UNC HEALTH CARE

2013

Benefits Summary

University of North Carolina Health Care System

UNC Health Care is committed to offering a competitive benefits program for UNC Health Care employees. Our benefits options extend beyond retirement contributions and health care benefits. UNC Health Care employees enjoy the opportunity to participate in programs like Flexible Spending Accounts, College Savings Accounts, Long Term Care Insurance, Supplement Retirement accounts including 403(b), 401(k), and 457 plans, and UNC Health Care's Career Development Education programs.

UNC Health Care is aware of employees' needs for time off from work, whether for planned rest and recreation, or for personal illness and emergencies, and the importance of income continuation in those instances. Our Paid Time Off (PTO) program allows employees to manage their own paid time off and use it wisely. It even has a cash ability option.

UNC Health Care regularly assesses its benefit programs to provide the greatest possible value to employees.

The UNC Health Care Employee Benefits Staff are ready to assist employees with benefits enrollment, changes, or participation questions. For more information contact UNC Health Care's Employee Benefits at (919) 966-2027 or e-mail at Benefits@unch.unc.edu.

Thank you,

Bill Rotella
Vice President of Human Resources
UNC Health Care

UNC Health Care offers a flexible and comprehensive package of benefits, along with valuable work and family programs.

Who's Eligible?

- Regular (non-temporary) part-time employees working 20-29 hours per week are eligible for many benefit programs, typically without employer contributions. Participation is excluded in the mandatory retirement plans, the State 401(k) plan, and disability plans.
- Regular (non-temporary) part-time employees working 30-39 hours per week or regular full-time employees working 40 hours per week are considered to be benefits eligible.
- Other employees as defined by UNC Health Care.

Unclassified positions are exempt from the provisions of the State Personnel Act of North Carolina and are governed by the UNC Board of Governors. This includes all faculty positions and most research, instructional and senior administrative positions.

Health Benefits

Health coverage is underwritten by the State Health Plan of North Carolina and provided by Blue Cross Blue Shield of North Carolina. There are two options for health coverage, as indicated below.

Also, if you are enrolled in health coverage, you are eligible to take part in NC HealthSmart. This voluntary program provides you access to tools and resources to help you live a healthier life.

Basic PPO Plan

- See any provider; can lower expenses by using network providers
- Copay — In-network: $35 office visit; $81 specialist visit
- Annual deductible — In-network: $933 per individual, $2,799 per family; Out-of-network: $1,866 per individual, $5,598 per family
- Coinsurance — In-network: you pay 30% for eligible expenses after deductible; Out-of-network: you pay 50% of eligible expenses after deductible and the difference between the allowed amount and the charge
- Preventive care — In-network: $35 office visit; $81 specialist visit; Out-of-network: not covered

Standard PPO Plan

- See any provider; can lower expenses by using network providers
- Copay — In-network: $30 office visit; $70 specialist visit
- Annual deductible — In-network: $700 per individual, $2,100 per family; Out-of-network: $1,400 per individual, $4,200 per family
- Coinsurance — In-network: you pay 20% for eligible expenses after deductible; Out-of-network: you pay 40% of eligible expenses after deductible and the difference between the allowed amount and the charge
- Preventive care — In-network: $30 office visit; $70 in-network specialist visit; Out-of-network: not covered

Prescription Drug Plan (part of both PPO Plans)

- Administered by Express Scripts
- Three tier plan — Generic, preferred brand and non-preferred brand
- Up to 30-day supply — $12 copay for generic; $40 copay for preferred brand; $64 copay for non-preferred brand
- Specialty drugs — 25% coinsurance up to $100 for each 30-day supply

NCFlex Health Programs

As part of the State-sponsored benefits, the NCFlex benefits program provides a variety of plans to meet the needs of you and your family. You may enroll in any or all of the NCFlex benefits. You pay for the full cost of coverage through payroll deductions on a pre-tax basis.

Dental

Dental coverage is administered by United Concordia.

- Two options for coverage: High Option or Low Option
- You pay the full cost of coverage on a pre-tax basis
- Under each option, you can visit any provider

High Option

- Diagnostic and preventive services — No charge on eligible expenses
- Basic services — You pay 20% after deductible for eligible services except for periodontic services, which are covered at 50% after deductible
- Major services — You pay 50% for eligible services after deductible
- Deductible — $50 individual/$150 family applies to basic and major services
- Maximum annual benefits (excluding orthodontia) — $1,250 benefit per covered person per year for eligible diagnostic/preventive, basic and major services
- Orthodontic services — You pay 50% for most services, up to $1,500 lifetime maximum per individual

Low Option

- Diagnostic and preventive services — No charge on eligible expenses
- Basic services — You pay 20% after deductible for fillings and simple extractions; 50% after deductible for other basic services and periodontic services
- Major services — Not covered
- Deductible — $25 individual/$75 family applies to diagnostic/preventive and basic services
- Maximum Annual Benefits — $1,000 benefit per covered person per year for eligible diagnostic/preventive and basic services
- Orthodontic services — Not covered

Vision

Vision coverage is administered by Superior Vision Services (SVS).

- Three options for coverage — Exam and Materials; Materials Only; or Enhanced Exam and Materials
- You pay the full cost of coverage on a pre-tax basis
- See any provider but can lower expenses if you visit an in-network SVS provider

Exam and Materials Plan and Enhanced Exam and Materials Plan

- Routine eye exam — In-network: $20 copay; Out-of-network: up to $44 allowance for ophthalmologist, $39 for optometrist
- Frames — In-network: up to $100 allowance ($150 allowance for Enhanced Plan) plus 20% discount on coverages; Out-of-network: up to $50 ($81 for Enhanced Plan) allowance
- Lenses — In-network: covered in full; Out-of-network: up to $34 allowance for single vision, up to $48 allowance for bifocal, up to $64 allowance for trifocal and up to $88 allowance for lenticular
- Contact lenses (elective) — In-network: up to $120 ($150 for Enhanced Plan) allowance; Out-of-network: up to $100 allowance
- Contact lenses (necessary) — In-network: covered in full; Out-of-network: up to $210 allowance

Materials Only Plan

- Routine Eye Exam — Not Covered
- Frames — In-network: up to $100 allowance plus 20% discount on coverages; Out-of-network: up to $50 allowance
- Lenses — In-network: covered in full; Out-of-network: up to $34 allowance for single vision, up to $48 allowance for bifocal, up to $64 allowance for trifocal and up to $88 allowance for lenticular
- Contact lenses (elective) — In-network: up to $120 allowance; Out-of-network: up to $100 allowance
- Contact lenses (necessary) — In-network: covered in full; Out-of-network: up to $210 allowance

Health Care Flexible Spending Account (HCFSA)

The HCFSA allows you to set money aside on a pre-tax basis to pay for eligible health care expenses.

- Contribute between $120 and $2,500 per year

Cancer Insurance

The plan is administered by American Heritage Life and provides benefits to pay for cancer-related expenses.

- Choose between three options (Low, High and Premium)

Critical Illness

This program complements medical coverage, but does not replace it. The coverage pays a lump sum when a covered person experiences a medical condition outlined in the plan.

Income Protection Programs

Accident Insurance

- Core AD&D coverage — Coverage for employee only. $10,000 maximum limit. You must elect to enroll for coverage to receive this benefit. UNC Health Care pays the full cost of this coverage.
- Voluntary AD&D coverage — May elect employee or employee + family coverage. Up to $500,000 maximum limit. You pay the full cost of coverage.

Group Term Life Insurance – Metropolitan Life Insurance (MetLife)

UNC Health Care offers a Group Term Life Insurance program that employees may participate in to cover themselves and their eligible dependents. Employee coverage is available up to five times the employee's annual salary; coverage for a spouse or legal Domestic Partner is $25,000; coverage for children is $10,000. Premiums are deducted on an after-tax basis and depend on the employee's age and coverage amount. Employees may add supplemental Accidental Death and Dismemberment coverage which provides additional benefit if death occurs due to an accident. NCFlex Life and AD&D policies are also available.

Enrollment in the MetLife Life Insurance program includes access to a free Will Preparation program through Hyatt Legal Plans, a MetLife company. The service provides eligible employees and their spouses with access to a participating plan attorney for preparing or updating a will. The service covers the legal fees for this service when using a participating attorney.

Universal Life Insurance – UNUM

UNC Health Care offers "whole" life insurance to regular employees who work 20 or more hours per week. This plan is administered by Unum. Employees are able to enroll in this life insurance plan via an annual enrollment period. Premiums for this life insurance benefit are deducted on a post-tax basis and vary by employee. Employees must enroll within 30 days of new hire or status change date.

Voluntary Group Term Life Insurance

UNC Health Care offers a group term life insurance program with ING. If you enroll when first eligible, you may elect coverage on a guaranteed basis up to $100,000 without providing Evidence of Insurability (EOI). If the benefit amount exceeds $100,000, EOI must be provided. The maximum amount of coverage you may elect is $500,000, not to exceed 5 times your base annual earnings. You pay the full cost of coverage.

Disability

The Disability Income Plan of North Carolina (DIP-NC) is a benefit provided at no cost to eligible employees who participate in the Teachers' and State Employees' Retirement System (TSERS) or the Optional Retirement Program (ORP). Benefits are available to eligible employees who become continuously unable to perform the duties of their usual occupation due to a mental or physical incapacity while actively employed. DIP-NC consists of short-term and long-term disability benefits.

Short-Term Disability

Income benefits are equal to 50 percent of your annual base rate of compensation up to a maximum of $3,000 a month. Short-Term Disability is payable for a period not to exceed 365 days. There is a 60-day waiting period before benefits become payable.

Long-Term Disability

Income benefits are equal to 65 percent of your annual base rate of compensation up to a maximum of $3,900 a month. If approved, the benefit continues as long as you remain permanently disabled and until you qualify for an unreduced service retirement.

Supplemental Disability

UNC Health Care offers Supplemental Disability programs through Liberty Mutual for employees enrolled in TSERS and through The Standard for employees enrolled in the ORP. These plans are designed to fill the gaps of the DIP-NC for the first year of employment and provide a supplement during the short-term and long-term periods of the DIP-NC. You pay the full cost of the premium if you enroll for coverage.

Leave Programs

Traditional Leave

All employees that enter into benefit earning positions on or after May 1, 2002 were placed in the PTO Leave program.

Paid Time Off (PTO) Leave

PTO is a flexible leave program available to UNC Health Care employees. PTO combines all time-off categories into one. The program is based on an accrual process and includes time for holidays, vacations, child/spousal illness, family emergencies and illnesses, volunteer work, child involvement activities, or simply personal time. PTO does not include provisions for civil leave and military leave. The current policies on civil and military leave remain in effect for all employees.

Reinstatement

Former UNC Health Care employees who return to employment will be placed on PTO.

General Information

The PTO program has two types of leave: PTO and Long Term Sick Leave Bank. When leave is taken for illness, vacation, holidays, or any other personal reason, the PTO leave account is debited. The maximum amount of leave that can be carried over into the next leave year is 280 hours. Hours in excess of this maximum will be rolled into a Long Term Sick Leave Bank account or with proper pre-authorization (PTO Sell Back Form) can be sold back.

Accrual Rates

The accrual rate is based upon years of service with UNC Health Care or another recognized State agency. Factors affecting the accrual rate of PTO per pay period are:

1. Length of service.
2. Percentage of full-time employment (full-time or part-time).
3. Accountable hours.

Years of Service	Hours/Biweekly	Annual
0 but less than 5	11.539	300 hours
5 but less than 10	12.500	325 hours
10 but less than 15	13.462	350 hours
15 but less than 20	14.423	375 hours
20 years and over	15.385	400 hours

These rates are based on a full-time, 40 hour per week appointment, and are pro-rated for short workweeks or part-time employees appointed to 20-39 hours per week.

All scheduled hours in a pay period must be worked or charged to PTO Leave in order to accrue 100% of the employee's leave in that pay period. Otherwise, the PTO Leave accrual will be pro-rated according to the percentage of appointed hours accounted for in a pay period (example: a full-time employee who works 72 hours in a pay period and does not use any PTO leave will accrue 90% of their PTO leave for that pay period).

Transfer-In

Employees transferring to UNC Health Care from other state agencies will have their sick leave balance converted to the Long Term Sick Leave Bank. Vacation leave will not be transferred.

Change In Status

Employees who increase their appointed hours from less than 20 hours per week to 20 or more hours per week will be enrolled in the PTO program.

Requesting Leave

An employee must request and be approved for PTO leave in advance by management whenever possible. In the event of unplanned, unscheduled absences, the current Attendance and Tardiness policy applies.

Long Term Sick Leave Bank can be used if PTO balance is below 96 hours for employee's illness or injury, for Family & Medical Leave, and for donation of time under the Voluntary Shared Leave program.

PTO & Long Term Sick Leave Bank at Retirement

Under PTO, Long Term Sick Leave Bank hours may be used towards computing years of service for retirement. Approximately one month of retirement credit is awarded for every 20 days of Long Term Sick Leave Bank leave.

Sale of PTO Leave (Sell Back)

UNC Health Care offers quarterly sell-back periods. To be eligible for the sell-back options, employees must have at least 148 hours of PTO available. Employees are eligible to enroll to receive a sell-back based on their election of 25%, 50%, 75% or 100% of all hours over 140 with a minimum of eight hours required for distribution.

Retirement

Teachers' & State Employees' Retirement System (TSERS)

- Defined benefit plan
- Under this plan, the State controls the investment. The benefit you receive at retirement is based on a formula (factors include your age, your average final compensation and your years/months of creditable service).
- Participation is mandatory for all regular full-time employees.
- Employee contribution — 6%
- UNC Health Care contribution — As defined by the General Assembly

Supplemental Retirement Programs

UNC Health Care also offers several other programs to help you set aside money for retirement.

- UNC Health Care-sponsored 403(b) plan with investments provided by TIAA-CREF and Fidelity — You are eligible to participate if you have FICA tax withheld from your pay.
- State-sponsored 401(k) Plan administered by Prudential — You must be contributing to either the TSERS or the ORP to be eligible to participate.
- State-sponsored 457 deferred compensation plan administered by Prudential — All employees are eligible.

Optional Retirement Program (ORP)

- Defined contribution plan
- Under this plan, you control your investments. The benefit you receive at retirement is based on investment performance and payment option chosen.
- Program serves as an alternate option to TSERS.
- Employee contribution — 6%
- University contribution — 6.84%
- Choose from four investment providers (Fidelity Investments, Lincoln Financial Group, TIAA-CREF and VALIC).

TSERS for State Law Enforcement Officers

- Defined benefit plan
- Under this plan, the State controls the investment. The benefit you receive at retirement is based on a formula (factors include your age, your average final compensation and your years/months of creditable service).
- Participation is mandatory for full-time regular law enforcement officers.
- Employee contribution — 6%
- UNC Health Care contribution — As defined by the General Assembly.

Educational Programs

Tuition Waiver

This program provides an opportunity for an eligible full-time employee to have the tuition waived for two courses taken at any of the constituent institutions of the University system.

Academic Assistance

This program provides reimbursement of academic tuition costs to employees scheduled to work 20 hours or more in a degree program related to any position at UNC Health Care, and/or time off the job if the course is available only during working hours.

MetLaw

UNC Health Care offers a legal group insurance program through Hyatt Legal (a MetLife Company) for regular employees who are scheduled to work 20 hours or more. Participants enjoy a group discount and may pay insurance premiums via a convenient payroll deduction. An unlimited advance and office consultations on personal legal matters is available with an attorney of the employee's choice. For more details go to www.unchealthcare.org/benefits and click METLAW.

Work/Life Programs

UNC Health Care also provides access to a variety of programs designed to help you balance your work and personal needs. Programs include:

- Child Care Resource & Referral Programs
- Dependent Day Care Flexible Spending Account (DDCFSA) – As part of the NCFlex benefits program, the DDCFSA offers tax-free reimbursement for child care and adult day care expenses. You may elect to set aside from $120 to $5,000 per year on a pre-tax basis.
- Elder Care Resource and Referral Programs
- Flexible work arrangements
- Employee Assistance Program
- Lactation Resources

In addition, each campus may offer other special programs to its employees.

MetLife Home & Auto

UNC Health Care offers a group insurance program through MetLife Auto and Home for regular employees who are scheduled to work 20 hours or more. Participants enjoy a group discount and may pay insurance premiums via a convenient payroll deduction. Coverage is immediately available for Automobile, Boat Owners, Home Owners, Fire, Renters, Mobile Home, Condominium, Personnel Excess Liability, Recreational Vehicles, and Landlord's Rental Dwelling.

FOR MORE INFORMATION

Visit www.unchealthcare.org/benefits for more information about the benefits provided by UNC Health Care.

The information contained in this document is not a contract and is subject to change by the proper authorities. It should be understood that explanations in this summary cannot alter, modify or otherwise change the controlling legal document or general statutes in any way, nor can any right accrue by reason of any inclusion or omission of any statement in this document.

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