# II. Benefit Programs for Participants

Wellesley College offers a range of benefit programs designed to provide employees with comprehensive coverage and quality care. The content provided in this section can help you make informed benefits enrollment decisions and allow you to take full advantage of the benefit programs available to you.

This section provides plan design information to help you choose the program and coverage that's best for you. You should carefully consider the information provided below in conjunction with the separate benefit plan subscriber certificates and booklets Wellesley College makes available to you, as they can provide more detailed information regarding the benefits described below. Wellesley College's Employee Welfare Benefits Plan is currently made up of the benefit programs listed below. Wellesley College also offers Flexible Spending Accounts through the Reimbursement Plans:

- Medical Coverage (HMO or PPO)
- Dental Coverage (Delta Dental Premier or DeltaCare)
- Employee Assistance Plan (EAP)
- Life Insurance (Basic, Contributory, Spouse)
- Short Term Disability (STD) Insurance
- Long Term Disability (LTD) Insurance
- Long Term Care (LTC) Insurance
- Flexible Spending Accounts (FSAs) (through the Reimbursement Plans)

## Medical Coverage

**HMO or PPO Option**

If you join an HMO, you select a primary care physician (PCP) from a network of providers, and you pay a copayment for services. Your PCP refers you to specialists and other providers. If you join a PPO you have the option of visiting physicians in or out of the HMO network along with seeing specialists without a referral. If you choose to receive out-of-network care, you pay any applicable deductibles and co-insurance.

Wellesley College offers medical coverage through Harvard Pilgrim Health Care, which provides employees with comprehensive coverage for a range of medical needs—from life-threatening illnesses to preventive and emergency care along with prescription drug coverage. To participate in medical coverage, you must actively enroll (see ***Participation in the Plan*** **for enrollment criteria**). There are two medical options from which you may choose:

- Harvard Pilgrim Health Care HMO
- Harvard Pilgrim Health Care PPO

### HMO Option

An HMO is comprised of a network of health care providers who deliver managed care at a center or as part of a network. HMOs require you to select a primary care physician (PCP) who coordinates your care and authorizes visits to specialists or other providers. Your covered family members also select a PCP to coordinate their care. You can change your PCP at any time. When you require specialist care, your PCP makes referrals to

specialists in and outside the HMO network as appropriate. You pay a copayment at the time you visit your PCP or Specialist, or receive a service from an in-network provider, or are referred to a provider other than your PCP (in or outside the HMO network).

Harvard Pilgrim Health Care HMO offers a variety of choices for each family member. The Harvard Pilgrim network includes Harvard Vanguard Centers, which offer most services at a single location. It also includes Medical Group Practices, which offer many services at a single location, along with thousands of independent primary and specialty care physician providers in the traditional private office setting.

Each family member can choose a distinct PCP and care at a location that provides the best accommodation for them. PCP directories and practice locations are available on the web at **www.harvardpilgrim.org**. Paper copies will be made available upon request from Harvard Pilgrim or at the Wellesley College Human Resources Office free of charge. Contact Harvard Pilgrim directly for current PCP networks.

## PPO Option

The PPO (Preferred Provider Organization) allows you the additional feature of visiting doctors and providers outside the HMO network without a referral from a PCP. This can be a valuable feature if you want the flexibility to choose a doctor outside of the HMO provider network. You pay more per month for the PPO option along with any applicable deductibles and co-insurance (when you choose to receive out-of-network care) as the reciprocal of more flexibility when making health care choices.

In a PPO, you coordinate your own care and are not required to get referrals from a PCP to see specialists or other providers. The PPO does use a network of doctors like the HMO design, and when you seek care from these in-network providers, you are not subject to the applicable deductibles or co-insurance. Under this approach, the Harvard Pilgrim Health Care PPO provides incentives for you to work with physicians in the network, which is the same network as the Harvard Pilgrim HMO, but also allows you the flexibility to seek care outside the network. Because of the freedom of choice offered by this plan, the premium is higher.

## Coverage, Copayment, Deductible, and Co-insurance Information

Wellesley College's medical coverage offers comprehensive services such as hospitalization coverage, physician services, mental health and substance abuse services, prescription drug coverage, and emergency care. There are no pre-existing condition exclusions and no annual or lifetime maximum dollar limits for

### Current Cost of Medical and Dental Coverage

The *Wellesley College Medical and Dental Plan Rates* summarizes the covered services as well as the required co-payments, deductibles, and co-insurance. This information is available on the Human Resources website at **www.wellesley.edu/HR/** (click on: Benefits>Benefits at a Glance>Rates) or at the Wellesley College Human Resources Office. You may also refer to the fall issue of the *Illuminator* for the current costs of programs and per pay period costs.

medically necessary covered services.
Wellesley College's medical coverage complies with the requirements of the Massachusetts Health Care Reform Law, which requires that Massachusetts residents age 18 and older have health coverage that meets the Minimum Creditable Coverage standards in effect as of January 1, 2010.

The Harvard Pilgrim Schedule of Benefits, along with the Harvard Pilgrim Subscriber Certificate, which are incorporated by reference, outline specific coverage details and are available in the Wellesley College Human Resources Office or at **www.harvardpilgrim.org**. This material provides detailed coverage information, along with any other plan limits, including coverage for preventive services, coverage for existing or new drugs, coverage for medical tests, devices and procedures, the use of and access to in-network and out-of-network providers, any conditions or limits on the selection of primary care or specialty care providers, any restrictions on emergency medical care, and any pre-authorization and utilization review procedures.

## HIPPA Maintenance and Confidentiality of Medical Records

Your enrollment paperwork for Wellesley-sponsored medical coverage is kept on file in the Wellesley College Human Resources Office. Your medical records are retained by Harvard Pilgrim Health Care and are kept confidential. Those medical records (or any copies of them) are not at Wellesley College. The Plan is administered in accordance with the Health Insurance Portability and Accountability Act of 1996.

## Your Medical Coverage When Turning Age 65 While Actively Employed

If you turn age 65 while actively working (and don't retire), your medical coverage remains the same as it was prior to age 65. If you are enrolled in Wellesley College's sponsored medical coverage, it is not necessary for you to enroll in Medicare Part B until you retire or end your employment.

## If You Move Out of the HMO Service Area

If you are moving out of the Harvard Pilgrim HMO network service area, you must cancel coverage or change to Harvard Pilgrim PPO within 30 days of your move. Should you move out of the service area because of a leave of absence (or sabbatical), you have 30 days from the start of your leave to stop your coverage or to change coverage. If you cancel coverage, you can re-enroll when you return from leave or at the next open enrollment.

## If You Receive Payment of Medical Benefits from Another Source

If you or a covered dependent are (or become) entitled to benefits from another source that pays all or part of your expenses incurred for medical care, benefits payable from the College may be reduced to the extent allowed by law. In no case will the amount a Wellesley College benefit program pays exceed what it would pay if there were no other benefit plan. This does not reduce your coverage. If benefits are provided in the form of services or if a provider of services is paid under a capitation arrangement, the reasonable value of such services will be used as the basis of coordination between the provider and

Wellesley College.

## Federal Laws that May Affect Your Medical Coverage

When you enroll in medical coverage, you have specific rights and protections related to your coverage. The following Federal laws may affect how your medical coverage is applied (see ***Your Rights as a Participant*** in this SPD):

- Health Insurance Portability and Accountability Act of 1996 (HIPAA)
- Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA)
- Family and Medical Leave Act (FMLA)
- Newborns' and Mothers' Health Protection Act of 1996 (NMHPA)
- Women's Health and Cancer Rights Act of 1998 (WHCRA)
- Mental Health Parity and Addiction Equity Act of 2008 (MHPA)
- Qualified Medical Child Support Orders (QMCSOs)
- Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA)

# Dental Coverage

Wellesley College offers dental benefits to eligible employees and their dependents through Delta Dental of Massachusetts. You must enroll to participate in dental coverage. To determine if you are eligible to enroll, see Participation in the Plan in this SPD. There are two dental options you may choose from:

- Delta Premier
- DeltaCare

## Delta Premier Option

When you enroll in Delta Premier, you have access to the most extensive dental network in Massachusetts. You may choose your dentist from among 7,000 practices (see **www.deltadentalma.com**). Diagnostic and preventive services are fully covered at 100%. After an individual deductible of $50 or a family deductible of $100, basic restorative services are covered at 80% while major restorative services are covered at 50%. In addition, orthodontic services are covered at 50% up to a plan allowance maximum of $2,000 per lifetime. Fees for services are generally discounted when you see a dentist in the Delta Premier network. Therefore, seeing a dentist in-network allows your annual $2,000 benefit to go further.

Members of Delta Premier may also roll over a set portion of any unused maximum benefit amount from one calendar year to the next. If your claims do not exceed $800 in a calendar year during which you have received at least one cleaning or oral exam, you may roll over $600 of your unused benefit

amount to the next calendar year, upping your maximum benefit amount for that year. This allows you to plan for more expensive procedures such as bridges, crowns, and root canals. Any accumulated total rollover amount is capped at $1,500.

## DeltaCare Option

If you enroll in DeltaCare, you and each family member who is enrolled must choose a Primary Care Dentist (PCD) in the DeltaCare network. To select or change your PCD, go to the Directory of Participating Dentists at www.deltadentalma.com. You and your family will receive all of your care from your PCD. The emphasis in DeltaCare is on diagnostic and preventive services and most services are covered at 100%. Minor and major restorative services require applicable co-insurance.

### Premium Costs, Covered Services, and Co-insurance Costs for Dental

Dental premium costs are

located at **www.wellesley.edu/HR/** (click on: Benefits>Benefits at a Glance>Rates) or at the Wellesley College Human Resources Office. For more information about Wellesley's dental plan options and any applicable coinsurance costs, please refer to your Delta Premier and DeltaCare Summary of Benefits, which are incorporated by reference into this SPD and located on the web at **www.deltadentalma.com** and/or in the Wellesley College Human Resources Office. For additional, specific coverage information, call DeltaCare customer service directly at 1-800-327-6277 or Delta Premier customer service

If you receive care from a non-participating dentist (outside the DeltaCare network), there is a $100 annual deductible that applies to all out-of-network care. Each member who receives care from a non-participating provider must satisfy the deductible before receiving benefits.

When you require specialty services, your PCD will give you a recommendation for a specialist in the DeltaCare network. You will receive the most value when you receive care from a participating DeltaCare specialist because the cost for care is set. Note that there is a $1,000 calendar year maximum on certain specialty services such as oral surgery, endodontic services, and periodontal services. After the $1,000 annual limit for specialty services in the network, the specialty fees are no longer set, and the specialist may then charge you at the usual rate for services rendered.

## Your Dental Coverage When Turning Age 65 While Actively Employed

If you turn age 65 while actively working (and don't retire), your dental coverage remains the same as it was prior to age 65.

## If You Receive Payment of Dental Benefits from Another Source

If you or a covered dependent are (or become) entitled to benefits from another source, which pays all or part of your expenses incurred for dental care, benefits payable from the College may be reduced to the extent allowed by law. In no case will the amount a Wellesley College benefit program pays exceed what it would pay if there were no other benefit plan. This does not reduce your coverage. If benefits are provided in the form of services or if a provider of services is paid under a capitation arrangement, the reasonable value of such services will be used as the basis of coordination between the provider and Wellesley College.

# Employee Assistance Program (EAP)

Wellesley College offers an EAP to eligible employees and members of their households through AllOne Health. Eligible employees are automatically enrolled in the EAP, and Wellesley pays 100% of the cost. To determine if you are eligible for this EAP, see Participation in the Plan in this SPD. The Employee Assistance Program provides services to help faculty and staff with the stresses of life and work including personal and family issues, drug or alcohol problems, and job-related tensions. The program provides counseling, consultation, and education to staff, faculty and household members. For information, go to **www.allonehealtheap.com**. To log on, the username is Wellesley and the password is employee.

# Life Insurance (Basic, Contributory, Spouse)

Wellesley College's group term Life Insurance program is underwritten by The Standard Insurance Company. Term Life Insurance pays a benefit only in the event of your death as a covered employee. There is no cash value to group term Life Insurance.

The College's group term Life Insurance coverage is comprised of Basic Life Insurance, Contributory Life Insurance, and Spouse Life Insurance. For employee eligibility and effective date of coverage, refer to the ***Employee Eligibility*** section located on page 1 of this SPD.

## Life Insurance Enrollment

**Basic Life**

Eligible employees are automatically covered for Basic Life Insurance. You remain covered as long as you remain eligible. Upon entry into the Plan you will be asked to complete a Beneficiary form to designate your beneficiaries. The form should be returned to the Human Resources Office.

**Contributory Life**

Eligible employees must apply to enroll in Contributory Life. If you apply at the time of your first eligibility for amounts up to 2 times your salary, you are not required to provide evidence of insurability. However, for amounts greater than 2 times your salary, and if you apply at a date later than your first eligibility, you must provide evidence of good health (see ***Evidence of Insurability*** below). To apply for Contributory Life, contact the Wellesley College Human Resources Office for the appropriate forms and to designate your beneficiaries.

### Keep Your Beneficiaries Current

Over the course of your employment at Wellesley College, it is important to update beneficiary information. Notify the Human Resources Office if you would like to update or modify your life insurance beneficiary designation(s). You may do so at any time. Remember, should you divorce or remarry, the current beneficiary you have designated is the legal beneficiary and your benefit will go to that beneficiary.

**Spouse Life**

Eligible employees must apply to enroll in Spouse Life. If you have elected Contributory Life Insurance, you may elect to purchase $15,000 or 50% of your Basic Life Insurance amount. However, your spouse will need to submit evidence of good health for amounts of insurance in excess of $15,000. If you do not apply when first eligible, you must provide evidence of insurability for all amounts.

## Designating Beneficiaries and Assignment of Ownership

When you enroll in Life Insurance coverage, you must designate a beneficiary. This beneficiary may be any person or persons including your estate but not Wellesley College. You may change your beneficiary at any time by completing a new beneficiary form.

You may not assign ownership of your Life Insurance to another person or estate.

## Life Insurance Coverage Limits

**Basic Life**

Your coverage is 1 times your annual salary, rounded to the next higher $1,000, to a maximum of $450,000.

**Contributory Life**

Your combined amount of Basic and Contributory Life cannot exceed $900,000. If you are hired on or after November 1, 2010, you may elect one of the following 4 options for Contributory Life:

- **Option 1:** 1 times your annual salary, rounded to the next higher $1,000, to a maximum of $900,000 (including your Basic amount).
- **Option 2:** 2 times your annual salary, rounded to the next higher $1,000, to a maximum of $900,000 (including your Basic amount).
- **Option 3:** 3 times your annual salary, rounded to the next higher $1,000, to a maximum of $900,000 (including your Basic amount)
- **Option 4:** 4 times your annual salary, rounded to the next higher $1,000, to a maximum of $900,000 (including your Basic amount)

Employess hired before November 1, 2010 have the same four election options above along with certain grandfathered options.

## Evidence of Insurability

**Basic Life**

For Basic Life, you are not required to provide evidence of insurability.

**Contributory Life**
Evidence of insurability is required when:

- You apply to elect Contributory Life outside your initial 30 day new hire period (even during the annual enrollment).
- You apply for more than 2 times your salary during your initial 30 day new hire period (or at the time of your first eligibility).
- You apply to increase your coverage option above 2 times salary during the annual enrollment.

**Spouse Life**
Evidence of insurability is required for:

- Amounts in excess of $15,000 if applying during initial 30 day new hire period (or at the time of your first eligibility).
- All amounts if applying outside of your initial eligibility period including the annual enrollment period.

## No Age Reductions

The amount of your insurance will not be reduced because of your age unless your insurance is subject to termination under the Waiver of Premium provision.

## Disability and Waiver of Premium

If you become disabled (as defined by Wellesley College's LTD coverage) prior to age 60 and are no longer able to work, your premium payments will be waived after a period of 180 days of consecutive total disability.

## Travel Insurance Component

The Standard Insurance Company has partnered with MEDEX Assistance Corporation to provide you with a comprehensive program of information, referral, assistance, and transportation and evacuation services. You do not have to enroll. Whether your travel is for business or pleasure or if an unexpected emergency occurs, you may call anytime of the day or night and you, your spouse and dependent children can get immediate assistance anywhere in the world. Travel assistance is available to you when you travel to any foreign country including neighboring Canada or Mexico. It is also available anywhere in the United States for those traveling more than 100 miles from home. Your spouse and dependent children do not have to be traveling with you to be eligible, however, spouses traveling on business for their employer are not covered by this program. Contact the Wellesley Human Resources Office or call 1-800-527-0218 for program information.

## Accelerated Benefit

If you become terminally ill and are not expected to live more than twelve months, you may request up to 75% of your Life Insurance amount up to $500,000 without fees or present value adjustments. A doctor must certify your condition in order to qualify for this benefit. Upon your death, the remaining benefit will be paid to your designated beneficiary(ies). You must be approved for waiver of premium to be eligible for the accelerated benefit.

## Life Insurance Amount at Retirement

If you are a faculty member or exempt administrative staff employee who was hired prior to January 1, 1995 and retire under the Wellesley College Retirement Plan, the College will provide you with $2,500 of Life Insurance coverage. If you are a non-exempt administrative staff employee or union employee who was hired prior to January 1, 1995 and retire under the Wellesley College Retirement Plan, the College will provide you with $1,000 of Life Insurance coverage. The College pays the full cost of this coverage. Employees hired on or after January 1, 1995 are not eligible for this benefit.

## When Your Life Insurance Ends

**Portability Option**

If your insurance under the Group Policy ends because your employment with Wellesley College terminates, you have a 31 day period in which to buy portable *group insurance coverage* for your current benefit up to $300,000. You may request less than your current coverage but not more coverage than you had currently in effect. Evidence of insurability is not required. There are rate increases in 5 year age band increments for the cost of portability coverge.

**Conversion Option**

If your insurance under the Group Policy ends because your employment ends or you are no longer eligible for the plan, you have a 31 day period in which to buy conversion individual whole Life Insurance coverage. You may convert all of the coverage that you had in effect. You do not have to submit evidence of good health. There are no rate increases as you age.

Should you die during this 31-day period, the current amount of your Life Insurance will be paid whether or not you have exercised the conversion or portability option.

Contact the Wellesley Human Resources Office or The Standard Insurance Company at 1-800-628-8600 for more information and the appropriate conversion or portability forms.

# Short Term Disability (STD)

You are eligible for Short Term Disability coverage if you are a regular employee of Wellesley College who is covered by a collective bargaining agreement

between the College and the union, and you are working at least 40 hours per week. You must also be a citizen or resident of the United States or Canada. You are eligible for benefits on the first day following one calendar year as an STD-eligible employee.

STD coverage is paid for by the College. Short Term Disability pays 60% of your weekly earnings up to a maximum of $1,000 per week for up to 180 days. Your STD disability benefit may be reduced by deductible sources of income and any earnings you have while disabled. Deductible sources of income may include amounts you receive or are entitled to receive under: workers' compensation or similar occupational benefit laws, state compulsory benefit laws, and other group or association disability programs or insurance.

**Definition of Disability and When Benefits are Paid**
You are considered disabled when you are unable to perform with reasonable continuity the material duties of your own occupation, and you lose at least 20% of your pre-disability earnings in your occupation. You must be continuously disabled during a waiting period before STD benefits become payable.

- If your disability is caused by an accident, your waiting period is 7 days;
- If your disability is caused by physical disease, pregnancy, or mental disorder, your waiting period is 7 days;
- If you are confined in a hospital for at least 4 hours during a benefit waiting period, the remainder of the waiting period will be waived. STD benefits will become payable on the 1st day of hospital confinement. Your Maximum Benefit Period will begin on the date STD benefits become payable. You must be under the ongoing care of a doctor during your hospital confinement.

## How to File a Claim

To file a claim, contact the Wellesley College Human Resources Office at 781-283-3202.

## STD and Administrative Staff

The Short Term Disability program for administrative staff is a payroll practice and is not included in the Welfare Benefits Plan. Refer to the Administrative Handbook, which is available on the Human Resources website, for further information.

## STD and Faculty Members

Wellesley College faculty members are not eligible for Short Term Disability.

# Long Term Disability (LTD)

LTD coverage is designed to pay a monthly benefit to you in the event you cannot work because of a covered illness or injury. Wellesley College's LTD benefit replaces a portion of your income if you are unable to work for more than 180 days due to a disability thus helping you to meet your financial commitments in a time of need.

## Monthly LTD Benefit Amount

The program pays 60% of your pre-disability salary at the time you become disabled up to a monthly maximum:

**Union Employees**
- 60% of your monthly earnings
- To a monthly maximum of $3,000

**Administrative Staff and Faculty**
- 60% of your monthly earnings
- To a monthly maximum of $15,000

Your disability benefit may be reduced by deductible sources of income and any earnings you have while disabled. Deductible sources of income may include amounts you receive or are entitled to receive under: workers' compensation or similar occupational benefit laws, state compulsory benefit laws, salary continuation or sick leave plans, other group or association disability programs or insurance, and amounts you or your family receive or are entitled to receive from Social Security or similar governmental programs.

Administrative staff and faculty participating in Wellesley College's 403(b) retirement program receive a monthly annuity premium benefit equal to 9% of pre-disability earnings up to the one-half of the Social Security Wage Base plus 12% of pre-disability earnings above the Social Security Wage base. The monthly annuity benefit is not reduced by deductible income and is paid as a contribution to the employee's retirement program.

Administrative staff and faculty employees are eligible for a COLA Benefit if, on each April 1, they have been disabled for the preceding calendar year (January 1, through December 31) and are receiving LTD Benefits. The union program does not include a COLA benefit.

## Benefit Waiting Period

The benefit waiting period is the period you must be continuously disabled

**Your LTD Coverage Is Free of Cost**

Wellesley College pays the cost of Long Term Disability coverage. There is no enrollment process for eligible employees. To determine your eligibility and effective date of coverage, see the ***Employee Eligibility*** section under ***Participation in the Plan*** in this SPD.

before LTD benefits become payable. LTD benefits would begin after 180 days of disability. During your benefit waiting period, you will be considered disabled if you are unable to perform the day to day work and duties of your own occupation, and you are under the regular care of a physician.

## Definition of Disability

After the benefit waiting period, LTD coverage pays benefits for up to two years if you are unable to perform your own occupation. After two years, the program only pays a benefit if you are unable to perform any occupation (up to the end of the maximum benefit period).

## Own Occupation Definition of Disability

You are considered disabled during the two years after your 180 day benefit waiting period if, as a result of disease, injury, pregnancy, or mental disorder, you are unable to perform the day to day work and duties of your own occupation and you lose at least 20% of your pre-disability earnings when working in your own occupation.

## Any Occupation Definition of Disability

You are considered disabled from all occupations if, as a result of disease, injury, pregnancy or mental disorder, you are unable to perform the day to day work and duties of any occupation.

Any occupation means any occupation or employment that you are able to perform, whether due to education, training, or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 60% of your indexed pre-disability earnings within twelve months following your return to work, regardless of whether you are working in that or any other occupation.

## Maximum Benefit Duration

Your duration of benefits is based on your age when your disability occurs. Your LTD benefits are payable for the period during which you continue to meet the definition of disability. If your disability occurs before age 60, benefits will be payable until age 65. If your disability occurs at or after age 60, benefits would be paid according to a benefit duration schedule:

- At age 60 through 64, benefits would be paid for 5 years.

- At age 65 through 68, benefits would be paid to age 70.
- At age 69 or older, benefits would be paid for one year.

## Rehabilitation Plan

While you are disabled, you may qualify to participate in a formal rehabilitation plan consisting of a program or course of vocational training or education that is intended to prepare you to return to work.

An approved rehabilitation plan may include our payment of some or all of the expenses you incur in connection with the plan including:

- Training and education expenses
- Family care expenses
- Job-related expenses
- Job search expenses

### Reasonable Accommodation Benefit

If you return to work in any occupation for any employer, not including self-employment, as a result of a reasonable accommodation made by such employer, that employer is eligible to receive a reasonable accommodation expense of up to $25,000.

The reasonable accommodation expense benefit is payable only if approved by the Standard Insurance Company in writing prior to its implementation.

## Survivor Benefit

If you die while LTD benefits are payable, and on the date you die you have been continuously disabled for at least 180 days, your coverage provides a Survivor Benefit. The Survivor Benefit is a lump sum equal to 3 times your monthly LTD benefit. The Survivor Benefit will be paid to one of the following:

- Your Spouse
- Your unmarried children under the age of 25
- Any person providing the care and support of any person listed above

## Pre-Existing Condition Exclusion

Pre-existing condition means a mental or physical condition whether or not diagnosed or misdiagnosed for which you have received medical treatment, consultation, care or services including diagnostic measures or took prescribed drugs or medicines in the 3 months just prior to your effective date of coverage.

You are not covered for any disability caused by or contributed to a pre-existing condition or medical or surgical treatment of a pre-existing condition unless, on the date you become disabled, you have been continuously insured under the group policy for 12 months and have been actively at work for at least one full day after the end of that 12 months.

## Disabilities Subject to Limited Pay Periods

Payment of LTD benefits is limited to 24 months during your entire lifetime for a disability caused by or contributed to any one or more of the following or medical or surgical treatment of one or more of the following:

- Mental disorders
- Substance abuse, or
- Other limited conditions (*see Standard LTD Certificate for definition*)

If you are confined in a hospital solely because of a mental disorder at the end of the 24 months, this limitation will not apply while you are continuously confined.

### Continued Benefit Coverage for Employees on LTD

Your medical and/or dental benefits continue at the same active employee rate until you become eligible for medicare through social security or until you retire or are no longer disabled, whichever occurs first. Waiver of premium is in place for life insurance if eligible, and participation in the EAP continues should you receive LTD benefits.

### LTD Claims

- *Union Employees*: if on STD, The Standard Insurance Company will initiate the LTD claims process.
- *Faculty and Administrative Staff*: to file a claim, contact the Wellesley Human Resources office.

## Long Term Care Insurance (LTC)

Benefit eligible employees may enroll in Wellesley College's long term care insurance coverage without evidence of good health (regardless of health status) within the first 30 days of employment only. Spouse and parents are also eligible for this coverage with different levels of underwriting, however, such coverage is not guaranteed because it is for the employee. For enrollment information and process, contact CNA at 1-877-777-9072 (**www.ltcbenefits.com**). Note that the ID number to gain access on the web is "wellesleyltc".

## Flexible Spending Accounts (FSAs)

FSAs allow you to set aside tax-free dollars to pay for eligible medical, dental, vision and dependent care expenses. When you enroll in an FSA, contributions are deducted from your gross earnings before taxes are applied to your paycheck, lowering your federal, Social Security, and state income taxes. Wellesley College offers two FSAs under the Reimbursement Plans:

- The Health Care Flexible Spending Account
- The Dependent Care Flexible Spending Account

You must enroll to participate in an FSA. To determine if you are eligible to enroll, see the ***Employee Eligibility*** section found under ***Participation in the Plan*** in this SPD. Eligible employees may enroll when beginning employment or when experiencing a change in family status which allows enrollment, or during Wellesley College's annual open Enrollment period held each fall.

Once enrolled, your FSA Reimbursement Plan elections do not carry over from one calendar year to the next, and you must make an active election each fall during Open Enrollment in order to continue your participation in the next following year. For further information on qualified status changes and enrollment, see ***Enrolling in a Benefits Program*** under ***Participation in the Plan***.

## Health Care FSA Reimbursement Plan

The Health Care FSA Reimbursement Plan allows you to be reimbursed with tax-free dollars for eligible expenses as defined by the IRS and not covered under your medical or dental insurance. These eligible expenses include copayments for office visits, and any coinsurance or deductibles related to your dental coverage or to using PPO out-of-network medical coverage.

### Estimate Your Health Care Reimbursement Plan Contribution

Because unused dollars under the Health Care Reimbursement Plan do not roll over and are not returned to you, it is important to estimate your medical and dental expenses carefully. Visit the online FSA calculator available at **www.crosbybenefits.com/ParticipantArea/Calculators.aspx**

The Health Care FSA calculator will help you determine your annual contribution by asking you to estimate your out-of-pocket expenses and other expenses not covered by your medical/dental coverage. It also shows an estimate of your potential tax savings.

Allowable expenses can be incurred by you, your spouse, or your dependents, and enrollment in Wellesley College medical or dental coverage, whether at the individual or the family level, is not required for you or your dependents to receive eligible reimbursements.

**Eligible Dependents**

For the Health Care Reimbursement Plan, an eligible dependent is a federal tax dependent (as defined in Section 152 of the Internal Revenue Code, determined without regard to subsections (b)(1), (b)(2) and d(1)(B) thereof), including your child (as defined in Section 152(f)(1) of the Code) who, as of the end of your tax year, has not reached age 27. To determine if your dependent is a tax dependent, see IRS Publication 502 at **www.irs.gov/publications/p502/**.

You may not submit for reimbursement expenses incurred by your same-sex spouse or your same-sex spouse's dependents unless they qualify as your federal tax dependents.

**Contribution Level for Health Care FSA Reimbursement Plan**

If you choose to participate in an FSA, you decide how much to contribute for the year based on the limits established by the Health Care Reimbursement Plan and on what you expect your eligible expenses will be for the year. It is important to estimate your expenses carefully as any unused dollars are forfeited.

You may choose to contribute between $300 and $5,000 for the calendar year. If you are married and you and your spouse are both employed at Wellesley College, you may each elect $5,000 for the Health Care Reimbursement Plan for a total maximum of $10,000 per calendar year. Your contributions will be deducted from your paycheck in equal amounts during the year.

Once you enroll, your election is effective through the end of the calendar year. Your deductions are based on that time period. You make a separate

election for each Reimbursement Plan account you enroll in, and deductions in your FSA under the Health Care Reimbursement Plan cannot be transferred to pay for expenses in your FSA under the Dependent Care Reimbursement Plan or vice-versa.

**Examples of Eligible Health Care Expenses**

To help you determine your yearly election amount, you should familiarize yourself with a list of eligible expenses. To be reimbursable, services and/or supplies must be performed and/or prescribed by a licensed practitioner, unless otherwise noted. Generally, allowable medical or dental expenses are those that the IRS allows as itemized deductions on a federal income tax return with some notable exceptions (for example, insurance premiums). Note that you cannot take a federal tax deduction or credit on your income taxes for expenses reimbursed through an FSA Reimbursement Plan. Only allowable expenses that are adequately documented (see reimbursement process below) and are not covered by insurance and are necessary for medical or dental treatment are reimbursable:

- Medical or dental copayments, coinsurance, or deductibles.
- Non-prescription, over-the-counter medications used to alleviate or treat a specific medical condition of the enrolled member or covered dependent provided you have a physician's prescription.
- Medical supplies and equipment not covered by your health insurance including crutches, wheelchairs, bandages and diagnostic devices such as blood sugar test kits.
- Chiropractic treatments and acupuncture.
- Massage (if prescribed by a medical practitioner).
- Orthodontia expenses.
- The cost of eyeglasses, lenses, contact lenses and supplies.
- The cost of hearing aids.
- Mental health and substance abuse treatments.
- Orthodontia.

## New Federal Regulations for Over-the-Counter Medicines

Federal Health Care Reform legislation has introduced some changes that impact Health Care Flexible Spending Accounts effective January 1, 2011. The regulations require that any over-the-counter (OTC) medicines or drugs purchased on or after January 1, 2011 must be accompanied by a prescription in order to be reimbursable out of a Health Care FSA. This change will apply to the 2010 plan year (for Grace Period claims only) as well as 2011 claims. Expenses for OTC medications or drugs incurred during the Grace Period or during subsequent plan years will be denied unless you also submit a prescription written prior to the date the OTC medications or drugs were purchased.

**Examples of Ineligible Health Care Expenses**

- Monthly insurance premiums for any medical (including Medicare), dental or vision coverage including premiums or expenses for long term care coverage.
- Any expenses reimbursable by health or dental insurance, Workers' Compensation, or any other expenses for which you were or can be reimbursed under any insurance or by other means.
- Cosmetic procedures.
- Toiletries or cosmetics such as toothpaste, deodorant or face creams.
- Dietary supplements for general health are not reimbursable. The eligibility of expenses for non-prescription medications and other medical

supplies is based upon IRS regulations. These regulations state that the items must be used to treat a specific medical condition and not for general wellness. For example, an over-the-counter dietary supplement would be eligible for reimbursement if it were purchased to treat a specific condition (as verified by a doctor's note) but not if it were purchased to promote the general health of the individual.

- In addition, according to the Internal Revenue Code, expenses incurred by a same-sex spouse or QDP are not eligible for reimbursement through the Reimbursement Plans.

The above eligible and ineligible expenses are suggestive, not exhaustive. Wellesley College does not maintain a comprehensive list of IRS eligible expenses. For a more extensive list, go online to **www.crosbybenefits.com** or contact Crosby Benefits Systems at 1-866-918-9711.

For more information about eligible and ineligible expenses, see IRS Publication 502, Medical and Dental Expenses. This publication is available online at **www.irs.gov/publications/p502/**. Please note that Publication 502 states as allowable some expenses that are not reimbursable under a Health Care FSA (for example, insurance premiums).

## Dependent Care FSA Reimbursement Plan

The Dependent Care Reimbursement Plan allows you to be reimbursed with tax-free dollars for eligible dependent day-care expenses. The Dependent Care Reimbursement Plan is used for dependent care expenses for children who are under age 13 and disabled dependents. It is not for expenses relating to a dependent's health care.

If you are married, you can participate in the Dependent Care Reimbursement Plan only if your spouse is:

- Employed, looking for work, or a full-time student while you are working; or
- Disabled and unable to provide for his or her own care.

**Eligible Dependents**

If you have predictable expenses associated with the care of a dependent child

under age 13, or a disabled dependent eligible to be claimed on your tax return, you may want to consider signing up for a dependent care account. To use this account, your eligible dependent must require day care or elder care to allow you to work.

If you use your FSA under the Dependent Care Reimbursement Plan for care rendered outside of your home, whether for your spouse or for dependents of any age who are mentally or physically disabled, that person must spend at least 8 hours in your home each day. This restriction does not apply to dependents under age 13. If you are divorced or legally separated, child care expenses are eligible for reimbursement only if you have custody of the child for a longer period during the calendar year than does the other parent.

**Contribution Level for Dependent Care FSA Reimbursement Plan**

You may choose to contribute between $300 and $5,000 for the year unless one of the following IRS guidelines applies to you:

- If you are married and file separate tax returns, the most you and your spouse can each contribute on your own to a Dependent Care FSA is $2,500. If your spouse contributes less than $2,500, you cannot make up the difference.
- If you are married and your spouse also contributes to a dependent care account through his or her employer, the $5,000 annual maximum is the total amount that you and your spouse may contribute to both accounts combined. You cannot do $10,000 in aggregate as with the Health Care FSA.
- If you or your spouse earn less than $5,000 a year, the most you can contribute is the lower of your two incomes.
- If your spouse has no income but is a full-time student or disabled, the most you can contribute is $3,000 per year if you have one eligible dependent or $6,000 per year if you have two or more eligible dependents.
- If you are single, you may contribute up to the lesser of $5,000 or 50% of your income if less than $5,000.

Your Dependent Care Reimbursement Plan election will be deducted from each paycheck in equal amounts during the year.

Once you enroll, your election is effective through the end of the calendar year. Your deductions are based on that time period. You make a separate election for each FSA account you enroll in—deductions in your FSA under the Health Care Reimbursement Plan cannot be transferred to pay for expenses in your FSA

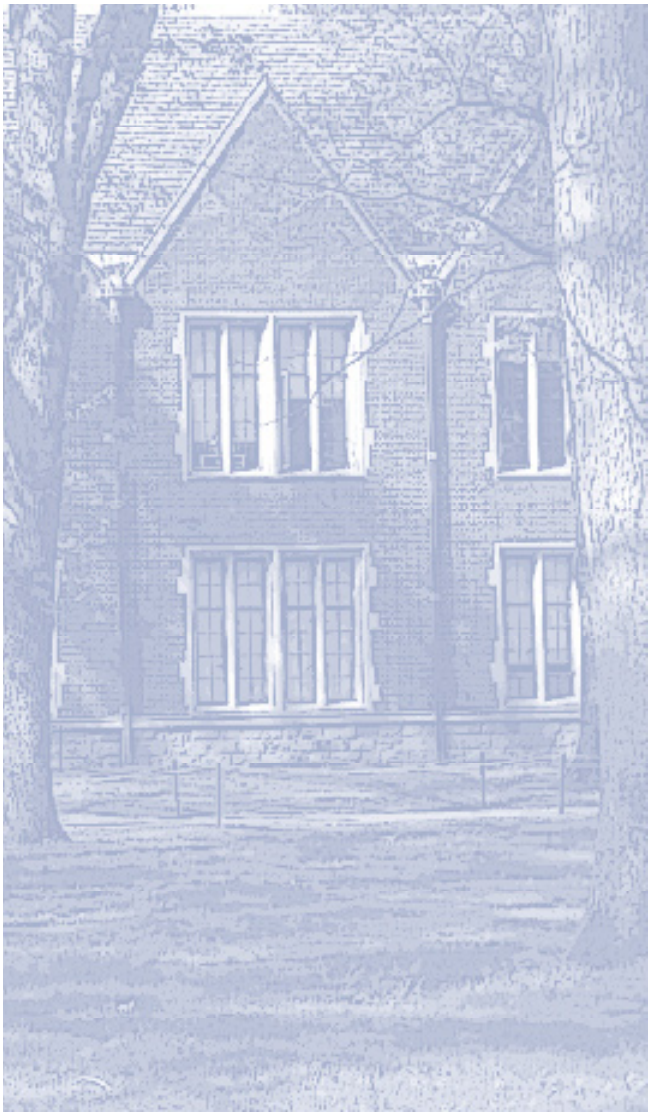
under the Dependent Care Reimbursement Plan or vice-versa.

Because unused dollars under the Dependent Care Reimbursement Plan do not roll over and are not returned to you, it is important to estimate your dependent care expenses carefully.

**Examples of Eligible Dependent Care Expenses**

To help you determine your yearly election, you should familiarize yourself with a list of eligible expenses:

- A dependent care center, babysitter, nurse (as caretaker), nanny, au pair, or day-care provider inside or outside your home including a senior center.
- A nursery school or day-care center (even if lunch and/or educational services are provided).
- Before-school and after-school programs.
- Day camps (summer or otherwise) but only when the primary purpose of the camp is care. That is, when the primary purpose of the camp is to ensure the child's well-being and protection during the period the child attends the camp. If camp hours exceed the employee's working hours, submit only that portion of expenses incurred for work-related hours.
- Deposits required by day-care providers (eligible once applied to the cost of the care provided).
- FICA tax paid on behalf of a provider.



If you have a Dependent Care FSA, the IRS requires you to provide on your tax returns the names and Social Security numbers (or other taxpayer identification numbers) of your dependent care providers. A taxpayer identification number is not required for some tax-exempt providers.

**Examples of Ineligible Dependent Care Expenses**

- Education (including tuition for private schools).
- Baby-sitting for reasons other than to enable you to work.
- Cleaning and cooking services.
- After-school specialty or educational programs.
- Summer or day camp providing overnight stays.
- Transportation between your home and dependent care services.
- Child support payments.
- Food, clothing, and diapers.
- Expenses for which a dependent care tax credit is taken.
- Activity fees and late payment fees for services.
- Liability insurance premiums.
- Kindergarten expenses itemized as educational expenses.

Wellesley College does not maintain a comprehensive list of IRS eligible expenses. If you have a question about the eligibility of a dependent care

expense, contact Crosby Benefits Systems at 1-866-918-9711 or go online to **www.crosbybenefits.com**.

For more information about eligible and ineligible expenses, see IRS Publication 503, Child and Dependent Care Expenses. This publication is available online at **www.irs.gov/publications/p503/**.

## How to Look Up Your Health Care Reimbursement Plan or Dependent Care Reimbursement Plan Account Balance

When you elect a yearly FSA amount, contributions are deducted from your paycheck in equal amounts over the course of the calendar year of the election. Crosby Benefit Systems administers the FSA program for Wellesley College.

If you elect to contribute to an FSA, you will receive an account statement from Crosby Benefit Systems twice per year notifying you of your current balance. You may also check your balance by going online at **www.mycrosbybenefits.com**.

## How To Request A Reimbursement

**Health Care FSA Reimbursement Plan**

You can be reimbursed up to your annual Health Care Reimbursement Plan election amount.

To be reimbursed for eligible medical/dental expenses, you must submit a Health Care FSA Reimbursement Request along with original receipts to Crosby Benefits (see Crosby address below). Forms are located in the Wellesley College Human Resources Office and online at **www.crosbybenefits.com/ParticipantArea/Forms.aspx**. You also have the option of submitting claims online at **www.MyCrosbyBenefits.com**.

**Dependent Care FSA Reimbursement Plan**

You can be reimbursed only for amounts up to the current balance in your Dependent Care FSA at the time you file your claim.

To be reimbursed for eligible dependent day care expenses, you must submit a Dependent Care FSA Reimbursement Request along with original receipts, dates of service, the name of the dependent receiving the care and the name of the provider to Crosby Benefit Systems

**The Date of a Reimbursable Expense**

An expense is incurred when the service is rendered, not when you are charged or billed or when you paid the expense. Expenses for future service dates are not eligible.

**Frequency of Reimbursements**

Reimbursements for the Health Care Reimbursement Plan and the Dependent

Care Reimbursement Plan are made upon receipt of reimbursement requests throughout the calendar year.

**FSA Direct Deposit**
You can choose to have your reimbursements directly deposited at your bank. You can sign up for direct deposit by going to **www.MyCrosbyBenefits.com** or completing the form available at **http://www.crosbybenefits.com/ParticipantArea/Forms.aspx**. Complete the direct deposit form with the appropriate information, and mail it to the Crosby Benefits address on the form.

## How the FSA Grace Period Works

Wellesley College's Flexible Spending Account plans include a 2.5 month Grace Period (both health care and dependent care). This means that plan participants who have not used all of their annual contribution by December 31st will have until March 15th of the following year to incur expenses that can be reimbursed from their prior year's contributions. Claim forms, for expenses incurred between January 1 and March 15th, still must be postmarked or otherwise submitted to Crosby Benefit Systems for processing by March 31.

Expenses incurred prior to March 15th will be applied first to the previous plan year's account if it has a remaining balance. Remaining amounts will be applied to the new plan year contributions. This Grace Period ensures you have more time to incur expenses and benefit from the federal, state, and FICA tax savings associated with participating in the Reimbursement Plan.

## Deadline and Grace Period for Spending Your FSA Balance(s)

You must incur expenses for your total elected amounts before the end of the calendar year of the election or by the conclusion of the 2.5 month grace period. Under IRS regulations, at the end of the year or at the end of the grace period, you will forfeit any unused contributions. The College uses any money forfeited from accounts to offset the cost of administering the program.

**Yearly Deadline for Submitting Claims for Reimbursement**
You have until March 31st of any current calendar year to submit claims for expenses incurred during the previous calendar year and the 2.5 month grace period.

You must submit your reimbursements by that date. Under IRS regulations, you will forfeit any non-reimbursed balance left in your account at that time.

## When Can You Change or Stop Your FSA Election Amount?

Because Flexible Spending Accounts operate under IRS guidelines, once you make a calendar year election amount, you cannot change your amount or stop your contributions during that year unless you experience a qualified change in family or employment status, which allows you to make the change.

If you do experience a qualified change, you have 30 days from the date of the event to modify your FSA election amount. See ***When You May Change Your Benefit Elections*** under ***Participation in the Plan*** for examples of what would allow you to make a change to your Flexible Spending Account. In addition to qualified status changes, you may be permitted to change your Dependent Care Reimbursement Plan election amount if the cost of child care changes significantly with a current provider.

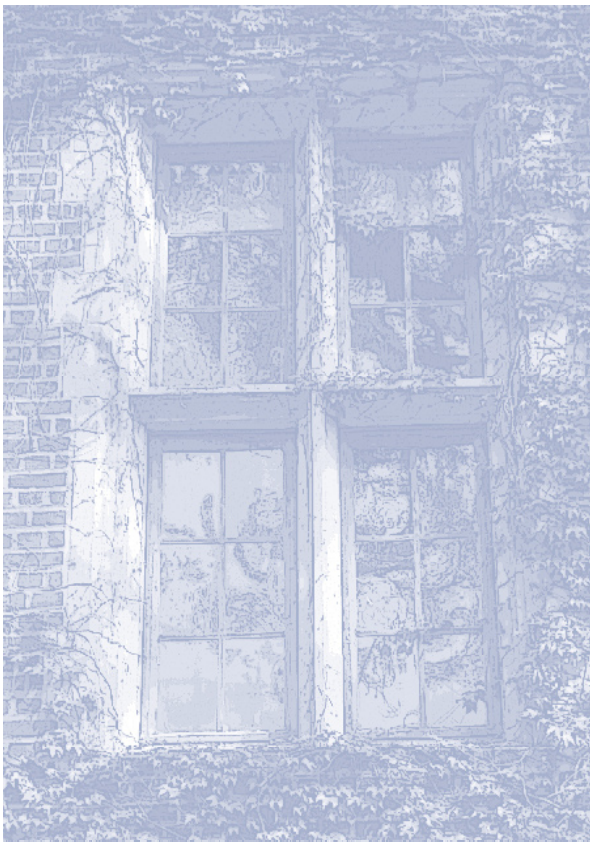
## Remember That an Annual Election is Required to Enroll in an

## FSA

To continue to participate in an FSA from one calendar year to the next, you must make an active FSA election during the annual Open Enrollment period. Any current FSA election does not carry over from one year to the next.

If you do not make a new election during Wellesley College's annual Open Enrollment, you will not be enrolled in an FSA in the following calendar year. If you experience a qualified change in family or employment status, you may be able to make an election outside of the annual Open Enrollment period.

## What Happens When Your Employment Ends? Do You Become Benefits Ineligible or Do You Retire?



If you are enrolled in an FSA and you end employment, become ineligible to participate, or you retire, your pre-tax contributions stop.

**For the Health Care and Dependent Care FSA Reimbursement Plans**

You may receive reimbursement up to your annual contribution amount to the Health Care FSA for expenses incurred during the calendar year prior to the date you became ineligible to participate. You must submit reimbursement by March 31st of the next year following the calendar year you elected to participate. You may receive reimbursement up to your account balance in the Dependent Care FSA for expenses incurred during the calendar year prior to the date you became ineligible to participate. Similar to the Health Care FSA, you must submit reimbursement by March 31st of the next year following the calendar year you elected to participate.

**Health Care FSA COBRA Continuation**

You may elect to continue contributing to your Health Care FSA on COBRA up to the end of the calendar year in which you enrolled in COBRA.

You cannot continue to contribute to your Dependent Care FSA while on COBRA.

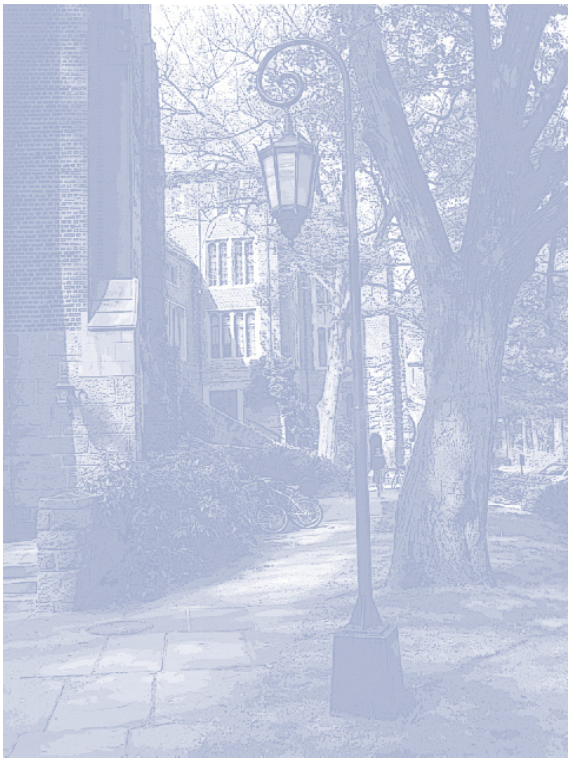
At the time you become ineligible, Health Care FSA COBRA paperwork is sent to your home address on record.

COBRA coverage need not be offered to qualified beneficiaries who have "overspent" their account as of the date of COBRA eligibility.

For those with "underspent" accounts, COBRA must be offered, but may be terminated at the end of the year, in which the qualifying event allows COBRA eligibility to occur.

**Why Enroll in Health Care FSA COBRA**
If you have had Health Care FSA deductions taken from your paycheck, and you have not incurred expenses to use those deductions before the date of the loss of your Wellesley College medical or dental coverage, enrolling in COBRA will allow you to incur expenses after that date and seek reimbursement for those expenses.

**If You Do Not Enroll in Health Care FSA COBRA You Will Not Be Able to Use Your Remaining Balance**
If you do not enroll in Medical/Dental FSA COBRA, and you do not have enough claims at the time you lose eligibility to take your balance to zero, you will not be able to be reimbursed for the remaining FSA balance that you have in your account at the time you lose benefits eligibility.



**COBRA FSA Contributions are Post-Tax Contributions**
You should only continue your FSA on COBRA if you have an unused balance in your FSA because you must continue to make contributions into your FSA account while on COBRA according to the dollar election that you made while eligible. While on COBRA, you must use your additional post-tax contributions, or you will lose them.

## Flexible Spending Accounts and Federal Tax Law

The IRS will not provide two tax benefits on the same expense thus you cannot take a federal tax deduction or credit on your income taxes for expenses reimbursed through a flexible spending account.

**Health Care FSA Reimbursement Plan**
In general, you may be reimbursed through your FSA for a medical care expense that is eligible to be deducted for federal income tax purposes, but which has not and will not be reimbursed by any other source, and which has not been and will not be deducted on your federal income tax return.

Therefore, if you use your Health Care FSA for a particular reimbursement, you may not use that expense as an itemized deduction on your income taxes. When you are deciding whether to use a federal deduction or a Health Care FSA reimbursement, you should consult a tax advisor to find out which approach is better for you.

**Dependent Care FSA Reimbursement Plan**
The federal government allows you to take a tax credit for eligible dependent care expenses. Under the IRC, the tax credit is a percentage of your dependent care expenses. This amount may change from year to year, and you should consult with a tax advisor to determine if the tax credit is more advantageous than participating in the Dependent Care Reimbursement Plan.