



Summary of Employee Benefits

**Academic Year
2009-2010**

GENERAL INFORMATION

FINANCING OF THE BENEFIT PLANS

There are two types of employee benefit plans: contributory and non-contributory. In contributory plans, the employee pays a share of the cost. In non-contributory plans, the entire cost of the plan is paid by the college; no contribution is made by the employee.

The plans paid for entirely by the college are the Group Life Insurance and Accidental Death and Dismemberment Plan, the Salary Continuance Plan, and the Vacation Plan.

Contributory plans include the Employee Retirement Plan, the Group Health Insurance Plan, the Flexible Benefits Plan, and the Tuition Remission Plan.

ADMINISTRATION

The insurance companies have certain responsibilities for administration of the Group Insurance Plans; however, basic responsibility within the College for the administration of all plans is held by the Office of Human Resources. The Human Resources Director, however, may allocate responsibilities for the operation and administration of the plans.

The Group Insurance plans, as well as the vacation policy, tuition remission policy and retirement plan can be reviewed, changed or terminated, when it seems appropriate, by the approval of the Board of Trustees.

DETERMINATION OF COSTS

The rates charged for the Insurance Plans are set by the insurance companies that underwrite the various plans. Your share of the costs is set by the College Administration.

INTERPRETATION OF THE PLANS

If any summary in this booklet differs from the official text of the plan, the official text shall prevail. Some differences from the official text may occur because summaries can never include all the details of the more lengthy official texts and there may be a time lapse between amendments of a plan and the updating of the appropriate summary. The College Administration has the responsibility of interpreting the benefit plans and that interpretation shall be final.

Assistance may be provided by the College to employees who may have difficulty in understanding this summary in English. Please contact your immediate supervisor for assistance.

Se encontrara asistencia para los empeados que tengan dificultad entendiendo el sumario en contacto con su jefe inmediato par clarificacion.

CREDITED SERVICE

Some of your benefits are determined, in part, by the amount of credited service you accumulate during your working years. The date you were employed (or reemployed) will establish your anniversary date. "Accrued service" is the total length of equivalent full-time service for which you have been paid.

GROUP MEDICAL INSURANCE PLAN

PURPOSE

This insurance is designed to protect you and your covered family members against medical expenses incurred which are reasonable, customary and necessary, and non-occupational. Coverage is provided through The Principal Financial Insurance Company. This plan is a managed care program which provides a reduction in benefits if participating physicians are not used.

Eligibility to Participate -

All employees classified as full-time are eligible for coverage effective the first day of the month following employment.

If you are not actively at work, because of illness or injury, on the day your insurance would ordinarily become effective; you will become insured upon your return to active full-time work.

Eligible Dependents -

Dependents who may be insured under the plan are:

- Your lawful spouse.
- Unmarried children until age 19 who are not insured as an employee under the plan.
- Unmarried children 19 years or older who are physically or mentally incapable of earning their own living and are dependent solely on you for support.
- Unmarried children until age 23 who are not working full-time and are full-time students in an accredited school.

The term "Child" includes any natural born, legally adopted child, stepchild, foster child, child placed with employee for adoption, or child for whom the employee must provide medical support under a qualified child support order. Some restrictions apply.

Premiums -

Following is a chart of the current total cost as well as the employee's share of the total cost.

**SEE ATTACHED Group Health Plan Outline effective 1/1/09 and Premium information..*

Pre-existing Limitations -

Pre-existing conditions are not considered covered until your policy has been in effect for 12 months. HIPAA rules apply.

Deductible -

A person must satisfy a deductible each calendar year before benefits are payable. The deductible can be made up of all covered expenses of that person even though several different illnesses may be involved. There are features that limit the effect of the deductible (i.e. office visit co-pay).

Employees with family coverage will be subject to a maximum of two deductible charges. Expenses applied toward the deductible during the last three months of the calendar year will be applied toward the deductible for the next calendar year.

Co-Insurance -

Co-insurance is that part of the medical bills you are expected to pay.

If in any calendar year a person's share of eligible expenses exceeds the out-of-pocket maximum, the plan pays 100% of expenses on that individual for the rest of the calendar year.

Maximum Benefits –

The maximum lifetime benefit is \$5 million.

Pre-Admission Certification -

All hospital admissions must be reported to Principal Financial prior to the actual stay. If an emergency occurs, the same procedure needs to occur within two working days following admission. If the pre-admission authorization procedures are not followed, a reduction in benefits could occur.

Managed Drug Program -

A prescription drug card is provided with the plan. Some limitations apply. Prescription drugs are not subject to the deductible. A mail-order option is available for maintenance drugs.

Wellness Benefit –

A wellness benefit of \$500 for adults and \$300 for children is included with the plan.

Physician Co-Pay -

This feature provides for a co-pay for all physician visits. Principal pays 100% of the balance for all covered charges. All visits must be in office and in network. This feature is not subject to the deductible.

Coordination of Benefits -

If a person insured under this plan is also covered under another group plan providing medical expense benefits, benefits under this plan will be payable either in full or in a reduced amount which, together with the benefits payable under the other plan, will not exceed 100% of the reasonable, necessary and customary charges.

Termination of Employment -

In the event of termination of employment, your Group Medical Insurance and that of your dependents ceases at the end of the paid premium period. If certain conditions exist you may be eligible to continue your coverage under the provisions of COBRA. Contact the Office of Human Resources for further information.

Integration With Medicare -

Employees and dependents who are 65 or older, covered by the plan and eligible for Medicare will have their benefits integrated with Medicare A and B.

Pregnancy -

Pregnancy benefits are covered in the same manner as other illnesses in the policy.

Procedure for Filing Claims -

Claims should be submitted by the medical care provider on your behalf. In the rare instance that you might need to file a claim yourself, claim forms are available on the Principal Financial website: www.principal.com.

Change of Dependent or Marital Status -

To add or delete dependents, please contact the Office of Human Resources. It is important to add dependent coverage, should your family situation change, in order to have proper coverage.

GROUP LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT PLAN

The college provides at no cost to the employee Group Term Life Insurance and Accidental Death and Dismemberment Insurance. Your policy is issued by Liberty Mutual Insurance Company.

Eligibility to Participate -

All employees classified as full-time will be covered by group Life Insurance and Accidental Death and Dismemberment. The effective date of coverage will be approximately 30 days after your employment date.

Amount of Coverage -

Coverage will be equal to twice your base annual salary to a maximum of \$300,000.

The amount of Life and Accidental Death and Dismemberment Insurance will reduce to 65% at age 65, and 50% at age 70.

LONG TERM DISABILITY INSURANCE PLAN

Lyon College's Group Long Term Disability Insurance is provided at no cost. This insurance is designed to provide an income in the event of total disability because of sickness or accident. Your policy is issued by UNUM Insurance Company.

Eligibility to Participate -

All employees classified as full-time will be covered with Group Long Term Disability Insurance following a waiting period of approximately 30 days.

Amount of Insurance -

The insurance provides you with a monthly benefit equal to 66 2/3% of your basic monthly earnings, not to exceed \$3,000 per month. Benefits are adjusted at age 65. To be eligible for benefits, you must have been totally disabled from performing your regular occupation for a

period of 90 days. For duration of benefits, see policy. Should you need additional information about this benefit please contact the Office of Human Resources.

RETIREMENT AND SAVINGS PLAN

**NOTE: EMPLOYER CONTRIBUTIONS SUSPENDED EFFECTIVE 07/01/2009.
EMPLOYEE PARTICIPATION VOLUNTARY AT THIS TIME.**

The pension plan adopted by Lyon College is a 403(b) tax deferred annuity.

Three different investment companies are available, and you will be given an opportunity to choose among them.

Eligibility to Participate -

All regular full-time employees will begin participation following 30 days employment.

Participation is mandatory.

Contributions -

The College retirement plan is a contributory plan. This means that both you, the employee, and Lyon College will contribute to your account. Effective July 1, 2007, the base payment is 11.25 % of your annual salary. The college will contribute an amount equal to 6.25% of your annual salary, and you will contribute 5.0%. You may be eligible to contribute additional amounts over the required 5%; however, the College will not match this additional contribution. For information regarding allocations and transfer privileges, please contact the Office of Human Resources.

SECTION 125 CAFETERIA PLAN

A Section 125 Cafeteria Plan is a benefit plan which allows an employee to pay for certain fringe benefits with pre-taxable income, thus reducing the employee's taxable earnings. Several voluntary insurance plans such as a cancer policy, dental policy, and vision policy are available under this Plan. In addition, employees may set aside non-taxed funds to pay for non-reimbursed medical expenses and dependent care expenses. For more information, contact the Office of Human Resources.

TUITION PLAN

For Employee-

Lyon College encourages all full-time employees to enroll in academic courses related to their jobs or leading to an undergraduate degree. A maximum of two courses (maximum of 8 semester hours) each semester may be taken. Upon meeting eligibility requirements and with supervisory approval, an employee may be granted leave time from his/her job to attend one course each semester. If a second course is approved, release time must be made up hour for hour.

Part-time employees (working over 1,000 hours per year or teaching at least two courses) are eligible for benefits following two years of service.

Tuition will be granted to employees through the Student Financial Aid Program subject to the eligibility of the employee (see Policy Handbook). Employees wanting to use this benefit must contact the Office of Human Resources for the appropriate forms.

For Dependents-

The dependent families (spouse and children) of full-time staff or faculty employees are eligible for a tuition grant of up to 136 hours of attempted credit. (See Policy Handbook for full eligibility and funding details.) These grants are also made by the Student Financial Aid program subject to all entrance requirements of the College. Full-time students are required to carry a minimum of twelve credit hours per semester and tuition grants are limited to a period of eight semesters. A full disclosure of this policy may be found in the *Lyon College Policy Handbook*.

Additionally, Lyon College belongs to the Association of Presbyterian Colleges and Universities (www.apcu.net), the Council of Independent Colleges (www.cic.org), and The Tuition Exchange Cooperative Program (www.tuitionexchange.org). Each of these consortiums offer reciprocal tuition grants from their member participating institutions. For information concerning participating institutions and any restrictions, please contact the Office of Human Resources.

STAFF HOLIDAYS AND LEAVE

Holidays-

Lyon College grants paid holidays each year to all full-time staff employees. The holidays observed are:

- Independence Day
- Thanksgiving Day (and the day after)
- Christmas Day (December 24-31)
- New Year's Day
- Good Friday
- Memorial Day

Vacations-

Lyon College provides paid vacation time to all regular full-time employees as follows (there may be some exceptions based on level of position):

Ten days vacation per year after completion of one year of service.

Fifteen days vacation per year after completion of eight years of service.

Twenty days vacation per year after completion of fifteen years of service.

Vacations will be scheduled by supervisory personnel in keeping with the needs of the College and in conformity with dates requested by employees wherever possible. Vacation time will be prorated during an employee's first year of service..

Sick Leave-

Staff employees accrue paid sick leave at the rate of 10 hours per month. Unused sick leave may be carried over up to a maximum limit of 840 paid hours. Sick leave is non-compensable upon termination of employment.

Personal Leave –

Staff employees accrue 2 hours of paid personal leave each month. These hours may not be carried over from one year to the next and are non-compensable upon termination of employment.