

Town of Addison

2015 BENEFITS ENROLLMENT GUIDE



This booklet highlights the main features of many of the benefit plans sponsored by Town of Addison.

Full details of these benefits are contained in the legal documents governing the plans. If there is any discrepancy or conflict between the plan documents and the information presented here, the plan documents will govern. In all cases, the plan documents are the exclusive source for determining rights and benefits under the plans.



TABLE OF CONTENTS

OUR BENEFITS PROGRAM..... 2

BENEFIT OPTIONS AT A GLANCE 2

POINTS YOU NEED TO KNOW..... 3

GETTING READY TO ENROLL..... 3

PAYING FOR YOUR BENEFITS..... 4

WHO IS ELIGIBLE 5

CHANGING YOUR CHOICES..... 6

SUMMARY OF BENEFITS

Medical Coverage.....7-10

Prescription Drug Coverage..... 11

Dental Coverage..... 12

Basic Life and AD&D Insurance..... 13

Voluntary Life Insurance 14

Long Term Disability Insurance..... 15

Flexible Spending Accounts..... 16-17

Employee Assistance Program (EAP)..... 18

Legal Notices..... 19-25

PHONE NUMBERS, WEB ADDRESSES 26

NOTE: If you have Medicare or will become eligible for Medicare in the next 12 months, a federal law gives you more choices about your prescription drug coverage. Please see page 19 for more details.

This booklet highlights the main features of many of the benefit plans sponsored by Town of Addison. Full details of these benefits are contained in the legal documents governing the plans. If there is any discrepancy or conflict between the plan documents and the information presented here, the plan documents will govern. In all cases, the plan documents are the exclusive source for determining rights and benefits under the plans.



OUR BENEFITS PROGRAM

The employee benefits package offered by Town of Addison is an important part of your total compensation as an employee. The coverage you elect during annual open enrollment or as a new employee will help meet the needs of you and your family.

Town of Addison offers a comprehensive, cost-effective and competitive benefits package to help protect you and your family, but it only works if you take control and make thoughtful decisions about your benefits. In other words, **you** need to take an active role in understanding and choosing your benefits. This way, you can be sure your benefits support your needs and goals.

Each of the options available to you is illustrated on the following pages. Please review this information carefully to help you make the choices that best suit your needs.

Please review the following pages for your benefit options and your 2015 employee contributions.

BENEFIT OPTIONS AT A GLANCE

Medical (administered by Aetna)

- OMAC Plan
- OMAC HSA Plan

Dental (administered by Delta Dental)

- Dental PPO Plan

Basic Life and AD&D (administered by The Hartford, provided by Town of Addison)

- Basic Employee Life and AD&D Insurance

Voluntary Life (administered by The Hartford)

- Voluntary Employee Life Insurance for Members and Dependents

Disability Insurance (administered by Unum, provided by Town of Addison)

- Long Term Disability
- Includes Employee Assistance Program Benefit

Flexible Spending Accounts (administered by Taxsaver Plan)

- Health Care Account (up to \$2,550 per year)
- Dependent Care Account (up to \$5,000 per year)



POINTS YOU NEED TO KNOW

- **If you do not enroll within 30 days of your date of hire or during open enrollment, you will not be eligible to enroll in benefits until the next open enrollment unless you have a qualifying event.** This includes Flexible Spending Accounts where you must actively enroll upon initial eligibility and during open enrollment annually. If you experience a qualifying event during the year, you may make changes in some benefit areas. To make a change, you must notify Human Resources Department of this change within 30 days of the qualifying event.
- In each benefit area, you can choose from a number of options. This lets you decide if you want coverage and how much coverage you and your family need.
- Some benefit plans require a contribution from you. This guide illustrates your costs in each benefit area on page 7.
- Each year during annual enrollment, you will receive new enrollment materials and have the opportunity to make changes for the upcoming year. **If you participate in one or both of the Flexible Spending Accounts, you MUST re-enroll each year if you want to participate in these accounts. Your elections do not automatically carry over.**
- It is a good idea to keep this booklet throughout the year in the event you need to refer back to it for coverage information.

GETTING READY TO ENROLL

1. Review Your Benefits

Read this booklet and the other benefit materials thoroughly – they describe Town of Addison' benefits program.

2. Consider Your Choices Carefully

After your enrollment period ends, you cannot change your 2015 benefit choices during the year unless you experience a qualifying event.

3. Getting Ready to Enroll

It may help to have these items handy:

- Social security numbers and birth dates for yourself and your eligible family members
- Information about other benefit coverage or insurance you or a family member may have.
- Beneficiary designation information, so you can properly identify your beneficiaries for your life insurance coverage.
- Out-of-pocket expense records for your medical, dental, vision, and dependent care so you can plan [your Flexible Spending Account contribution amounts](#).

4. Be Alert!

- Check your first paycheck after you've enrolled in benefits to confirm that your payroll deductions are correct.
- Report any payroll discrepancies immediately to the Human Resources Department.



PAYING FOR YOUR BENEFITS

Town of Addison' pays a portion of the overall cost for your benefits. The amount you pay will depend on the choices you make.

Plan	Coverage	Full-Time EE - Biweekly	Part-Time .7 EE - Biweekly	Part-Time .5 EE - Biweekly
OAMC - HSA	Employee Only	\$5.00	\$73.16	\$121.93
	Employee + Child(ren)	\$124.38	\$234.85	\$308.50
	Employee + Spouse	\$202.43	\$336.33	\$425.58
	Employee + Family	\$282.89	\$440.92	\$546.27
OAMC - PPO	Employee Only	\$7.50	\$87.02	\$145.03
	Employee + Child(ren)	\$152.02	\$284.65	\$373.06
	Employee + Spouse	\$246.14	\$407.00	\$514.24
	Employee + Family	\$343.19	\$533.17	\$659.82
DELTA DENTAL	Employee Only	\$0.00	\$4.78	\$7.97
	Employee + Child(ren)	\$9.13	\$16.65	\$21.66
	Employee + Spouse	\$7.50	\$14.54	\$19.23
	Employee + Family	\$19.63	\$30.31	\$37.42
Voluntary LIFE	Employee, Spouse, and Children	See age banded rates on enrollment form	See age banded rates on enrollment form	See age banded rates on enrollment form

Your deductions for medical and dental are made on a pre-tax basis. This reduces your taxable income and saves on federal and FICA taxes.

Your deductions for Voluntary Life insurance (if any) are made on an after-tax basis. This way, any benefits paid will not be subject to income taxes when received.



WHO IS ELIGIBLE

Employee Eligibility

If you are an active full-time employee and regularly work 30 or more hours per week. Some part-time employees may be eligible for benefits. Contact Human Resources for more information on eligibility.

You are eligible to enroll in the Town of Addison' benefit program during your first 30 days of continuous employment.

Dependent Eligibility – Medical & Dental

- **Your legal spouse**
- **Your eligible** children to age 26 regardless of student status (for Dental; children to age 19 or age 25 if a student)
- **Physically or mentally disabled children** of any age who are incapable of self-support. Proof of disability may be requested and disability has to have occurred prior to age 25.

Dependent Eligibility – Voluntary Life

- **Your legal spouse**
- **Your natural child, stepchild, adopted child or any other child who is related to you by blood or marriage who is:**
 - 1) at least 15 days old but not yet age 25; or
 - 2) age 25 or older and physically or mentally disabled and living under your supervision. Your natural or adopted grandchildren will qualify as a dependent provided the child is at least 15 days old but not yet age 25 and under your supervision and you can claim them as a dependent.
- **Physically or mentally disabled children** of any age who are incapable of self-support. Proof of disability may be requested and disability has to have occurred prior to age 25.

If your child becomes ineligible for coverage, you must notify Town of Addison.

Adding Dependents to Your Coverage

To add a new spouse or child to your benefit coverage, you must notify Town of Addison Human Resources within 30 days of the marriage/birth/adoption/change.

Important Note: Newborns are NOT automatically added to your medical coverage under Town of Addison benefits plans. You must notify the Human Resources Department within 30 days of birth to add the newborn.



CHANGING YOUR CHOICES

Town of Addison gives you an opportunity to change your benefit choices during open enrollment each year. (Open enrollment usually occurs each fall.)

Once you have made your enrollment choices, you generally cannot change them during the year. However, you may make certain changes if you have a qualifying event that affects your benefits. Typical qualifying events include:

- Marriage
- Divorce
- Birth or adoption of a child
- Death of a spouse or other eligible dependent
- Enrollment in (or loss of) state or federal medical coverage
- A change in your spouse's employment
- A child no longer qualifies as a dependent due to age, marriage, or full-time employment

If you have a qualifying event, you must notify The Human Resources Department. You also must send in the required documentation with proof of the event.

You must notify the Human Resources Department of any qualifying events as soon as possible and before 30 days have passed. If you wait longer than 30 days, you will not be allowed to make any coverage changes until the next annual enrollment – per IRS regulations.



MEDICAL COVERAGE

Town of Addison offers a PPO medical plan (OAMC) and a High Deductible Health Plan (OAMC HSA) medical plan, both administered by Aetna. Both of the plans cover a wide variety of medical services, including office visits, prescription drugs, and inpatient and outpatient care.

OAMC - Preferred Provider Organizations (PPO plan)

PPO medical plans allow you the freedom to choose either an in-network or out-of-network provider each time you need medical care.

Care received from network providers is paid at a higher benefit level, and you usually have no claims to file. If you choose to receive care from a non-network provider, medical benefits are lower – and you may have to file a claim to receive reimbursement for covered expenses.

OAMC HSA – High Deductible Health Plan (HDHP plan)

In the HDHP plan, you choose to receive medical care from in-network or out-of-network providers, but you pay less out of your paycheck for coverage. However, the HDHP has higher annual deductibles and no office visit copays. Prescription drugs are also subject to the plan's deductibles. Once you meet the in-network or out-of-network deductible, you and the plan begin sharing expenses. The HDHP has a \$2,600 individual deductible and a \$5,200 family deductible.

Once your share of in-network costs reaches the out-of-pocket maximum of \$3,000 (individual), or \$6,000 (family), the plan will pay 100% of your eligible expenses for the rest of the calendar year.

What is a Health Savings Account?

A Health Savings Account (HSA) is an individually owned, tax-free health care bank account that earns interest. Qualified expenses include deductibles, coinsurance, and other out-of-pocket dental, vision, and prescription drug expenses not covered by a health plan. Or, you can leave the money in your account to continue earning interest tax-free.

Unlike a Flexible Spending Account (FSA), your unused account balance can be carried over from year to year. And, the account belongs to you, so even if you leave the organization, you can take it with you.

The Town of Addison will contribute the following amounts to your HSA account if you elect to enroll in the High Deductible Health Plan with an HSA account:

- Employee Only - \$500
- Employee/Spouse - \$700
- Employee/Child - \$600
- Employee/Family - \$850

Half of the above amount will be contributed to your HSA when you enroll and the balance will be contributed in 6 months if you have completed the Health Risk Assessment.



HSA Funding Limits

The 2014 IRS maximum contributions for these accounts are:

Individual: \$3,350

Family: \$6,650

Town of Addison's contributions to your HSA will count toward your annual maximum contributions.

PLEASE NOTE: If you elect to participate in the HDHP with Health Savings Account, your FSA balance must be zero in order to open the HSA. You may not participate in the health FSA AND the HDHP HSA.

How to Use the HSA to Pay for Care

Once you've set up your HSA, you will receive a debit card from Payflex specifically for your account. Then, when you have an eligible expense, you have several choices for how to pay:

Pay with your HSA debit card if you have funds available in your account.

Write a check from your HSA. You must order checks when you enroll in the HSA to have this option. And, as with any other type of check, you must have funds available or the check will be returned – and you will be charged an insufficient funds fee.

Pay for expenses out of your own pocket, and then reimburse yourself from your HSA.

You are not required to submit receipts to be reimbursed from your HSA account. However, it is important, to keep copies of all your receipts. That way, if the IRS asks for substantiation of your qualified expenses, you will have the receipts.



WHAT YOU PAY: OAMC (PPO PLAN)

OAMC		
	In-Network	Out-of-Network
Calendar Year Deductible Individual Family	\$500 \$1,000	\$1,000 \$2,000
Annual Out-Of-Pocket Maximum Individual Family	\$2,000 \$4,000	\$3,000 \$6,000
Office Visit Primary care Specialist	\$20 copay per visit \$20 copay per visit	40% after deductible
Preventive Care (Routine Physicals, Well Baby Care, Vision & Hearing Exams)	Covered at 100%	40% after deductible
Emergency Care Facility charges Ambulance charges Urgent Care	20% after \$50 copay 20% after deductible 20% after \$35 copay	Same as network Same as network 40% after deductible
Coinsurance	20%	40%
In/Out Patient Hospital	20% after deductible	40% after deductible
Inpatient Mental Health	20% after deductible	40% after deductible
Outpatient Mental Health	\$20 copay per visit	40% after deductible
Inpatient Substance Abuse	20% after deductible	40% after deductible
Outpatient Substance Abuse	\$20 copay per visit	40% after deductible
Extended Care Home Health Care Skilled Nursing Facility Hospice Care	20% after deductible	40% after deductible
See certificate for maximums		
<i>This plan has no lifetime maximum</i>		



WHAT YOU PAY: OAMC HSA (HIGH DEDUCTIBLE HEALTH PLAN)

OAMC		
	In-Network	Out-of-Network
Calendar Year Deductible Individual Family	\$2,600 \$5,200	\$5,250 \$10,500
Annual Out-Of-Pocket Maximum Individual Family	\$3,000 \$6,000	\$6,000 \$12,000
Office Visit Primary care Specialist	20% after deductible	40% after deductible
Preventive Care (Routine Physicals, Well Baby Care, Vision & Hearing Exams)	Covered at 100%	40% after deductible
Emergency Care Facility charges Ambulance charges Urgent Care	20% after deductible 20% after deductible 20% after deductible	Same as network Same as network 40% after deductible
Coinsurance	20%	40%
In/Out Patient Hospital	20% after deductible	40% after deductible
Inpatient Mental Health	20% after deductible	40% after deductible
Outpatient Mental Health	20% after deductible	40% after deductible
Inpatient Substance Abuse	20% after deductible	40% after deductible
Outpatient Substance Abuse	20% after deductible	40% after deductible
Extended Care Home Health Care Skilled Nursing Facility Hospice Care	20% after deductible	40% after deductible
	See certificate for maximums	
<i>This plan has no lifetime maximum</i>		



PRESCRIPTION DRUG COVERAGE

If you enroll in one of the medical Plans, prescription drug benefits are provided by Aetna. You have the choice of purchasing your prescriptions through retail pharmacies or through a mail order program.

Retail Prescription Program

The retail prescription program utilizes a network of participating pharmacies; to receive the benefit, you must use a participating pharmacy.

To make sure your pharmacist is in the network, go online to www.aetna.com.

Retail (30-day supply)	In-Network	Out-of-Network
OAMC (PPO) Tier 1 Tier 2 Tier 3	\$15 \$30 \$50	20% of cost after copay 20% of cost after copay 20% of cost after copay
OAMC HSA (HDHP) Tier 1 Tier 2 Tier 3	20% after deductible 20% after deductible 20% after deductible	40% after deductible 40% after deductible 40% after deductible

Mail Order Prescription Program

This program is only available through Aetna RX Home Delivery. For more information on how to enroll go to www.aetna.com.

Retail (90-day supply)	In-Network	Out-of-Network
OAMC (PPO) Tier 1 Tier 2 Tier 3	\$30 \$60 \$100	No Out of Network
OAMC HSA (HDHP) Tier 1 Tier 2 Tier 3	20% after deductible 20% after deductible 20% after deductible	No Out of Network



DENTAL COVERAGE

Town of Addison dental coverage is offered through Delta Dental.

When you or a covered family member needs dental care, you can visit the dentist of your choice. You do not have to select a primary dentist and you do not have to receive referrals for specialty care.

However, if you use a Delta Dental network dentist you will save money. Delta Dental network dentists have agreed to charge lower fees for their services, so you pay less when you receive care from them. These discounts can save you anywhere from 10% to 35% off the average dental charges in your area.

When you receive dental care from a non-network dentist, your out-of-pocket expenses will be higher because your charges will be subject to reasonable and customary limits (the usual charge of most dentists in the same geographic area for that service).

You can visit any dentist, however, if you visit a Delta Dental network dentist a discount will be applied to your dental services.

To see the most current list of Dental PPO network providers, go online to the Delta Dental dentist finder at www.deltadentalins.com

Dental Plan Summary

Feature	In-Network & Out-of-Network
Annual Deductible	\$50 Individual \$150 Family <i>Waived for Diagnostic & Preventive Care Services</i>
Maximum Benefit Per Calendar Year	\$1,500 per person
Diagnostic and Preventive Care	Plan pays 100%
Basic & Restorative, Denture Repairs	Plan pays 80%
Major Services	Plan pays 50%
Orthodontia Services*	Plan pays 50% after \$50 lifetime deductible
Orthodontia Maximum*	\$1,500 lifetime maximum per person

*Orthodontia coverage is available for dependent children up to age 25.



BASIC LIFE & AD&D INSURANCE

Town of Addison provides basic life insurance and basic accidental death/dismemberment (AD&D) insurance for all eligible employees at no cost. The Hartford administers the life insurance plan, which is designed to provide financial protection to your beneficiaries in the event of your death.

Town of Addison Provided Benefits

Benefit	Coverage	Paid By
Basic Life Insurance	2 X Salary up to a maximum of \$200,000	Town of Addison
Basic AD&D Insurance	2 X Salary up to a maximum of \$200,000	Town of Addison

Beneficiary Designation

You **MUST** designate a beneficiary for your life and AD&D insurance when you become eligible for coverage. Your “beneficiary” is the person (or people, estate, trust, etc.) who will receive your life insurance benefits if you die.

- You may change your beneficiary at any time.
- If you do not name a beneficiary, or if your beneficiary dies before you, benefits will be paid to your estate.



VOLUNTARY LIFE & AD&D INSURANCE

Voluntary dependent life insurance coverage for your spouse or domestic partner and/or children is available if you elect voluntary life insurance for yourself. You may elect to cover your spouse or domestic partner and children, your spouse or domestic partner only, or your children only. This is an optional, employee-paid benefit.

All voluntary life insurance is paid for through payroll deductions on an after-tax basis.

You may buy voluntary life insurance for you and your eligible dependents, as follows:

Benefit	Coverage
Employee Voluntary Life	<ul style="list-style-type: none">• 3 X annual earnings in 1 X annual earnings increments up to a maximum of \$400,000• You can obtain up to the lesser amount of \$200,000 or 3 X annual earnings without Evidence of Insurability*
Spouse Voluntary Life	<ul style="list-style-type: none">• \$10,000 increments up to a maximum of \$50,000• Your spouse can obtain up to \$20,000 without Evidence of Insurability*• Coverage cannot exceed 50% of Employee Voluntary Coverage
Child Voluntary Life	<ul style="list-style-type: none">• 15 days to 25 years = \$5,000 or \$10,000• You can elect up to \$10,000 of coverage for your dependent child(ren) without Evidence of Insurability*

*Guarantee issue only applies upon initial eligibility.

Beneficiary Designation

When you enroll, you **MUST** designate your life insurance beneficiary. Benefits will be paid to your beneficiary if you die. You are automatically the beneficiary for any voluntary life insurance you elect for your spouse or children.



LONG TERM DISABILITY

Your cost for Long Term Disability (LTD) coverage is paid by the Town of Addison.

Active full-time employees working a minimum of 20 hours per week are automatically enrolled for Long Term Disability (LTD) coverage.

Benefit Percentage:

60 % of Monthly Earnings up to a maximum of \$5,000 per month

Elimination Period: 180 calendar days

Eligible Date: Date of Hire



FLEXIBLE SPENDING ACCOUNTS

Flexible Spending Accounts (FSAs) let you save taxes on the money you spend for out-of-pocket health care or dependent care expenses. The FSA's are administered by Tax saver Plan.

If you enroll, you choose an annual amount you want to contribute. Your contributions are taken from each paycheck throughout the year and deposited in your account. Since this money is taken out of your check before you pay taxes, you pay less taxes. After you pay an eligible expense, you submit a claim and are reimbursed with the pre-tax dollars from your account.

There are two types of FSA's: the Health Care Account and the Dependent Care Account. You can choose to participate in only one of the accounts, both of the accounts or neither one.

The elections you make to the Health Care and Dependent Care FSA's will be for the plan year beginning on January 1, 2015 and remain in effect until December 31, 2015. You cannot change or stop your deductions during the year unless you experience a qualified event.

The Internal Revenue Service has a "use-it-or-lose-it" rule for these accounts. This means you must use up your contributions during the year you make them. You can't "roll over" unused amounts to cover next year's expenses.

How long do I have to use the funds in my FSA accounts?

Although the plan year runs from January 1, 2015 to December 31, 2015, both the Health Care and Dependent Care FSA's have a 2 ½ Grace Period which allows you use the money in either account for expenses incurred prior to March 15, 2016. However, the deadline to submit all expenses for reimbursement is March 31, 2016. Any expenses submitted after the March 31, 2016 deadline will not be reimbursed.

Use it or Lose it

Any unused funds in your account after all expenses incurred prior to March 15, 2016 and submitted for reimbursement by March 31, 2016 are processed will be forfeited.

Health Care Account

The Health Care Account is used to pay for eligible out-of-pocket expenses, such as:

- Deductibles and copays for medical, dental, or vision coverage
- Retail and mail-order prescription copays
- Any IRS deductible expense not covered by a health plan

Annual Contribution Amount

The maximum amount you can contribute to the Health Care Account is \$2,550 per year.

You can not participate in the FSA if you are enrolled in the High Deductible Health Plan and are contributing to a Health Savings Account.



Health Care Account Worksheet

Use the worksheet below to estimate your annual out-of-pocket medical/dental/vision/hearing expenses.

ELIGIBLE HEALTH CARE EXPENSES	Estimated Expenses
Copays (doctor visits, prescriptions, vision)	\$
Medical, dental deductibles	\$
Out-of-pocket hospital expenses	\$
Out-of-pocket physician expenses (e.g., lab work)	\$
Out-of-pocket dental expenses	\$
Out-of-pocket vision and eye care expenses	\$
Out-of-pocket chiropractic expenses	\$
Out-of-pocket mental health care expenses	\$
Out-of-pocket prescription drug expenses	\$
Out-of-pocket substance abuse care expenses	\$
Out-of-pocket physical therapy expenses	\$
Approved over-the-counter medication expenses	\$
Other eligible health care expenses	\$
Annual Total*	\$

*Divide your total estimated annual expenses by the number of pay periods remaining in 2015.

Dependent Care Account

The Dependent Care Account can reimburse your eligible day care expenses for a dependent who lives with you, and who is under age 13 (or disabled and any age). You must claim this person as a dependent on your income tax return.

What Is Covered?

You may be reimbursed only for care that enables you to work or look for work on a full-time basis. You can't be reimbursed for care provided by your spouse, your child under age 19, or someone you claim as a dependent.

Annual Contribution Amount

The maximum amount you can contribute to the Dependent Care Account is \$5,000 (\$2,500 if you are married and file separate tax returns).

For a more complete list of eligible FSA expenses, go to www.irs.gov.

Filing Claims for Reimbursement

When you file a Dependent Care Account claim, you are only reimbursed up to the amount in your account at the time you file your claim. For instance, if you have incurred \$300 in expenses, but you only have \$200 in your account, you will be reimbursed only \$200. Additional reimbursement will be made as you make semi-monthly contributions to your account through payroll deductions.



WORK-LIFE BALANCE (EAP)

The Work-life Balance Employee Assistance Program (EAP) offers support, guidance and resources that can help you resolve personal issues and meet life's challenges. This service is provided at no additional cost to you by your employer, in connection with your Group Long Term Disability coverage from Unum.

The Work-life Balance EAP can help you with all of the following:

- Child care and elder care
- Health information and online tools
- Difficulties in relationships
- Stress and anxiety with work or family
- Depression
- Career Development
- Emotional well-being
- Financial planning
- Legal consultations with licensed attorneys

The program is available 24 hours a day, every day, to you and members of your household. You will receive up to three face-to-face counseling sessions per issue.

Call 800.854.1445 or visit www.lifebalance.net



LEGAL NOTICES

Important Notice from Town of Addison About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Town of Addison and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Town of Addison has determined that the prescription drug coverage offered by the Town of Addison is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 31st. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two-month Special Enrollment Period to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Town of Addison coverage may be affected.

If you do decide to join a Medicare drug plan and drop your current Town of Addison coverage, be aware that you and your dependents may not be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Town of Addison and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 19 months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.



For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact Passion Hayes at (972) 450-2819 for further information. NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Town of Addison changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the *Medicare & You* handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov.
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the *Medicare & You* handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: October 2014
Name of Entity/Sender: Town of Addison
Contact--Position/Office: Passion Hayes - Human Resources Department
Address: 16801 Westgrove Road
Addison, Texas 75001
Phone Number: (972) 450-2819



COBRA Rights Notice

You're getting this notice because you recently gained coverage under a group health plan (the Plan). This notice has important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan. This notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to get it. When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and other members of your family when group health coverage would otherwise end. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan's Summary Plan Description or contact the Plan Administrator.

You may have other options available to you when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

What Is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise end because of a life event. This is also called a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you're an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

- Your hours of employment are reduced; or
- Your employment ends for any reason other than your gross misconduct.

If you're the spouse of an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.



Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because of the following qualifying events:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the Plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to [*enter name of employer sponsoring the Plan*], and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary. The retired employee's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

When Is COBRA Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. The employer must notify the Plan Administrator of the following qualifying events:

- The end of employment or reduction of hours of employment;
- Death of the employee;
- Commencement of a proceeding in bankruptcy with respect to the employer;]; or
- The employee's becoming entitled to Medicare benefits (under Part A, Part B, or both).

For all other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to: Human Resources

How Is COBRA Continuation Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage that generally lasts for 18 months due to employment termination or reduction of hours of work. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

There are also ways in which this 18-month period of COBRA continuation coverage can be extended:

Disability Extension of 18-Month Period of COBRA Continuation Coverage

If you or anyone in your family covered under the Plan is determined by Social Security to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to get up to



an additional 11 months of COBRA continuation coverage, for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

Second Qualifying Event Extension of 18-Month Period of Continuation Coverage

If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if the Plan is properly notified about the second qualifying event. This extension may be available to the spouse and any dependent children getting COBRA continuation coverage if the employee or former employee dies; becomes entitled to Medicare benefits (under Part A, Part B, or both); gets divorced or legally separated; or if the dependent child stops being eligible under the Plan as a dependent child. This extension is only available if the second qualifying event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

Are There Other Coverage Options Besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

If You Have Questions

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) For more information about the Marketplace, visit www.HealthCare.gov.

Keep Your Plan Informed of Address Changes

To protect your family's rights, let the Plan Administrator know about any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

Date: October 2014
Name of Entity/Sender: Town of Addison
Contact--Position/Office: Passion Hayes - Human Resources Department
Address: 16801 Westgrove Road
Addison, Texas 75001
Phone Number: (972) 450-2819



Newborn & Mothers Health Protection Notice

For maternity hospital stays, in accordance with federal law, the Plan does not restrict benefits, for any hospital length of stay in connection with childbirth for the mother or newborn child, to less than 48 hours following a vaginal delivery or less than 96 hours following a Cesarean delivery.

However, federal law generally does not prevent the mother's or newborn's attending care provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours, as applicable). The plan cannot require a provider to prescribe a length of stay any shorter than 48 hours (or 96 hours following a Cesarean delivery).

Women's Health and Cancer Rights Act of 1998

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultations with the attending physician and the patient, for:

- All states of reconstruction of the breast on which the mastectomy was performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance
- Protheses
- Treatment of physical complications of the mastectomy, including lymphedema

These benefits will be provided subject to the same deductibles, copays and coinsurance applicable to other medical and surgical benefits provided under your medical plan. For more information on WHCRA benefits, contact the ABC HR Service Center or your medical plan administrator.

Expanded Coverage for Women's Preventive Care

Under the Affordable Care Act, Town of Addison provides female plan participants with expanded access to recommended in-network preventive services, including contraceptives, without cost sharing.

Additional women's preventive services that will be covered without cost sharing requirements include:

- Well-woman visits
- Gestational diabetes screening
- HPV DNA testing
- STI counseling, and HIV screening and counseling
- Contraception and contraceptive counseling
- Breastfeeding support, supplies, and counseling
- Domestic violence screening

For a description of what these items include, visit <https://www.healthcare.gov/what-are-my-preventive-care-benefits/#part=2>.



Notice of Special Enrollment Rights

If you decline enrollment in medical coverage for yourself or your dependents (including your spouse) because of other health insurance coverage, you may be able to enroll yourself or your dependents in Town of Addison's medical coverage if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage). However, you must request enrollment no more than 31 days after your or your dependent's other coverage ends (or after the employer stops contributing to the other coverage). In addition, if you have a new dependent as a result of marriage, birth, adoption or placement for adoption, you can enroll yourself and your dependents in Town of Addison's medical coverage as long as you request enrollment by contacting Human Resources no more than 30 days after the marriage, birth, adoption or placement for adoption. For more information, contact Human Resources.

60-Day Special Enrollment Period

In addition to the qualifying events listed in the enrollment guide and this document, you and your dependents will have a special 60-day period to elect or discontinue coverage if:

- You or your dependent's Medicaid or Children's Health Insurance Program (CHIP) coverage is terminated as a result of loss of eligibility; or
- You or your dependent becomes eligible for a premium assistance subsidy under Medicaid or CHIP.



PHONE NUMBERS, WEB ADDRESSES

The following list of contacts, telephone numbers and web site addresses may be helpful throughout the plan year:

Questions Regarding	Administrator	Phone/Web Site
Medical	Aetna	1-888-416-2277 www.aetna.com
Dental Plan	Delta Dental	1-866-521-2651 www.deltadentalins.com
Life Insurance	The Hartford	1-800-303-9744 www.thehartford.com
LTD	Unum	1-800-442-0915 www.unum.com
FSA	Taxsaver Plan	214-559-0472 or 800-328-4337 www.taxsaverplan.com
Employee Assistance Program (EAP)	Work-life Balance	1-800-854-1446 www.lifebalance.net