, insurance contracts and/or trust agreements will govern.

This Summary of Employee Benefits, coupled with the Summary of Leave and Pay Practices, provides an overview of key national policies and procedures associated with benefits, leave policy and pay practices. In addition to the policies and procedures contained within this document and the Summary of Leave and Pay Practices, there may be other policies and procedures that are communicated individually and/or policies and procedures that apply on a regional/facility basis. Employees, stipends, interns and volunteers are expected to comply with all communicated and

applicable policies and procedures. Failure to adhere to all communicated policies and procedures, whether contained in this document or whether communicated verbally or in writing, can result in disciplinary action, up to and including termination of employment.

The contents of this Summary supersede any prior handbook or other policy manual. No one other than the President, Senior Vice President of Human Resources, and the Vice President of Legal are authorized to change or modify these policies and procedures. This version of the Summary replaces any and all prior verbal and written communications regarding policies, benefits, procedures, working conditions, etc. It is Phoenix House’s policy to comply with all applicable law, including laws concerning discrimination and sexual harassment. This Guide is not intended to provide any contractual remedy to Phoenix House’s employees.

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## MEDICAL (American Worker Plans)

**Available During First Six Months of Employment and to Part-time Employees**

**MEDICAL AND RX COVERAGE IS AVAILABLE TO ALL EMPLOYEES (FULL-TIME AND PART-TIME) FROM THE FIRST DAY OF EMPLOYMENT VIA TWO DIFFERENT PLANS**

- For part-time employees working less than 30 regularly scheduled hours per week and employees in the first six months of their employment, we offer a choice of two different limited coverage medical and Rx plans through Transamerica Insurance Company – the American Worker Preferred Plan and the American Worker Elite Plan.
- The definition of eligible for American Worker Plan (AWP) coverage is as follows:
  - Eligible employees are defined as all part-time employees working less than 30 hours and all new hires who are more than 2 months away from being eligible for UHC coverage.
  - Eligibility is defined as new hires who are not eligible for UHC coverage and /or employees who have a status change that makes them ineligible for UHC coverage. These employees will have two months from the date of employment or status change to enroll in the AWP plan.
- Employees who are eligible to enroll in UHC coverage or new hires during the open enrollment period who are within 60 days of being eligible for UHC coverage, are not eligible to enroll in the AWP program.

### The American Worker Plans

TRANSCOICE	PREFERRED	ELITE
Doctor's Office Visits • Calendar year maximum	Pays \$50 per Visit Maximum 5 Visits	Pays \$75 per Visit, Maximum 5 Visits
Diagnostic X-ray and Lab • Calendar year maximum	Pays \$50 per Visit, Maximum 3 Testing Days	Pays \$75 per Visit, Maximum 3 Testing Days
Preventative Care • Calendar year maximum	Pays \$75, 6 Month Wait, 1 Visit Per Year	Pays \$100, 6 Month Wait, 1 Visit Per Year
Accidental Preventative Care • Calendar year maximum	Up to \$500 per Occurrence, Maximum 5 Accidents	Up to \$1,000 per Occurrence, Maximum 5 Accidents
Surgical Benefit	Pays \$1,000 per Surgery (According to a schedule)	Pays \$1,500 per Surgery (According to a schedule)
Anesthesia Benefit	20% of Surgical Benefit	20% of Surgical Benefit
Critical and Subsequent Critical Illness Benefit	Pays \$2,500	Pays \$2,500
Daily In- Hospital • Calendar year maximum	Pays \$300 per Day, 30 Days per Confinement	Pays \$500 per Day, 30 Days per Confinement
Life and AD&D Insurance • Employee • Spouse (Life Only)	\$5,000 \$2,500	\$5,000 \$2,500
<b>Employee Cost (per pay period)</b>		
Employee:	\$35.49	\$47.71
Employee + Spouse	\$57.24	\$80.74
Employee + Child(ren)	\$54.73	\$76.99
Family	\$76.48	\$110.01

Included in all plans are the Prescription Card, New Benefits Discount Program, and PPO Network

- **Pharmaceutical Benefits- Best Rx- Provided by Rx Options, Inc.- Network Use Required**
  - Select Generic Drugs- \$10, \$20, or \$50 tier (30-day supply)
  - Select Brand Name Drugs- \$10, \$20, Or \$50 tier (30-day supply)
  - Non- Select Brand and Generic Drugs- discounts averaging 19% off the average wholesale price (30-day supply)
  
- **“New Benefits” Discount Program -**This program offers employees discounts on health services and provides access to medical information.
  - Health Service Discounts: Vision- Save up to 60%
  - Medical Information: Access to a 24 hour Nurse Hotline
  - Hearing – Save up to 50% (Network Use Required)
  - Access to Counseling services and discounted referrals
  
- **PPO Benefit- National Preferred Provider Network (NPPN) -** Members have access to a PPO Network, which provides discounts on Hospital and Physician services. Using the PPO Network may lower out-of-pocket medical expenses. The NPPN network is comprised of more than 450,000 physician locations, nearly 4,000 acute care facilities, and more than 65,000 ancillary care provider locations. Network Use Required.

**To enroll in the AWP plans, call 1-800- 481-9979. The Enrollment Center is available between the hours of 8:30AM and 7:00PM, Monday – Friday, EST. To locate a network provider visit [www.nppn.com](http://www.nppn.com).**

Please Note: Because the AWP benefits are being paid in arrears and the UHC benefits are paid in advance, (when you become eligible) you may experience an overlap in deductions for one or two pay periods when you switch from AWP to UHC.

**MEDICAL (United Healthcare)**  
**Available to Full-time and Part-time Employees who work 30 hours or more per week after six months of Employment**

Medical coverage is available to full-time employees and to part-time employees who work 30 hours or more per week on a regularly scheduled basis following six months of employment except in Massachusetts. In Massachusetts, coverage is available to full-time employees and to part-time employees who work 64 hours or more per month.

Phoenix House offers two United Healthcare medical plans - an EPO – exclusive provider network and a PPO – preferred provider network except in the states of Texas, Vermont and Massachusetts where only a PPO plan is offered. The provisions of the EPO and PPO are described below:

**The EPO Plan (Exclusive Provider Network)**

[Designed for employees who always stay in-network.]

United Healthcare Choice Plus EPO <i>(except for TX, MA, &amp; VT)</i>	In-Network
Office Co-pay	\$30 PCP/Specialist
Deductible (single/family)	\$1,000/\$2,000
Co-Insurance Employee	10% after deductible
Out-of-Pocket Maximum (single/family)	\$1,000/\$2,000 after deductible
Lifetime Plan Maximum	Unlimited
Hospital Admission Co-insurance Employee	10% after deductible
ER Co-pay (waived if admitted)	\$200
Referral Needed for Specialist	No

### **The PPO (Preferred Provider Organization) Plan**

[Designed for those that need/want both in-network and out-of-network benefits.]

United Healthcare PPO <i>(except for TX, MA, &amp; VT)</i>	In-Network	Out-of-Network
Office Co-pay	\$30 PCP/Specialist	40% after deductible
Deductible (single/family)	\$500/\$1,000	\$1,500/\$3,000
Co-Insurance Employee	10%	40%
Out-of-Pocket Maximum (single/family)	\$1,000/\$2,000 after deductible	\$4,000/\$8,000 after deductible
Lifetime Plan Maximum	Unlimited	Unlimited
Hospital Admission Co-insurance – Employee	10% after deductible	40% after deductible
ER Co-pay (waived if admitted)	\$200	
Referral Needed for Specialist	No	No

Because of various state insurance regulations, the EPO and PPO plans as described above are available in all states except for Texas, Massachusetts and Vermont.

In Texas and Massachusetts, only a PPO plan will be offered. Employees will receive all the benefits of the PPO plan (both in-network and out-of-network benefits) described above except the annual in-network deductible will be \$1,000/\$2,000 (same as the EPO).  
 employee PPO plan and

United Healthcare PPO <i>Texas and Massachusetts Only</i> WILL BE OFFERED AT EPO RATES	In-Network	Out-of-Network
Office Co-pay	\$30 PCP/Specialist	40% after deductible
Deductible (single/family)	\$1,000/\$2,000	\$1,500/\$3,000
Co-Insurance Employee	10% after deductible	40% after deductible
Out-of-Pocket Maximum (single/family)	\$1,000/\$2,000 after deductible	\$4,000/\$8,000 after deductible
Lifetime Plan Maximum	Unlimited	Unlimited
Hospital Admission Co-insurance - Employee	10% after deductible	40% after deductible
ER Co-pay (waived if admitted)	\$200	
Referral Needed for Specialist	No	No

The cost for the in Texas

Massachusetts will be the EPO rates. The Texas and Massachusetts PPO is shown below.

In Vermont, only a PPO plan will be offered. Employees will receive all the benefits of the PPO plan described above except the annual deductible will be \$1,000/\$2,000 (same as the EPO). In addition, instead of a \$30.00 co-pay for an office visit, employees pay 10% of the office visit cost and the office visit is not subject to the \$1,000 annual deductible. The 10% paid for an office visit will be applied toward the annual out-of-pocket maximum (but not the \$1,000 annual deductible in effect for all other services)

All services provided by Vermont medical care providers (hospitals and physicians) will be considered “in network.” The employee cost for the PPO plan benefits will be the EPO rates. The Vermont PPO plan is shown below.

United Healthcare PPO <i>Vermont Only</i> WILL BE OFFERED AT EPO RATES	In-Network	Out-of-Network
Office Co-pay	10%	10%
Deductible (single/family)	\$1,000/\$2,000	\$1,000/\$2,000
Co-Insurance Employee	10% after deductible	10% after deductible
Out-of-Pocket Maximum (single/family)	\$1,000/\$2,000 after deductible	\$1,000/\$2,000 after deductible
Lifetime Plan Maximum	Unlimited	Unlimited
Hospital Admission Co-insurance - Employee	10% after deductible	10% after deductible
ER Co-Insurance	10%	
Referral Needed for Specialist	No	No

Medical pre-certification required for both the EPO and PPO plans.

- If an employee receives services from an In-Network Provider:
  - The provider is responsible for notifying United Healthcare
- If an employee receives services from a Non-Network Provider, the employee must contact UHC Member Services prior to obtaining the following services:
  - Inpatient Hospital Admission
  - Home Health Care Services
  - DME/Prosthetics in excess of \$1,000
  - Transplant Services
- For both Network and Non-Network Mental Health/Chemical Dependency related services, an employee must contact United Behavioral Health at the toll free number listed on the ID Card
- Emergency Room Services and Emergency Admissions (either in-network or out-of-network):
  - An employee must notify Medical Management within 48 hours after receiving care in Emergency Room (via the toll free # on the back of the ID Card.)
- If you use Non-Network Providers, reimbursement is subject to Usual, Customary and Reasonable (UCR) charges at the 70<sup>th</sup> percentile, as determined by UHC. Your provider may balance bill you for amounts above UCR, and amounts above UCR do not accumulate toward your deductible and/or out-of-pocket maximums.

## Cost for UHC Healthcare Coverage

To ensure that single employees do not shoulder an unfair burden of the healthcare contributions, bi-weekly contributions for medical plans have been generally equalized so that employee + child(ren) pay twice the amount paid by single; the employee + spouse is twice the amount paid by single plus 10% to reflect the fact that employee/spouse coverage costs 10% more; and family coverage is three times the amount paid by single.

UHC EPO Plan Rates (and rates for PPO plan in TX, MA, & VT)				
Salary Range	Single (per pay)	Parent / Child(ren) (per pay)	Couple (per pay)	Family (per pay)
	Employee Pays	Employee Pays	Employee Pays	Employee Pays
Under \$25,000	\$32	\$64	\$71	\$96
\$25,000 - \$34,999	\$42	\$84	\$93	\$126
\$35,000 - \$49,999	\$54	\$108	\$119	\$162
\$50,000 - \$74,999	\$65	\$130	\$143	\$195
Over \$75,000	\$76	\$152	\$168	\$228

Below is a chart showing how much the employee will pay for PPO coverage at various salary levels. All amounts paid by employees for medical coverage are paid out of pre-tax dollars and are not subject to Federal, state, local or FICA taxes. Thus, the actual cost to the employee is 20% to 50% less (depending on tax bracket) than the actual amount of the deduction.

UHC PPO Plan Rates (for all states except TX, MA, and VT)				
Salary Range	Single (per pay)	Parent / Child (ren) (per pay)	Couple (per pay)	Family (per pay)
	Employee Pays	Employee Pays	Employee Pays	Employee Pays
Under \$25,000	\$52	\$99	\$112	\$156
\$25,000 - \$34,999	\$62	\$118	\$134	\$186
\$35,000 - \$49,999	\$74	\$141	\$160	\$222
\$50,000 - \$74,999	\$85	\$162	\$183	\$255
Over \$75,000	\$96	\$183	\$207	\$288

Phoenix House plans are “self-insured” and thus are not subject to most state mandates such as the age that dependents are allowed to stay in the plan. However, due to requirements of health care reform, dependent children may be covered under the medical and prescription plans until the child reaches 26 years of age, regardless of student status.

Additional information about the UHC medical plans and other helpful UHC services can be found at [www.myuhc.com](http://www.myuhc.com) or call 1-800- 741-8786.

Please Note: Because the AWP benefits are being paid in arrears and the UHC benefits are paid in advance (when you become eligible), you may experience an overlap in deductions for one or two pay periods when you switch from AWP to UHC.

## MEDICAL SMOKER SURCHARGE

The new healthcare legislation that Congress passed in 2010 included an emphasis on wellness – especially around the issue of smoking. The new regulations make it possible (and some say even encourage) organizations to charge a surcharge on smokers as a way of discouraging smoking. The surcharge can be up to 20% of the annual policy premium.

Our mission at Phoenix House is all about overcoming addiction and thus, we have been a leader in Tobacco Independence and our facilities and grounds have been smoke free for over four years. As a way of further encouraging non-smoking, **all employees who are smokers will continue to pay a Smoker Surcharge on the cost of their annual medical policy premiums**. The surcharge only applies if the employee is a smoker (not if family members smoke) and is not enrolled in a smoking/tobacco cessation program.

The amount of the smoker surcharge is as follows:

	Coverage Tier	Smoker Surcharge Per Pay
<b>UHC EPO and PPO Plans</b>	Employee	\$15.00
	Employee + Spouse	\$33.00
	Employee + Child(ren)	\$30.00
	Family	\$45.00

Obviously, if the employee has not smoked cigarettes, cigars or pipes or used chewing tobacco within the past 12 months, the surcharge will have no impact on the employee's cost of medical coverage.

**If the employee is a smoker, the employee can avoid the surcharge** if the employee is enrolled in an approved smoking cessation program. All employees who participate in the Phoenix House medical plans will be asked to certify in writing that they are a non-smoker or that they are enrolled in a smoking cessation program. If the employee certifies that he/she meets one of these two criteria, the employee will not be charged the surcharge. Proof of enrollment in a qualified smoking cessation program must be submitted with the Smoker Surcharge Waiver form.

Phoenix House makes available to employees a number of smoking cessation programs including:

1. UnitedHealthcare, through an affiliation with United Health Allies, offers smoking cessation programs and discounts on smoking cessation over-the-counter products. To participate, employees should log onto [www.myuhc.com](http://www.myuhc.com) and register with UHC. Once you have registered and logged into the system, look on the right of the home page and find a tab for "Extra Programs and Discounts." Click on this link and then click on "UnitedHealth Allies."

Once you are on the UnitedHealth Allies site, you will need to register again - just follow the instructions on the site. Once you are registered and are logged into UnitedHealth Allies, click on the "Wellness" tab at the top of the page. Under this link, you will find a variety of wellness programs including "Smoking Cessation" programs. Click on "Smoking Cessation" and there are currently the following four programs listed:

- Quit Smart – program offers UHC members a discount for their Stop Smoking Kit
  - Free and Clear - UHC members pay \$200 for a lifetime program. Normally \$375. A savings of 46%. For more information call 1-866-QUIT-4-LIFE
  - Family Meds - Members receive a 15% discount on smoking cessation products and 10% discount on over-the-counter pharmacy items. For more information, 1-888-787-2800
  - Cirrus healthcare - employees receive 20% discount on smoking cessation products
2. The Healthy Rewards Program through CIGNA Behavioral Health. Employee can register with Cigna (see instructions below on how to register). After registering and signing on, go to the section on Tobacco Cessation Programs. Employees can receive significant savings on smoking cessation programs and products such as:
    - Healthyroads Tobacco Cessation Program - tobacco cessation psychologists, qualified support staff, online tools, print material and product discounts all come together to offer smokers encouragement, tips, incentives and proven methodologies to help become smoke-free.

- Tobacco Solutions - Expanded program now offers savings on a variety of supplies including patches, gum and lozenges. You can also request the eight-week nicotine replacement therapy program that uses the Novartis Habitrol Nicotine Transdermal System (nicotine replacement patch). Program includes eight weeks of step-down therapy using the Habitrol Take Control Support Program Total Therapy Stop Smoking Aid Kit™; 56 nicotine patches to cover eight weeks of step-down therapy for people who smoke at least 10 cigarettes a day; Stages of Change booklet with an eight-week calendar of activities to guide you through the program; Stages of Change compact disc.
- QuitNet - QuitNet uses methods proven to help people quit smoking and combines them into one easy-to-use online program. Save 35% and receive a lifetime online membership, giving you 24/7 access to social support, personalized content, professional counseling and more.
- Follow the instructions below to log into the Healthy Rewards Program

Staying healthy is easier and more affordable with Healthy Rewards®. As a CIGNA Behavioral Health member, you can save up to 60% on health and wellness products and services. When you visit a Healthy Rewards participating provider, simply show your CIGNA Behavioral Health wallet card. If you do not have a wallet card, visit [www.cignabehavioral.com/cgi](http://www.cignabehavioral.com/cgi) and log into the secured **member** section using your **employer ID and pin**. Healthy Rewards discounts are separate from your medical benefits. No copayments, coinsurance, referrals or claim forms - just pay the discounted charge for the product or service that meets your needs. For more information or to locate a participating provider, call 1.800.870.3470 or visit the secure member section at [www.cignabehavioral.com/cgi](http://www.cignabehavioral.com/cgi)

If you log onto [www.cignabehavioral.com/cgi](http://www.cignabehavioral.com/cgi), your id and pin is:

**Employer ID:** lap

**PIN:** member

If you log onto [www.cignabehavioral.com](http://www.cignabehavioral.com), your login id: cigna – you then click on “Quit Your Tobacco Addiction”

3. Employees who participate in the Phoenix House Healthcare Flexible Spending account can obtain reimbursement for over-the-counter smoking/tobacco/nicotine cessation aids such as gums/patches/etc. In addition, the cost of participation in any smoking cessation program, if recommended by your physician, is eligible for reimbursement under the FSA

## DOMESTIC PARTNER BENEFITS

Domestic partner benefits are available for the medical, prescription, dental and vision plans. Domestic partner benefits apply to same sex relationships only except in California where they also apply to members of the opposite sex if at least one of the partners is over age 62 and eligible for social security old-age benefits.

Since the IRS does not recognize domestic partner relationships, the company cost of providing the domestic partner with benefit coverage is fully taxable to the employee. This cost is shown as imputed income on the employee’s paycheck and the employee pays Federal tax (and in some cases State tax) on the amount shown as imputed income.

Employees will be eligible to obtain medical, prescription, dental and vision coverage for a domestic partner in all Phoenix House locations. To qualify as a domestic partner, the employee must complete and sign the “Domestic Partner Declaration”, or provide a valid certificate issued by a foreign, state or local government solemnizing the domestic partnership, civil union, or marriage. The “Domestic Partner Declaration” can be found in “Company Information” > “Company Document Search” on the home page of Source Self-Service. The certificate or the signed Declaration and the supporting documents requested in the Declaration must be sent to the Phoenix House Benefits Manager, Phoenix House Foundation, 164 West 74<sup>th</sup> Street, New York, NY 10023. As with all other coverage changes, coverage for a domestic partner will not be effective until all required paperwork is received and reviewed.

<b>Domestic Partner UHC EPO Plan Contributions</b>									
Salary Range	Employee + Domestic Partner			Employee + Child(ren) + Domestic Partner			Employee + Domestic Partner + Domestic Partner's Child(ren)		
	(per pay)			(per pay)			(per pay)		
	Pre - Tax	Post - Tax	Imputed Income	Pre - Tax	Post - Tax	Imputed Income	Pre - Tax	Post - Tax	Imputed Income
Under \$25,000	\$37.00	\$44.00	\$277.80	\$74.00	\$37.00	\$344.43	\$37.00	\$74.00	\$534.06
\$25,000 - \$34,999	\$47.00	\$56.00	\$265.80	\$94.00	\$47.00	\$334.43	\$47.00	\$94.00	\$514.06
\$35,000 - \$49,999	\$59.00	\$70.00	\$251.80	\$118.00	\$59.00	\$322.43	\$59.00	\$118.00	\$490.06
\$50,000 - \$74,999	\$70.00	\$83.00	\$238.80	\$140.00	\$70.00	\$311.43	\$70.00	\$140.00	\$468.06
Over \$75,000	\$81.00	\$97.00	\$224.80	\$162.00	\$81.00	\$300.43	\$81.00	\$162.00	\$446.06

<b>Domestic Partner UHC PPO High Plan Contributions (for all states except TX, MA, and VT)</b>									
Salary Range	Employee + Domestic Partner			Employee + Child(ren) + Domestic Partner			Employee + Domestic Partner + Domestic Partner's Child(ren)		
	(per pay)			(per pay)			(per pay)		
	Pre - Tax	Post - Tax	Imputed Income	Pre - Tax	Post - Tax	Imputed Income	Pre - Tax	Post - Tax	Imputed Income
Under \$24,999	\$57.00	\$65.00	\$280.61	\$109.00	\$62.00	\$347.56	\$57.00	\$114.00	\$538.44
\$25,000 - \$34,999	\$67.00	\$77.00	\$268.61	\$128.00	\$73.00	\$336.56	\$67.00	\$134.00	\$518.44
\$35,000 - \$49,999	\$79.00	\$91.00	\$254.61	\$151.00	\$86.00	\$323.56	\$79.00	\$158.00	\$494.44
\$50,000 - \$74,999	\$90.00	\$103.00	\$242.61	\$172.00	\$98.00	\$311.56	\$90.00	\$180.00	\$472.44
Over \$75,000	\$101.00	\$116.00	\$229.61	\$193.00	\$110.00	\$299.56	\$101.00	\$202.00	\$450.44

<b>Domestic Partner UHC PPO Low Plan Contributions (for TX, MA, and VT)</b>									
Salary Range	Employee + Domestic Partner			Employee + Child(ren) + Domestic Partner			Employee + Domestic Partner + Domestic Partner's Child(ren)		
	(per pay)			(per pay)			(per pay)		
	Pre - Tax	Post - Tax	Imputed Income	Pre - Tax	Post - Tax	Imputed Income	Pre - Tax	Post - Tax	Imputed Income
Under \$24,999	\$37.00	\$44.00	\$283.06	\$74.00	\$37.00	\$350.64	\$37.00	\$74.00	\$543.86
\$25,000 - \$34,999	\$47.00	\$56.00	\$271.06	\$94.00	\$47.00	\$340.64	\$47.00	\$94.00	\$523.86
\$35,000 - \$49,999	\$59.00	\$70.00	\$257.06	\$118.00	\$59.00	\$328.64	\$59.00	\$118.00	\$499.86
\$50,000 - \$74,999	\$70.00	\$83.00	\$244.06	\$140.00	\$70.00	\$317.64	\$70.00	\$140.00	\$477.86
Over \$75,000	\$81.00	\$97.00	\$230.06	\$162.00	\$81.00	\$306.64	\$81.00	\$162.00	\$455.86

DISCLAIMER: The Internal Revenue Service (IRS) has not released any formal guidance regarding the appropriate methodology for calculating imputed income for non-qualified domestic partner dependents. Without such guidance, please consider this advice as Cammack LaRhette's best attempt to conform to applicable tax laws and regulations. Cammack LaRhette cannot and does not guarantee any results in the event of IRS action. You are strongly advised to consult with counsel and your payroll professionals to verify the advice contained in this document.

## PRESCRIPTION COVERAGE (Medco)

Prescription coverage, along with medical coverage, is available to full-time employees and part-time employees who work 30 hours or more per week on a regularly scheduled basis following six months of employment.

The Prescription Drug Plan is managed by Medco. Retail Pharmacy Plan coverage is - \$10 generic, \$25 branded on formulary, \$50 branded not on formulary per up to one month supply of the prescription. Employees receive a medical ID card from United Healthcare for doctor/hospital coverage and a separate card from Medco for prescription coverage. The prescription drug reimbursement plan has a mandatory mail order requirement for maintenance drugs AFTER the initial fill and one (1) refill. When a prescription has been filled for the second time, the employee will receive a letter from Medco reminding the employee that the next refill must be via mail order and will receive instructions on how to use mail order, where to send the prescription, etc. The Medco by Mail program provides up to a 90-day supply of medication for \$30 generic, \$75 for preferred brands, and \$150 for non-preferred brands.

Prescription coverage cannot be taken separately from medical coverage. Thus, if an employee does not take medical coverage, the employee cannot take prescription coverage and conversely, if the employee takes medical coverage, the employee must elect to take prescription coverage.

Rx coverage for dependent children is available under the prescription plan until the child reaches 26 years of age, regardless of student status.

The employee cost for prescription coverage is shown below. All amounts paid by employees for prescription coverage are paid out of pre-tax dollars and are not subject to Federal, state, local or FICA taxes. Thus, the actual cost to the employee is 20% to 50% less (depending on tax bracket) than the actual amount of the deduction.

	Employee cost (per pay)
Single	\$ 5.00
Couple or Employee Plus Child(ren)	\$ 10.00
Family	\$ 15.00

The Medco formulary and other helpful Rx information can be found at [www.medco.com](http://www.medco.com) or by calling the Medco Special Care Pharmacy at 800-711-0917.

## DENTAL (Delta Dental)

Dental coverage is available to full-time employees and part-time employees who work 30 hours or more per week on a regularly scheduled basis following six months of employment.

An outline of plan provisions is as follows:

Benefits	Delta Dental		
	Delta Dental PPO Dentists*	Delta Dental Premier Dentists*	Out of Network Non-participating Dentists*
Deductible	\$50/\$150	\$50/ \$150	\$50/ \$150
Annual Max	\$1,500	\$1,500	\$1,500
Preventive	100%	70%	70%
Basic	80%	70%	70%
Major	50%	50%	50%
Ortho Lifetime Limit	\$1,000	\$1,000	\$1,000
Waive Deductible for Preventive	Yes	No	No

\*For Delta Dental PPO dentists, percentages are based on PPO Allowed Amount which is the lesser of the dentist's submitted fee or the PPO Maximum Allowance. For Premier and non-participating dentists, percentages are based on the Premier Allowed amount which is the lesser of the dentist's submitted fee or the Premier Maximum Plan Allowance.

Some of services by the plan are follows:

Employee Cost Per Pay Period For Dental Coverage			
	Pre- Tax	Post -tax Tax	Imputed Income
Employee	\$10.00	n/a	n/a
Employee + Spouse	\$20.00	n/a	n/a
Employee + Domestic Partner	\$10.00	\$10.00	\$12.09
Employee + Child(ren)	\$20.00	n/a	n/a
Employee + Spouse, Child(ren)	\$30.00	n/a	n/a
Employee + Domestic Partner + Child(ren)	\$20.00	\$10.00	\$2.09

the covered dental as

- Preventive Services:
  - Oral Exam & teeth cleaning: twice per year
  - X-rays: bitewings twice per year; full mouth series every 2 years
- Basic Services:
  - Fillings: Amalgam, Silicate & Acrylic
  - Root canal therapy
  - Periodontal services
  - Oral surgery: extractions
  - General Anesthesia
- Major Services:
  - Bridge Installation
  - Dentures
  - Inlays, Onlays, Crowns and Posts

Dental coverage is available for dependent children until the child reaches 19 years of age or 23 years of age if the child is a fulltime student.

Employees share in the cost of dental coverage. The amount of the employee's dental contribution depends on the type of coverage the employee chooses. Employee contributions are on a pre-tax basis, except in the case of domestic partners. Shown below are the per-pay contribution amounts for dental coverage.

A list of in-network providers can be found at [www.deltadentalins.com](http://www.deltadentalins.com) or by calling 1-800-932-0783

## VISION (VSP )

Upon employment, vision coverage is available to full-time employees and part-time employees who work 30 hours or more per week on a regularly scheduled basis.

Phoenix House offers two different vision insurance plans.

- Plan A provides for an eye exam every 12 months and spectacle lenses (and frames) or contact lenses every 24 months.
- Plan C provides for an eye exam every 12 months and spectacle lenses (and frames) or contact lenses every 12 months. In addition, under Plan C, coverage for tinted or photo chromic spectacle lenses is included.
- Both plans require a \$5.00 co-pay at the time of service and all vision services must be acquired through providers affiliated with the VSP network.

Plan A		Plan C	
Office Co-pay	\$5	Office Co-pay	\$5
Eye Exam	12 months	Eye Exam	12 months
Eyeglass lenses and Frames or Contact lenses	24 months	Eyeglass lenses and Frames or Contact lenses	12months

A list of in-network physicians/providers and plan information can be obtained at [www.vsp.com](http://www.vsp.com) or by calling 800-877-7195.

Vision coverage is available for dependent children until the child reaches 19 years of age or 23 years of age if the child is a fulltime student.

Employee cost depends on the plan the employee chooses and who is covered. Employee contributions are on a pre-tax basis, except in the case of domestic partners. Shown below are the per-pay contribution amounts for vision coverage.

Employee Cost Per Pay Period For Vision Coverage				
	Plan A		Plan C	
	Pre-Tax	Post-Tax	Pre-Tax	Post-Tax
Employee	\$3.92	n/a	\$6.11	n/a
Employee + Spouse	\$6.14	n/a	\$9.59	n/a
Employee + Domestic Partner	\$3.92	\$2.22	\$6.11	\$3.48
Employee + Child(ren)	\$6.27	n/a	\$9.78	n/a
Employee + Spouse, Child(ren)	\$10.10	n/a	\$15.79	n/a
Employee + Domestic Partner, Child(ren)	\$6.27	\$3.83	\$9.78	\$6.01

## LIFE INSURANCE (CIGNA)

Life insurance coverage is available to full-time employees and part-time employees who work 30 hours or more per week on a regularly scheduled basis following six months of employment.

Basic life insurance coverage is provided **at no cost to the employee**. The amount of company paid basic life insurance an employee receives is equal **to the lesser** of one time the employee's annual salary rounded to the next higher \$1,000, if not already a multiple thereof, or \$800,000.

Employees may elect voluntary additional life insurance equal to one, two, three or four times their salary rounded to the next higher \$1,000, if not already a multiple thereof. The guaranteed issue amount at the time of initial eligibility is the lesser of two times annual compensation or \$300,000. The maximum available benefit is the lesser of four (4) times annual compensation or \$500,000 if the employee's evidence of insurability is approved by Cigna. ANY request for life insurance equal to three or four times salary; any request for life insurance above \$300,000; or, any request to increase the amount of the employee's voluntary life insurance multiple after the initial enrollment eligibility date will require evidence of insurability.

The cost of the voluntary coverage depends on the employee's age and the cost is paid by the employee through **pre-tax** payroll deductions.

### Employee Cost For Voluntary Life Insurance

Age	Per Pay Cost per \$1,000 of Coverage
Under 25	\$0.0277
25 to 29	\$0.0277
30 to 34	\$0.0369
35 to 39	\$0.0462
40 to 44	\$0.0646
45 to 49	\$0.0969
50 to 54	\$0.1662
55 to 59	\$0.2769
60 to 64	\$0.4246
65 to 69	\$0.8169
70 to 74	\$1.3246
75 to 79	\$1.3246
80 to 84	\$1.8969
85 to 90	\$2.7138

How to calculate cost of voluntary life insurance:	Example
A. List your salary	\$28,680
B. Round up "A" to next highest \$1,000	\$29,000
C. Amount of additional insurance you want to acquire (1,2, 3, or 4 times salary)	2
D. Multiply "B" by "C" ( i.e., 29,000 times 2)	\$58,000
E. Divide "D" by \$1,000	58
F. Multiply "E" by cost shown above that corresponds to your age - i.e., if you are 35 cost is .0462 per pay – thus 58 times \$.0462 equals	\$2.68 per pay period

The amount of life insurance provided to an employee (both company paid and voluntary) is reduced to 50% of the life insurance benefit at age 70; to 35% at age 75; and to 25% at age 80. The life insurance policy also has a total and permanent disability provision that enables disabled employees who are not eligible for waiver of premium due to age (over age 60) to continue some life insurance coverage.

The life insurance plan offers benefits payable to beneficiaries due to the death of the employee. In order to ensure that beneficiaries have access to the benefits available to them, employees should complete the Beneficiary portion of the enrollment form and update annually with Open Enrollment. Beneficiary designation in some states may be governed by local community property law, including California, Virginia, and Texas, and may require that the spouse be selected as the primary beneficiary. If an employee in one of these states would like to designate someone other than the spouse as the primary beneficiary, please consult local community property laws and/or contact the regional Human Resources office for assistance.

The plan includes a Life Assist benefit that provides a lump sum payment of half the death benefit to a maximum of \$100,000 to a covered individual who is terminally ill, and whose life expectancy is six months or less.

Life insurance amounts over \$50,000 (both company paid and voluntary) are taxable as imputed income in accordance with IRS regulations given that basic is provided at no cost and voluntary is paid out of pre-tax dollars.

## SHORT-TERM DISABILITY (CIGNA)

For employees who work in Texas, Florida, Massachusetts, Maine, Vermont, New Hampshire, and Connecticut, Short-Term Disability Insurance is provided **at no cost to the employee** for off-the-job injuries/illnesses. In these states, short-term disability coverage is available to full-time employees and part-time employees who work 30 hours or more per week on a regularly scheduled basis following six months of employment.

Short-term disability begins after a benefit waiting period which is the later of any accumulated sick leave or seven consecutive workdays due to an off-the-job injury/illness and can continue up to a maximum of 6 months. Employees must use all accrued sick leave hours prior to beginning short-term disability. Employees are eligible to receive short-term disability payments after all accrued sick leave has been exhausted or the employee has been off from work due to an illness for seven consecutive days, whichever comes last. The Short Term Disability Plan provides an employee with coverage equal to 60% of basic monthly earnings, minus other Federal/state disability payments, up to a maximum of \$350/week.

For employees who work in a Phoenix House facility located in New York, Short-Term Disability Insurance is provided by New York Disability Benefit Law. Employees in New York may be eligible for DBL coverage prior to the six months waiting period. For details about the New York coverage, employees should contact the Phoenix House Benefits Department via the HR Hotline at 1-888-205-2119. The maximum short-term disability payment in New York is \$170 per week.

For employees who work in a Phoenix House facility located in Rhode Island, Short-Term Disability Insurance is provided by Rhode Island Temporary Disability Insurance (TDI). TDI provides benefit payments to insured Rhode Island workers for wage losses resulting from a non-work related illness or injury. To be eligible, an individual must meet certain earnings requirements and be medically certified by a physician as unable to work. The TDI program is state-mandated and funded through employee payroll deductions. The required TDI deductions from the employee's pay begin immediately upon employment. The specific number of weeks covered and the amount of coverage is determined by the state. If you have questions regarding eligibility for TDI, contact the Rhode Island Department of Labor at 401-462-8420. The required TDI deductions from the employee's pay begin immediately upon employment.

For employees who work in a Phoenix House facility located in California, Short-Term Disability Insurance is provided by California State Disability Insurance (SDI). SDI is a partial wage-replacement insurance plan for California workers. The SDI program is State-mandated, and funded through employee payroll deductions. SDI provides short-term benefits to eligible workers who suffer a loss of wages when they are unable to work due to a NON WORK-RELATED illness or injury, or a medically disabling condition from pregnancy or childbirth. The required SDI deductions from the employee's pay begin immediately upon employment.

## LONG-TERM DISABILITY (CIGNA)

Long-term disability coverage is available to full-time employees and part-time employees who work 30 hours or more per week on a regularly scheduled basis following six months of employment.

Long-term Disability Insurance is provided **at no cost to the employee** for off-the-job injuries/illnesses. The coverage begins after six months of continuous total disability. The LTD Insurance provides an employee with coverage equal to 40% of basic monthly earnings, minus other disability income benefits from any source, to a maximum of \$4,000 per month. After six months, you are considered disabled if you are unable to perform the material and substantial duties of your regular occupation and have at least a 20% loss of income. After 24 months, you will still be considered disabled if you are unable to perform the material and substantial duties of your occupation or a gainful occupation that you are reasonably suited for by education, training, or experience whereby you can earn at least 40% of your pre-disability income.

## LEGAL INSURANCE (Hyatt Legal Plans)

Legal insurance coverage is available to full-time employees and part-time employees who work 30 hours or more per week on a regularly scheduled basis following two months of employment.

The Legal Insurance Plan provides telephone and office consultations with in-network attorneys for a wide variety of matters including estate planning, real estate, family law, traffic offenses, civil law defense, financial issues, immigration. Legal areas excluded from coverage are DUI, employment law matters, and matters involving Phoenix House.

Participants have the option of choosing in-network or out-of-network attorneys for service. When using an out-of-network attorney, the covered employee will receive reimbursement from Hyatt Legal Plan according to an established fee schedule.

To identify what services are covered, visit the Hyatt Legal Plan website at [www.legalplans.com](http://www.legalplans.com). Click the link at the top that says "Thinking about Enrolling" and insert the password METLAW. To identify the in-network attorneys, click the attorney locator button and search for an attorney by state, county or zip code.

The employee cost for the Legal Plan is \$7.62 per pay period (after tax) to cover the employee and all dependents.

## VETERINARY INSURANCE (VPI)

Phoenix House has negotiated a discounted rate for veterinary/pet insurance through VPI. Employees can enroll directly with VPI (not through payroll deduction) and VPI will bill the employee for coverage. There are three ways for employees to learn more about what pet insurance covers and/or to obtain a free quote:

- Call 800-USA-PETS (800-872-7387) (the employee should be sure to mention that the employee is with Phoenix House)
- Log onto the V.P.I. website by going to [www.petinsurance.com/eb](http://www.petinsurance.com/eb), click on the "employees" tab and scroll down to the Phoenix House organization
- Log directly into the VPI/Phoenix House site at [http://www.petinsurance.com/affiliates/PhoenixHouse\\_npr](http://www.petinsurance.com/affiliates/PhoenixHouse_npr)

The VPI policy covers thousands of medical problems and conditions related to accidents or illnesses for dogs, cats, birds, ferrets, rabbits, reptiles and other exotic pets. Employees have the freedom to visit any licensed veterinarian. Coverage helps pay for:

- |                    |               |
|--------------------|---------------|
| ➤ Diagnostic tests | Office visits |
| ➤ Prescriptions    | X-rays        |
| ➤ Treatments       | Lab fees      |
| ➤ Hospitalizations | Surgeries     |

Optional Vaccination & Routine Care Coverage is also available to help dog and cat owners with the cost of regular routine care that is necessary to keep pets healthy. There's no deductible on routine care benefits and coverage helps pay for:

- |                                                                                           |                           |
|-------------------------------------------------------------------------------------------|---------------------------|
| ➤ Annual physical exam                                                                    | Vaccinations              |
| ➤ Heartworm protection                                                                    | Prescription flea control |
| ➤ Choice of: spaying/neutering, routine teeth cleaning or comprehensive and health screen |                           |

Cost varies by type of pet, age of pet, the type of coverage, and the state where the pet resides. Employees should contact VPI to determine the monthly cost of coverage.

The Pet Insurance plan is not subject to eligibility rules so employees can enroll any time throughout the year and new employees are eligible for coverage immediately upon employment. However, if the pet has a pre-existing condition, coverage for that condition will be excluded. To drop coverage, an employee must give VPI a 30 day written notice.

## WORKERS' COMPENSATION (AIG)

Upon employment, Phoenix House provides workers' compensation coverage for wage protection and medical costs for on-the-job injuries and illnesses in accordance with state regulations and workers' compensation plan provisions.

During the time that an employee is on workers' compensation, the company will, from time to time, engage in an interactive communication process with the employee, the employee's healthcare provider, and the workers' compensation insurance provider to determine in what ways, if any, that Phoenix House can accommodate/facilitate the employee's return to work. Company provided benefits will continue while the employee is on workers' compensation (subject to the limitations noted in the next paragraph) so long as the employee continues to pay the required monthly employee co-pays on or before the 30<sup>th</sup> of the month following the month for which workers' compensation coverage begins.

If at the end of four (4) months of workers' compensation coverage it is determined that Phoenix House is unable to accommodate the employee's return to work and/or the employee does not participate in the interactive communication process and/or the employee fails to provide requested medical information to Phoenix House and/or the workers' compensation insurance carrier in a timely manner, the employee's employment with Phoenix House will be terminated, except when such termination runs counter to State regulations. Upon termination of employment, the employee will be offered the opportunity to continue medical, dental, vision and FSA coverage under COBRA if the employee had said coverage prior to the worker's compensation leave. Also included in the COBRA package will be information on how to convert Life Insurance, Long Term Disability, and Long Term Care to individual coverage (if the employee was enrolled in these plans prior to worker's compensation leave).

Unless forbidden by state regulations, employees who are disabled and unable to work due to a work related injury are required to apply any accrued sick leave, vacation leave and personal days (in that order) towards their time out. California employees can only use up to 33% of their accrued sick or vacation hours.

## QUALIFIED TRANSPORTATION EXPENSE PROGRAM (Benefit Resource)

Upon employment, employees are eligible to participate in a Qualified Transportation Expense (QTE) program that enables employees to pay for commuting and parking costs with pre-tax dollars. Employees can save from 22.5% to over 45% on commuting and parking costs depending on the employee's Federal, state and local tax brackets.

Expenses for transportation provided to an employee are eligible to be paid under a QTE Plan if they are in a commuter highway vehicle (e.g. van pool) or on mass transit facilities (e.g. bus, train, subway, ferry), and if such transportation is in connection with travel between the employee's residence and place of employment. This includes expenses for any pass, token, farecard or similar item that entitles the employee to such transportation. It does not include expenses for anyone other than the employee. **The maximum tax-free election for a Mass Transit account is \$230 per month.**

Expenses for parking are eligible to be paid under a QTE Plan if they are provided to the employee on or near the business premises of the employer or on or near a location from which the employee commutes to work by car pool, in a commuter highway vehicle, on mass transit facilities or on transportation provided by any person in the business of transporting persons for compensation or hire in a commuter highway vehicle. It does not include any parking on or near the property used by the employee for residential purposes. It also does not include expenses for anyone other than the employee. **The maximum tax-free election for a Parking account is \$230 per month.**

Employees participating in the QTE Plan are given an *eTRAC*® MasterCard® that works like a debit card and allows participants access to funds deducted via payroll deduction. Payroll deductions are "loaded" onto the *eTRAC* card and then the card can be used to purchase a qualified service from an approved vendor. The necessary funds for each transaction are deducted from the appropriate account, reducing the value stored on the *eTRAC* card in that account. Purchases are limited to the available balance on the card. The *eTRAC* Card operates nationwide with approved vendors that accept MasterCard.

Upon termination of employment, account balances will be available via the *eTRAC* card through the end of the month following the last month of employment. Any funds remaining in the accounts after this grace period will be forfeited. For claim reimbursement, only services provided through your last month of employment are eligible for reimbursement. Eligible claims must be received by the end of the month following the last month of employment. Any funds remaining in the accounts after this grace period will be forfeited.

Enrollment in the QTE is permitted from the 1<sup>st</sup> to the 7<sup>th</sup> of each month and new employees are eligible for coverage immediately upon employment . To enroll in the QTE:

- Go to [www.benefitresource.com](http://www.benefitresource.com)
- Sign on as participant
- Username: Your social security number
- Password: The zip code of your home address
- Accurately complete and return the enrollment form
- Company code: phoenixhouse

## **PHOENIX HOUSE 403(b) PENSION PLAN (Diversified Investment Advisors)**

Phoenix House provides employees with a 403(b) Pension Plan. All contributions to the Phoenix House 403(b) Plan are tax-deferred and subject to taxation only when withdrawn.

Employees are eligible to make voluntary pre-tax contributions into the Phoenix House 403(b) Pension Plan from the first day of employment. The maximum amount that employees can voluntarily contribute to the Pension Plan is \$16,500 (\$22,000 if the employee is 50 or over during the year).

All voluntary contributions are pretax contributions and thus, are not subject to Federal, state or local taxes. However, voluntary contributions are subject to social security tax. In addition, employees are eligible to roll qualified 401(a), 401(k), and 403(b) funds from other employers into the Phoenix House 403(b) plan at any time after employment.

**To enroll and make voluntary contributions to the 403(b) plan or to obtain information on investment options, call Diversified Investment Advisors at 1-800-755-5801.**

### **EMPLOYEES HIRED PRIOR TO JANUARY 1, 2006**

Employees are eligible to receive Phoenix House contributions after the employee has completed **two years of service** of at least 1,000 hours per year. The amount contributed by Phoenix House is determined by the employee's length of service. Unlike a matching plan that requires the employee to make a contribution to the plan in order to receive a contribution from the company/organization, Phoenix House's 403(b) Plan provides for the following contribution levels **without requiring any** employee contributions:

- The month following 24 months of service - an amount equal to **3%** of employee's base salary
- The month following 60 months of service - an amount equal to **6%** of employee's base salary
- The month following 120 months of service - an amount equal to **10%** of employee's base salary

All Phoenix House contributions provide for **immediate** vesting. This means that all monies placed in the employee's pension account by Phoenix House immediately belong to the employee.

Diversified Investment Advisors provides employees with a variety of different investment options for both voluntary and Phoenix House contributions. The various investment options can be accessed via the Diversified website at [www.divinvest.com](http://www.divinvest.com).

### **EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2006**

Employees are eligible to receive Phoenix House contributions after the employee has completed **one year of service** of at least 1,000 hours per year. The amount contributed by Phoenix House is determined by the employee's length of service. Unlike a matching plan that requires the employee to make a contribution to the plan in order to receive a contribution from the company/organization, Phoenix House's 403(b) Plan provides for the following contribution levels **without requiring any** employee contributions:

- The month following 12 months of service - an amount equal to **3%** of employee's base salary
- The month following 60 months of service - an amount equal to **6%** of employee's base salary
- The month following 120 months of service - an amount equal to **10%** of employee's base salary

All Phoenix House contributions are vested in accordance with the following schedule:

- After the completion of one year of service, **20%** of all company's contributions are vested.
- After the completion of two years of service, **40%** of all company's contributions are vested.
- After the completion of three years of service, **60%** of all company's contributions are vested.
- After the completion of four years of service, **80%** of all company's contributions are vested.
- After the completion of five years of service, **100%** of all company's contributions are vested.

### **PROVISIONS THAT ARE AVAILABLE UNDER BOTH PLANS**

Diversified Investment Advisors provides employees with a variety of different investment options for both voluntary and Phoenix House contributions. The various investment options can be accessed via the Diversified website at [www.divinvest.com](http://www.divinvest.com).

In accordance with Plan provisions, employees can take loans from employee contributions and vested employer contributions for certain hardship reasons. Loans can be made for up to 50% of the vested contribution balance with \$1,000 being the minimum loan and \$50,000 being the maximum loan. If an employee fails to repay the loan in accordance with the terms of the loan, the full-unpaid balance will be considered a default and will be subject to all applicable taxes and penalties. Hardship withdrawals are also available from employee voluntary contributions in accordance with strict IRS guidelines and are subject to all applicable taxes and penalties.

The retirement plan offers benefits due to beneficiaries, in case something happen to the employee. In order to ensure that beneficiaries have access to benefits available to them, employees must complete the Beneficiary information portion of the plan enrollment form and update as needed. Beneficiary designation in some states may be governed by local community property law, including California and Texas, and may require that the spouse be selected as the primary beneficiary. If an employee in one of these states would like to designate someone other than the spouse as the primary beneficiary, please consult local community property laws and/or call Diversified Investment Advisors at 1-800-755-5801 for assistance.

Upon termination of employment, vested funds in the employee's 403(b) Pension account are handled as follows:

- If the employee's vested account balance is under \$1,000, the employee will be sent a check by Diversified for the balance of the account.
- If the employee's vested account balance is more that \$1,000 but less than \$5,000, the employee can roll the balance over into other types of pension accounts such as a 403(b), 401(k), or IRA, etc. without any tax costs or the employee can withdraw the balance subject to IRS regulations and all applicable taxes and penalties. If the employee does not make an election, the balance will be rolled over to a Diversified Investment IRA and thus, they will not remain in the Phoenix House 403(b) pension fund.
- If the employee's vested account balance is \$5,000 or more, the employee can leave the fund in the Phoenix House 403(b) Diversified account; can roll the funds over into other types of pension accounts such as a 403(b), 401(k), or IRA, etc. without any tax costs; or, can withdraw the funds subject to IRS regulations and all applicable taxes and penalties.

## **LIFE ASSISTANCE PROGRAM (CIGNA)**

Upon employment, Phoenix House employees can take advantage of a confidential Employee Assistance Program (EAP) **at no cost to the employee**. The EAP, called Life Assistance, provides employees with completely confidential, third-party assistance for a variety of work, home, personal or family issues including parenting and child care, education, aging, financial problems, legal problems, emotional support, family relations, depression, and stress management. The service is available 24/7 and can be accessed via phone or website 24/7 at [www.cignabehavioral.com/cgi](http://www.cignabehavioral.com/cgi) or 1-800-538-3543

## TUITION ASSISTANCE

Upon completion of six months of service, full-time employees are eligible for pre-approved tuition reimbursement up to \$1,500 per semester, up to a maximum of \$3,000 per calendar year, for courses taken at an accredited college or university if the course of study is in a field related to the employee's current job and/or is for a degree relevant to the needs of Phoenix House AND the employee passes the course(s) and/or receives a grade of "C" or better. Tuition reimbursement can be provided beginning the first full semester following six months of employment. Tuition reimbursement will only be made on actual amounts the employee paid out of pocket for a course. Thus, if the employee receives a grant, financial aid, and/or scholarship for some part of the course, Phoenix House will only reimburse the employee for the amount that was paid out of pocket by the employee (i.e., cost of the course minus any grant, financial aid, and/or scholarship).

If the employee is taking a CASAC Certification Course (or other regional certification required of funding and/or regulatory agencies), the full cost of the certification course (up to \$4,000) will be eligible for reimbursement if the employee successfully receives the CASAC or other designated certification.

If the employee is taking a Spanish language proficiency course, the full cost of the course tuition (up to \$1,000) will be eligible for reimbursement if the employee obtains the proficiency certification.

## FLEXIBLE SPENDING ACCOUNT (Benefit Analysis, Inc.)

Participation in the Health Care Flexible Spending Account and the Dependent Care Flexible Spending Account is available to all employees upon employment.

A Flexible Spending Account (FSA) allows employees to pay for unreimbursed healthcare expenses and dependent care expenses with pre-tax dollars – i.e., dollars on which no Federal, FICA, state, or local taxes have been paid. This means that employees can save between 22.5% and 45% on all unreimbursed healthcare expenses and dependent care expenses (savings vary depending on the employee's Federal tax bracket and state/local tax rates).

Healthcare expenses that are eligible for reimbursement using a Medical Flexible Spending Account include all medical and dental coinsurances, deductibles, and co-pays; prescription glasses and sunglasses; contact lenses; smoking cessation programs; chiropractic expenses, acupuncture, Lasik surgery, prescription drugs; etc. In addition, some over-the-counter drugs such as antacids, allergy medicines, pain relievers (such as aspirin), and cold medicines are eligible for reimbursement. **However, with the passage of Health Care Reform, non-prescription over-the-counter drugs are no longer eligible for reimbursement effective January 1, 2011.**

Employees may elect to place, on a pre-tax basis, up to \$10,400 a year into a Medical Flexible Spending Account via payroll deduction (the minimum amount that can be placed in the Medical FSA is \$130).

Dependent care expenses that are eligible for reimbursement using a Dependent Care Flexible Spending Account include licensed care provided outside the home such as day care, day camp or preschool and elder day care. Employees may elect to place, on a pre-tax basis, up to \$5,000 (if single or married filing jointly) or \$2,500 (if married and filing single) a year into a Dependent Care Flexible Spending Account via payroll deductions (the minimum amount that can be placed in the Dependent Care FSA is \$130).

An employee who is absent from work for any paid leave must continue any and all contribution elections made under the FSA program and thus, contributions will continue to be deducted from the employee's paycheck during the absence. An employee who is absent from work for any unpaid leave that results in a paycheck not being received will have all contributions elections and all claim payments suspended until such time as the employee returns to a paid status. If the employee does not return to work, the employee will not be able to process claims unless the employee continues to make contribution to the FSA program via COBRA.

The Phoenix House Flexible Spending Account year runs from July 1 through June 30. Participants in a Medical Care Flexible Spending Account can be reimbursed for claims incurred up to two and a half months (2.5 months) AFTER the close of the plan year (i.e., until September 15). Employees then have 90 days after the close of the reimbursement year to submit claims. This means that employees who participate in the Medical Care Flexible Spending Account that runs from July 1, 2011 to June 30, 2012, can submit healthcare expenses that are **incurred** between July 1, 2011 and September 15, 2012. In order to qualify for reimbursement, those claims must be submitted by no later than December 15, 2012.

## SECURE TRAVEL PROGRAM (CIGNA)

Upon employment, employees can utilize the Secure Travel Program that is provided **at no cost to the employee**. The program provides travel assistance if the employee has a medical emergency while traveling abroad or more than 100 miles from home. Secure Travel will help the employee arrange for 24-hour multilingual service, medical consultation and evaluation, emergency medical evacuation, emergency Rx services, care for minor children, and lost luggage assistance. While there is no charge for Secure Travel's services, employees may incur costs for the actual services provided by third-party providers identified by Secure Travel. To access CIGNA Secure Travel, go to the website at [www.cignabehavioral.com/cgi](http://www.cignabehavioral.com/cgi).

## EXCELLENCE AWARD PROGRAM

The Excellence Award Program identifies and rewards outstanding performers. Employees (other than officers and directors) are eligible to participate in this program after completing six months of service. On a quarterly basis, supervisors and staff members can nominate employees who they believe demonstrate the following criteria:

- Sets a positive example that has a significant impact on the effectiveness of the therapeutic community.
- Excels in ability to work with clients and assist them in achieving their goals.
- Goes the extra mile and exceeds requirements/expectations to ensure work completion or problem solving.
- Takes positive steps to improve or enhance work environment or services and/or recommends and instigates proactive measures to prevent work related problems/issues.
- Uses innovative thought process to predict, detect, define, analyze, and solve problems.

A Regional Staff Recognition Committee or the Region Director (or designate) selects winners. There is no limit to the number of times someone can win this award or be nominated. Winners receive an Excellence Award Certificate, recognition by Senior Management, and a \$100 net cash award (the award is "grossed-up" so that the net amount the employee receives after taxes is \$100).

## SERVICE AWARD PROGRAM

The Employee Service Award Program provides recognition for the contribution and outstanding service that employees make to Phoenix House. The Service Award Program commemorates every five years of service with a special anniversary

award/gift. For the fifth, tenth, and fifteenth year of service, the employee will be eligible to choose an award from a selection of gifts designed especially for that anniversary. Given that a twenty, twenty-five, or thirty year anniversary is such a special landmark, the employee will be eligible to select a gift from a gift catalogue and will also receive an anniversary award/gift chosen by Senior Management. In addition to the gift, each employee receives a certificate recognizing her/his years of service to Phoenix House.

In addition, all employees receive a Phoenix House lapel or shirt/blouse logo pin and encourage them to show their pride in Phoenix House by wearing the Phoenix House logo.

We also recognize those employees who have reached service anniversary milestones of 5, 10, 15, 20, 25, and 30 years of service by giving them a special pin that identifies their latest service milestone.

5 years	pin with one ruby
10 years	pin with two rubies
15 years	pin with three rubies
20 years	pin with one diamond
25 years	pin with two diamonds
30 years	pin with three diamonds

## COBRA CONTINUATION COVERAGE (Benefit Analysis Inc.)

Employees enrolled in the medical, pharmacy, dental, vision and/or FSA plans provided by Phoenix House are eligible for COBRA continuation coverage. This coverage makes it possible for an employee to continue medical/dental coverage for up to 18 months after employment ceases, if the employee assumes the full cost of the medical/dental premiums plus an administrative fee. Also included in the COBRA package will be information on how to convert Life Insurance, Long Term Disability, and Long Term Care to individual coverage (if the employee was enrolled in these plans prior to termination). A change in domestic partner status is not a COBRA qualified event and thus, domestic partners are not eligible for COBRA continuation coverage. However, the addition or termination of a domestic partner relationship will be considered a qualifying event for the purpose of employee benefit changes.

Covered dependents may also be eligible for this coverage if the employee loses eligibility status under the group plan, the employee becomes deceased, or if the dependent is no longer an eligible dependent. It is the employee's responsibility to notify the Phoenix House Benefits Department when there is a change in dependent eligibility for any Phoenix House benefit plan.

Plan Type and Coverage Level	Monthly Premium COBRA
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<i>Medical UHC EPO</i>	
Employee	\$523.71
Employee + Spouse	\$1,099.79
Employee + Child(ren)	\$916.49
Family	\$1,597.32

<i>Medical UHC Choice Plus PPO High</i>	
Employee	\$571.54
Employee + Spouse	\$1,200.23
Employee + Child(ren)	\$1,000.20
Family	\$1,743.21
<i>Medical UHC Choice Plus PPO Low (MA, TX)</i>	
Employee	\$534.27
Employee + Spouse	\$1,121.96
Employee + Child(ren)	\$934.96
Family	\$1,629.52
<i>Medical UHC Options Non-Differential PPO (VT)</i>	
Employee	\$534.27
Employee + Spouse	\$1,121.96
Employee + Child(ren)	\$934.96
Family	\$1,629.52
<i>MEDCO Rx Plan</i>	
Employee	\$135.10
Employee + Spouse	\$270.21
Employee + Child(ren)	\$243.19
Family	\$354.51

<i>Dental</i>	
Employee	\$27.22

Employee + Spouse	\$76.05
Employee + Child(ren)	\$76.05
Family	\$76.05

<i>VSP Vision</i>	<i>Plan A cost monthly</i>	<i>Plan C cost monthly</i>
Employee	\$8.49	\$13.24
Employee + 1	\$13.30	\$20.78
Employee + Children	\$13.58	\$21.20
Family	\$21.89	\$34.21

## BUSINESS TRAVEL ACCIDENT INSURANCE (CIGNA)

Upon employment, Business Travel Accidental Death and Dismemberment insurance is provided **at no cost to the employee**. The amount of insurance an employee receives is equal to two times the employee's annual salary, up to a maximum of \$500,000. This coverage provides 24-hour accident insurance when the employee is traveling on authorized Phoenix House business. It does not cover travel to and from work; any unauthorized travel, or any travel that is personal in nature.

## BENEFIT COVERAGE BY ELIGIBILITY DATE

PARTICIPATION ELIGIBILITY	
<b>MEDICAL &amp; Rx (American Worker)</b>	<b>Immediately upon employment</b>
<b>MEDICAL &amp; Rx (UHC &amp; Medco)</b>	<b>After Six months of employment</b>
<b>DENTAL</b>	<b>After Six months of employment</b>
<b>VISION</b>	<b>Immediately upon employment</b>
<b>FLEXIBLE SPENDING</b>	<b>Immediately upon employment</b>
<b>LIFE INSURANCE</b>	<b>After Six months of employment</b>
<b>STD &amp; LTD</b>	<b>After Six months of employment</b>
<b>LONG TERM CARE</b>	<b>Immediately upon employment</b>
<b>EMPLOYEE ASSISTANCE</b>	<b>Immediately upon employment</b>
<b>TRANSPORTATION EXPENSE</b>	<b>Immediately upon employment</b>
<b>LEGAL</b>	<b>After Two months of employment</b>
<b>VETERINARY</b>	<b>Immediately upon employment</b>
<b>403(b) RETIREMENT PLAN</b>	<b>Voluntary contributions – immediately upon employment Company contributions – after one year of service</b>

## BENEFIT COVERAGE BY HOURS WORKED

Full-time employees are eligible to participate in Phoenix House benefits in accordance with the provisions of each benefit plan. Those employees who work less than fulltime are eligible for benefits in accordance with the following schedule and the provisions of each benefit plan. Per diem, call-ins, and consultants are not eligible to participate in any Phoenix House benefits other than those mandated by state and/or Federal regulations.

BENEFIT	Scheduled to work under 30 hours per week	Regularly scheduled to work 30 hours or more per week	Regularly scheduled to work fulltime
Medical – American Worker	Yes	Yes	Yes
Medical – UHC & Medco	No	Yes after 6 months	Yes after 6 months
Dental	No	Yes	Yes
Vision	No	Yes	Yes
Life Insurance	No	Yes	Yes
Short-Term Disability	No	Yes	Yes
Long-Term Disability	No	Yes	Yes
Worker’s Compensation	Yes	Yes	Yes
403(b) – Company Contributions	Yes (1)	Yes (1)	Yes
403(b) – Voluntary Contributions	Yes	Yes	Yes
EAP – Life Assistance Program	Yes	Yes	Yes
Flexible Spending Accounts	Yes	Yes	Yes
Secure Travel	Yes	Yes	Yes
Tuition Reimbursement	No	Yes (2)	Yes
QTE Plan	Yes	Yes	Yes
Veterinary Insurance	Yes	Yes	Yes
Legal Insurance	No	Yes	Yes
Excellence Award Program	No	Yes	Yes
Service Award Program	No	No	Yes
Long Term Care Insurance	Yes	Yes	Yes
Cobra Continuation	No	Yes	Yes
Travel Accident Insurance	No	Yes	Yes

(1) Eligible for pension participation if work 1000 hours or more per year for two consecutive years if employed prior to January 1, 2006.

Eligible for pension participation if work 1000 hours or more per year for one year if employed on or after January 1, 2006.

(2) Reimbursement limits are one-half the limits set for full-time employees.