

INSURANCE BENEFITS

Health Insurance

Active Employees Eligibility

All employees with regular assignments scheduled to work 1,365+ hours per benefit year are eligible to participate in the College group health and life insurance plans. All health plans provide basic medical/surgical coverage and major medical protection. Selection of a plan option is made upon enrollment and changes may be made annually during the end of benefit year open enrollment period. Eligibility for administrative staff is the first day of employment. Employees pay a varied percentage based on salary and type of coverage of the premium cost for each plan. Employees should refer to available benefit literature if there are specific questions about the plans. Each employee participant receives a plan booklet and an enrollment I.D. card for each covered adult family member.

When an active employee reaches Medicare eligible age (currently age 65), full medical coverage will remain in effect, with Medicare becoming the secondary carrier. It is recommended that you promptly enroll in Medicare upon reaching age 65 even though you may not use it immediately.

Coordination of Coverage

Michigan law specifies which insurance carrier has primary responsibility for payment of claims for dependents when both husband and wife have insurance coverage. The insured employee with the birthdate earliest in the calendar year has the primary responsibility for dependents. Our plan will provide secondary coverage in those cases where another plan is primary.

Coverage Limits when both Spouses are Employed at the College

When both husband and wife work at Hope College in positions eligible for full benefits, the College will not approve the duplicate expense of providing dependent coverage for both. Couples with no children are requested to take single coverage for each employee since the insurance rates for two single contracts are normally less expensive than for one contract as a couple. For those staff with children, it is normally most cost effective for one employee to take the full family coverage contract and the other waives coverage (since they would be covered under their spouse's contract). Coordination of married employee couple's coverage can reduce cost without any loss of medical insurance protection. Premiums will be based on the higher salary of the two spouse's salaries.

Health Insurance Continuation

EMPLOYEE DEATH

The family of employees who die while in active service to the College will be given the option to continue coverage by paying the premium share required of active employees. The length of coverage will be limited to one year. Dependent child coverage ends at the end of the calendar year the child turns 19 years of age (or on

their 25th birthday if enrolled as a full-time college student) or the one year provision, whichever is less. Spouse coverage will terminate upon remarriage and coverage will not apply to step-children by another marriage. The College insurance coverage will also terminate in the event that surviving family members become eligible for health insurance coverage from any other source.

EMPLOYEE DISABILITY

Employees who become disabled and unable to work while employed at the College will be eligible for medical insurance continuation with the length of coverage limited to one year for every year of the disabled employee's service to the College. Dependent child coverage ends at the end of the calendar year the child turns 19 years of age (or on the 25th birthday if enrolled as a full-time college student) or the service years provision, whichever is less. Other medical insurance received in connection with the disability will be considered primary for purposes of payment coordination. The College will be responsible for only those expenses normally covered by our plan and not funded by another plan.

CONTINUATION OF HEALTH INSURANCE: FEDERAL RULES - COBRA

All employees who lose medical insurance coverage as a result of a reduction of hours of employment or termination of employment (for reasons other than gross misconduct) are eligible for group health insurance continuation coverage at the employee's expense. In addition, spouses or dependents of employees who become ineligible for benefits (divorce, no longer dependent, etc.) may choose to participate, at their own expense, in a continuation of group health insurance coverage; according to the guidelines set by COBRA for a period of time not greater than 18 months for employee and not greater than 36 months for dependents. Full information about the details of COBRA coverage is available by contacting the Hope College Human Resources Office.

Early Retiree Coverage

Should an employee retire prior to Medicare eligible age (currently age 65), you may remain on the College Health Insurance Plan by paying 100% of the premium costs if you have met the minimum service requirement of 10 years and are at least 60 years of age. Upon becoming eligible for Medicare, you can then participate in Hope College's Retiree Health Insurance plan according to the terms described in "Retiree Coverage".

Retiree Coverage

Faculty and staff who retire from Hope College with at least ten years of continuous service at the time of their retirement are eligible to participate in one of Hope College's Retiree Health Insurance plans. Participants in either plan are required to elect Medicare's Part A and Part B options (participants do NOT need to elect Part D coverage). The participant will be billed monthly for their share of the premium due based on eligibility guidelines below. Participants are given an opportunity to switch plans, annually, during open enrollment. Terms and conditions are as follows:

ELIGIBILITY AND COST

- A. Those benefit eligible faculty/staff who retired before 6-1-95, will be charged 20%* of the premium for employee plus 20%* of the premium for spouse/dependent. Spouse/dependent coverage is voluntary.
- B. Those benefit eligible faculty/staff with 10 or more years of Hope College service as of 6-1-95, will be charged 20%* of the premium for employee plus 25% of the premium for spouse/dependent. Faculty/staff retiring after July 1, 1996 will be charged 20%* of the premium for employee plus 50% of the premium for spouse/dependent. Spouse/ dependent coverage is voluntary.
- C. Those benefit eligible faculty/staff employed at Hope College with less than 10 years of service as of 6-1-95, will be charged 20%* of the premium for employee plus 100% of the premium for spouse/dependent. Spouse/dependent coverage is voluntary.
- D. All benefit eligible faculty/staff hired after 6-1-95 shall be eligible to participated in the Medicare Supplemental Plan by paying 100% of the retiree/spouse/dependent premiums. Spouse/dependent coverage is voluntary.

*will be 25% effective TBD

Premium Rates and Payments

All premium rates for the Hope College Health Insurance Plan and the Retiree Health Insurance Plan(s) are subject to annual increases. Retirees will be billed monthly for their share of the premiums due. Hope College will have the right to cancel insurance coverage if payment is more than 60 days delinquent.

Health Plan Revision Option

The College reserves the right to modify the terms, conditions, and coverages in the Health Insurance and Retiree Health Insurance Plan(s).

Term Life Insurance

In addition to health insurance coverage, employees receive term life insurance coverage for themselves at no charge. The life insurance is valued at \$12,000 plus one and one-half the amount of the employee's annual wage. "Annual wage" for hourly employees will be calculated at the regular hourly pay rate times 2080 hours, or the scheduled hours, if less than 2080. Life insurance payments to your beneficiary, upon your death, are not taxable. Your policy is for term life insurance and therefore no cash value accrues. Life insurance coverage for active employees is reduced by 35% at age 65 and by 50% at age 70 if you are still working. All insurance ends on your last day of employment unless you are on a benefit eligible leave. The plan is convertible to a private policy with our insurance carrier if you terminate your employment at the College or move to a classification of employment that is not eligible for life insurance benefits and have been employed by the College for at least 5 years.

Should the face value of your life insurance exceed \$50,000, IRS requires that the premium cost for coverage in excess of \$50,000 be considered a taxable benefit. The value coverage above \$50,000 will be treated as "other income" to you and listed on your year-end W-2 form.

Accidental Death & Dismemberment Insurance

The College provides AD& D insurance on the lives of all benefit eligible employees at the same face value as the term life insurance. The terms and conditions of the benefit are outlined in the plan booklet.

Long Term Disability Insurance

Hope College has adopted a Long-Term Disability (LTD) Insurance program for all employees who meet the standard 1,365 work hours test described previously. The benefits of this program provide for payments of 60% of your normal monthly earning up to a maximum of \$6,000 per month. These benefits are payable after six months of continuous disability and will continue for the duration of the disability or until age 65 (see booklet schedule of maximum benefits). The College continues the medical insurance protection for employees receiving Long-Term Disability on the same financial basis as active employees. The length of health insurance coverage will be limited to one year for every year of active service to the College. Staff leave status will expire after one year of continuous full LTD benefits and the employee's position assignment will be terminated. Any future Hope College employment will be contingent upon available positions and qualifications. The College pays the LTD premiums and the benefits received are taxable. A detailed booklet is available for all enrolled employees.

Supplemental Life & Long Term Disability Insurance

All benefit eligible employees may elect to purchase additional life and LTD insurance at their own expense from Hope's provider. Additional life insurance may be purchased in 1, 2, or 3 times salary increments for the employee. Life insurance for spouses and dependents can also be purchased in lesser amounts. Evidence of Insurability (EOI) may be required when amounts exceed limits set by the Insurer. Those desiring supplemental insurance may do so only during the first 30 days of employment or annually, during the open enrollment process.

Worker's Compensation

Reporting An Accident

Hope College carries Worker's Compensation Insurance for all College personnel. If an employee is injured while performing duties on his/her job, they must promptly report the injury prior to securing treatment (unless the injury is serious). The College uses the services of Holland MediCenter, 175 South Waverly, Holland for treatment and assessment of most workplace injuries. Severe injuries would, of course, require treatment at a Hospital Emergency Room. Injuries should be reported promptly to Director of Occupational Health and Fire Safety. If the Director is unavailable, then the Physical Plant Operations Manager should be contacted for Physical Plant staff or Human Resources Office Assistant for other staff. Treatment at MediCenter requires pre-authorization by one of the three staff members indicated. MediCenter also conducts return to work evaluations for the College. Use of an employee's personal

physician is allowed for continued treatment or follow-up after 10 days of filing an injury claim.

It is very important to promptly notify your supervisor, the Department of Health and Fire Safety and secure the necessary claim form from the Office Assistant in the Human Resources Office. All bills resulting from the injury must be submitted to the Human Resources Office. Hope College uses the services of an outside company to coordinate the claims. Payments are made directly by them to the doctor and/or the hospital involved.

The Health and Fire Safety Department will investigate all incidents for possible health or safety hazards, make a written report and take corrective action when necessary.

Payment for Lost Wages

Payment for lost wages are paid from the Worker's Compensation fund and are sent directly to the employee. Earned sick pay benefits may be used to supplement Worker's Compensation Benefit payments -- not to exceed 100% of the employee's current hourly payrate. All Hope College disability benefits will be suspended while Worker's Compensation Benefits are being paid. The College will continue to make retirement contributions and pay employer life and AD& D, and LTD premiums based on what would have been the employees normal base wage. Any outside income replacement benefits received will be coordinated with College sick pay or Short Term Disability payments - combined total cannot exceed 100% of normal earnings. Leave accruals will not be calculated on workers compensation earnings.