



# BENEFIT ENROLLMENT GUIDE

# OPEN ENROLLMENT BEGINS OCTOBER 1

Your benefits plan may not seem inspiring at first thought. However, consider what your benefits do and you'll find that they protect the people and things that do inspire you.

- Your benefits ensure that you can afford treatment should you or a loved one become sick.
- If you can't work because of an injury, your benefits protect your home and your lifestyle, giving you a chance to recover without financial hardship.
- If something should happen to you and your family has to go on without you, benefits can make sure their dreams – such as a college education – aren't lost, too.

For these and other reasons, we strive to give you the options to put together a plan that protects you and your family now and in the future.

Your benefits give you peace of mind that the future for you and the people you care about is secure.

## ENROLLING FOR BENEFITS

The enrollment process is convenient. Just as important, we're providing resources to help you make the most informed decisions regarding your benefit plan.

One of those resources is this enrollment guide, which includes basic descriptions of the benefits available to you and information on where to get more information if you want it.

Another important resource is an individual enrollment session with an experienced benefit counselor, who can explain your current benefit selections and help you determine if you need to add coverage or make changes. (Sessions are either via telephone or face-to-face, depending upon your work location.) You are strongly encouraged to participate in an enrollment session – check with your Human Resources representative for meeting times.

You will receive a confirmation statement (either in person or in the mail) after completing your enrollment session. Please review it carefully to be sure your elections are correct. If changes are required, follow the instructions on your confirmation statement.

1. Schedule a meeting with a benefit counselor. See your Human Resources representative for details.
2. Prepare yourself by reviewing this enrollment guide.
3. Meet with a benefit counselor and make your enrollment elections (either enrolling in or waiving coverage). Remember, your counselor can answer any questions and help you make the right choices.

# YOUR BENEFITS

Galaxy Industries provides a full range of benefits that address your needs now and in the future.

## TO YOUR HEALTH

- Medical Insurance
- Prescription Drug Benefits
- Critical Illness Insurance
- Dental Insurance
- Vision Insurance

## TO YOUR WEALTH

- Life Insurance
- Disability Insurance
- Long Term Disability Insurance
- Accident Insurance
- 401(k) Retirement Savings Plan
- Tuition Assistance

## DEPENDENT ELIGIBILITY

**Your eligible dependents may include:**

- Your legal spouse
- Your unmarried children under age 19
- Your unmarried children ages 19 to 25, provided they are full-time students
- Your unmarried children over age 19 who are not able to support themselves due to a physical or mental disability

Only those dependents meeting the eligibility requirements can enroll for coverage.

Check with your counselor for more information regarding dependent eligibility.

### WHAT'S NEW

Optional Whole Life Insurance offers additional financial security for your family and it's guaranteed issue, which means you can't be declined.

Flexible Spending Account contribution maximum has been increased.

# MEDICAL INSURANCE

Each person's health care needs are different. That's why our medical plan offers multiple options so that you can choose the coverage level best-suited to your personal situation.

	PLAN NAME 1		PLAN NAME 2	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible (Individual/Family)	x	x	x	x
Out-of-Pocket Maximum (Individual/Family)	x	x	x	x
Preventive Care	x	x	x	x
Routine Physical	x	x	x	x
Annual OB-GYN Visit/PAP	x	x	x	x
Mammogram/Prostate Screening	x	x	x	x
Primary Care Physician	x	x	x	x
Specialist	x	x	x	x
Hospital Services	x	x	x	x
ER Services/Ambulance	x	x	x	x
Inpatient Hospital Room and Board	x	x	x	x
Inpatient Surgery/Anesthesia	x	x	x	x
Outpatient Surgery	x	x	x	x
X-Ray/Lab Tests	x	x	x	x
Radiation/Chemotherapy	x	x		x
Maternity Care	x	x	x	x
<b>Mental Health Services</b>				
Inpatient	x	x	x	x
Outpatient	x	x	x	x
<b>Substance Abuse Services</b>				
Inpatient	x	x	x	x
Outpatient	x	x	x	x
Respiratory Therapy	x	x	x	x
Home Health Care	x	x	x	x
Skilled Nursing Facility	x	x	x	x
Hospice Care	x	x	x	x
Durable Medical Equipment	x	x	x	x
Chiropractic Services	x	x	x	x

# PRESCRIPTION PLAN

	PLAN NAME 1		PLAN NAME 2	
	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Retail - 30-day supply</b>				
Generic	x	x	x	x
Preferred Brand				
Non-preferred Brand				
<b>Mail Order - 90-day supply</b>				
Generic	x	x	x	x
Preferred Brand				
Non-preferred Brand				

## CONTROLLING HEALTHCARE COSTS

The rising cost of health insurance is a concern for all of us. Keeping costs to a minimum contributes to lower premiums in future years. Here are tips on how you can help lower the cost of health insurance:

- Use network providers. You will receive a higher level of benefits if you use providers who participate in the network.
- Request generic rather than brand name prescription drugs. Generic medications, while just as effective, are considerably less expensive.
- Consider seeing your family physician rather than a specialist. Family physicians can often provide the same level of care for a variety of illnesses and conditions.
- Exercise and maintain a proper diet. The healthier you are the less vulnerable you are to disease, reducing doctor's visits and prescription medicines.



If we become more aware consumers, we can each do our part to lower the cost of healthcare!



# CRITICAL ILLNESS

Critical illness insurance is designed to protect your income and personal assets when your out-of-pocket expenses increase as a result of an illness. Health insurance is not always enough to cover all of the unforeseen expenses associated with a serious medical condition like a heart attack or cancer. Critical illness insurance pays a lump sum benefit that can be used any way you choose, and benefits are paid in addition to any other insurance coverage you may have.

## COVERED ILLNESSES PAYMENT PERCENTAGES

Heart Attack	100%
Stroke	100%
Major Organ Transplant	100%
End Stage Renal (Kidney) Failure	100%
Coronary Artery Bypass Surgery*	25%

*Cancer and Carcinoma in Situ\* coverage may be available as an optional rider.*

## PLAN FEATURES

- You do not have to be terminally ill to receive benefits.
- Coverage options are available for your spouse and children as riders to your coverage.
- A Health Screening Benefit Rider is included, which provides a benefit per insured per calendar year for covered health screening tests (not available in New York).\*\*
- Coverage is portable – you can take your policy with you if you change jobs or retire.

Your enrollment counselor can help you calculate the cost of the benefit, which will vary depending upon factors such as your age, whether you use tobacco, and the dependent coverage you choose.

*\*The coverage pays 25% of the face amount of the policy once per lifetime for coronary bypass surgery and carcinoma in situ.*

*\*\*This rider may not be available in all states.*

*The policy/certificate of coverage or its provisions, as well as covered illnesses, may vary or be unavailable in some states. In New York, a Specified Disease product is offered. The policy/certificate of coverage has exclusions and limitations which may affect any benefits payable.*

## CRITICAL ILLNESS FAST FACTS

The need for critical illness insurance may be greater than you think. Consider the following:

- One out of every three people will be diagnosed with cancer (approximately 1,250,000 Americans annually). The five-year survival rate for all cancers is 62%. (American Cancer Society, 2004 Facts and Figures)
- One out of every four people will suffer a heart attack (approximately 1,200,000 Americans annually). Survival rate of a heart attack is 67%. (Heart Disease and Stroke Statistics, 2005 Update, American Heart Association)
- 750,000 Americans will suffer a stroke annually. Survival rate of stroke is 87%. (Heart Disease and Stroke Statistics, 2005 Update, American Heart Association).

# DENTAL & VISION

## DENTAL PLAN

	PLAN NAME 1		PLAN NAME 2	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Calendar Year Maximum	x	x	x	x
Annual Deductible (Individual/Family)	x	x	x	x
Out-of-Pocket Maximums (Individual/Family)	x	x	x	x
<b>Preventive Services</b> Exams, Cleanings, X-rays	x	x	x	x
<b>Basic Services</b> Fillings, Extractions, Oral Surgery	x	x	x	x
<b>Major Restorative Services</b> Crowns, Bridgework, Dentures	x	x	x	x
<b>Orthodontia</b> (Dependents under age 19)	x	x	x	x
Orthodontia Lifetime Maximum	x	x	x	x

## VISION PLAN

	PLAN NAME 1		PLAN NAME 2	
	In-Network	Out-of-Network	In-Network	Out-of-Network
<b>Eye Examination Copay</b>	x	x	x	x
<b>Eyeglasses</b>	x	x	x	x
<b>Lenses</b>	x	x	x	x
Single Vision Bifocal Trifocal Lenticular	x	x	x	x
<b>Frames</b>	x	x	x	x
<b>Contact Lenses</b>	x	x	x	x
Elective Medically Necessary	x	x	x	x
Laser Vision Correction	x	x	x	x

# LIFE INSURANCE

Your family depends on your income for a comfortable lifestyle and for the resources necessary to make their dreams – such as a college education – a reality. Like anyone, you don't like to think of the scenario where you're no longer there for your family. However, you do need to ensure their lives and dreams can continue if the worst does happen. [Client] knows how difficult it can be to provide this peace of mind on your own, which is why we have made it a priority to give you the ability to assemble a complete life insurance portfolio.

## BASIC TERM LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

Galaxy Industries provides eligible employees with basic term life and accidental death and dismemberment coverage at no cost to you and enrollment is automatic.

**BASIC TERM LIFE:** The benefit is equal to [INSERT] times your base annual earnings to a maximum of \$[INSERT].

**ACCIDENTAL DEATH AND DISMEMBERMENT:** If you are seriously injured or lose your life in an accident, you will be eligible for a benefit equal to your basic term life coverage.

## SUPPLEMENTAL LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE

You may also choose to purchase supplemental life insurance coverage in addition to the company-paid benefit. You pay the total cost of this benefit through convenient payroll deduction.

**EMPLOYEE:**

**SPOUSE:**

**CHILDREN:**

### HOW MUCH LIFE INSURANCE DO YOU NEED?

Many financial experts recommend you have at least five to eight times your household income in life insurance. To calculate the level sufficient to cover your needs, you should consider your current income and how much it costs to maintain your family's standard of living. You should also consider your current expenses and your family's future financial needs such as the following:

#### Current Expenses

- Home Mortgage
- Car Payments
- Credit Card Debt
- Other Debt

#### Future Needs

- Child Care
- College Tuition
- Spouse's Retirement
- Routine Household Expenses

After you add your financial responsibilities, how does the sum compare with your current coverage?



# WHOLE LIFE INSURANCE



Interest-sensitive whole life insurance is designed to provide death benefits to your beneficiaries if you pass away, but it also builds cash value that you can utilize while you are still alive.

## PLAN FEATURES

- You have the ability to purchase whole life insurance for yourself, your spouse, your children, and/or your grandchildren.
- Interest-sensitive whole life insurance is voluntary, which means you purchase the precise amount of coverage that is right for your needs.
- No physical exams are required to apply for coverage (although health questions may be asked).
- Coverage is portable – you can take your policy with you if you leave the company and carry your life insurance coverage into your retirement.

Your counselor can help you calculate the cost of the benefit, which will vary depending upon your age, the amount of coverage you elect, or dependent coverage you choose, and other such factors.

BASIC TERM LIFE	SUPPLEMENTAL LIFE	VOLUNTARY WHOLE LIFE
100% company-paid	Cost increases as you get older	Premiums never change
Death benefit only	Death benefit only	Death benefit plus tax-deferred cash value accumulation
Coverage ends when you leave the company	Coverage ends when you leave the company	Coverage is portable – you can take it with you if you leave the company
Coverage for employee only	Coverage options available for employee, spouse, and children	Coverage options available for employee, spouse, and children

*The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations which may affect any benefits payable.*

# DISABILITY INSURANCE

A disabling injury or illness that keeps you out of work could have a devastating impact on your income, jeopardizing your ability to cover normal household expenses. Nearly 50% of all mortgage foreclosures are the result of a disability.\* The federal government estimates that 3 out of every 10 American workers will be disabled before reaching retirement age.\*\* With the right disability insurance, your income is protected, relieving you of the anxiety of depleting your savings to pay your bills.

## SHORT TERM DISABILITY INSURANCE

Short term disability insurance replaces a portion of your income if an injury or illness forces you out of work for an extended period of time. Galaxy Industries provides basic short term disability coverage at no cost to you and enrollment is automatic. After you are out of work for [elimination period] and declared disabled, you will receive [%] of your base earnings for up to [max. benefit period] weeks.

## VOLUNTARY SHORT TERM DISABILITY INSURANCE BUY-UP

Depending on your household budget, you may need additional disability coverage. To help you increase your disability protection, Galaxy Industries has negotiated a special rate that allows eligible employees to purchase additional short term coverage at an affordable cost.

This voluntary coverage allows you to choose the amount of extra coverage you need and a cost you can afford. You also can keep this affordable policy if you leave [Client].

## LONG TERM DISABILITY INSURANCE

Galaxy Industries also provides long term disability insurance to protect your finances when your disability continues beyond the period covered by the short term disability plan. This benefit is also fully paid for by the company and enrollment is automatic.

26 WEEKS AFTER INJURY OR ILLNESS		26 WEEKS TO RETIREMENT
Basic (company paid)	Optional Short Term Buy-Up	Optional Long Term Disability
60% of Base Earnings	Additional 10%, 20% or 30%	60% of base earnings

\*Health Affairs, Policy Journal of the Health Sphere, February 2005

\*\*Social Security Administration, Fact Sheet, January 2007.

# ACCIDENT INSURANCE

Accidents happen. You can't always prevent them, but you can take steps to reduce the financial impact, which can absorb your savings and even cause bankruptcy or foreclosure if you are not prepared.

Voluntary accident insurance provides benefits for covered injuries and specified accident-related expenses for an individual or family. Since health insurance only covers certain expenses (and plan limits can apply), this individual policy is designed to help cover the out-of-pocket expenses that result from a covered accident.

The plan covers a wide variety of injuries and accident-related expenses such as:

- Hospitalization
- Physical Therapy
- Hospital Intensive Care
- Transportation
- Lodging for Family



## PLAN FEATURES

- Benefits are paid for accidents that occur on or off the job, so you have 24-hour coverage.
- You can also elect to cover your spouse and children.
- There are no health questions or physical exams required.
- Your coverage is individually owned, which means you can take your policy with you if you retire or leave the company.

Your benefit counselor can give you detailed information on the plan and costs during your enrollment session.

*The policy or its provisions may vary or be unavailable in some states. The policy has exclusions and limitations which may affect any benefits payable.*

# FLEXIBLE SPENDING ACCOUNTS (FSAs)

Flexible Spending Accounts (FSAs) enable you to put aside money for important expenses and help you reduce your income taxes at the same time. ABC Company offers two types of Flexible Spending Accounts – a Health Care Flexible Spending Account and a Dependent Care Flexible Spending Account. These accounts allow you to set aside pre-tax dollars to pay for certain out-of-pocket health care or dependent care expenses.

## HOW FLEXIBLE SPENDING ACCOUNTS WORK

1. Each year during the open enrollment period, you decide how much to set aside for health care and/or dependent care expenses.
2. Your contributions are deducted from your paycheck on a before-tax basis in equal installments throughout the calendar year.
3. As you incur health care or dependent care expenses throughout the year, submit a claim form for reimbursement. Your claim will be processed and you will be reimbursed from your account. Or use your FSA card to pay for eligible expenses at the point of sale. You will not be paying out of pocket, so there's no need to fill out a claim form and wait for reimbursement.

Please note that these accounts are separate – you may choose to participate in one, both, or neither. You cannot use money from the Health Care FSA to cover expenses eligible under the Dependent Care FSA or vice versa.

**YOU MUST ACTIVELY RE-ENROLL IN EITHER FSA PLAN EACH YEAR.  
YOU ARE NOT AUTOMATICALLY RE-ENROLLED.**

PLAN	ANNUAL MAXIMUM CONTRIBUTION	EXAMPLES OF COVERED EXPENSES
Health Care Flexible Spending Account	\$5,000	Co-pays, deductibles, orthodontia, over-the-counter medications, etc.*
Dependent Care Flexible Spending Account	\$5,000 (\$2,500 if married and filing separate tax returns)	Day care, nursery school, elder care expenses, etc.*

\* See IRS Publications 502 and 503 for a complete list of covered expenses.

# 401 (k) RETIREMENT PLAN

Building a healthy financial future is just as important as taking care of your health needs today. Putting money aside for your future is easy with the 401(k) plan. And with contributions deducted before federal taxes are calculated, it's less painful to your take home pay than you might think.

## PLAN FEATURES

- Save from [INSERT] % to [INSERT] % of your pay on a pre-tax basis through convenient payroll deductions.
- Reduce the amount of your current taxable income by the amount you contribute. And, you don't pay federal, and in most cases, state income taxes on any investment earnings as long as they remain in the plan.
- Choose how to invest your contributions among the plan's multiple investment options.
- ABC Company will match \$[INSERT] for each \$[INSERT] of the employee's contribution up to \$[INSERT].

**Vesting:** Your right to your 401(k) account balance is called vesting. You are always 100% vested in your pre-tax contributions as well as any amounts you roll over to the plan. Participants become vested in the employer match according to the following vesting schedule.

To find out more information, please contact the 401(k) Plan Administrator at: [INSERT].



YEARS OF SERVICE	AMOUNT VESTED
1	%
2	%
3	%
4	%
5	%



# OTHER BENEFITS



## TUITION ASSISTANCE PROGRAM

The Galaxy Industries tuition assistance program is designed to assist employees in developing themselves for professional growth in their careers with the company.

## EMPLOYEE ASSISTANCE PROGRAM

The employee assistance program is designed to provide professional help in dealing with personal concerns impacting you and your family at home or at work. You may call for assistance with concerns such as marital conflict, depression, drug and alcohol abuse, grief, children's problems, family budgeting, and legal problems. The EAP is available at [INSERT PHONE #] to employees and their dependents. Ask your counselor for more details.



# NOTES

[illegible]



*NOTE: This statement is intended to summarize the benefits you receive from Galaxy Industries. The actual determination of your benefits is based solely on the plan documents provided by the carrier of each plan. This summary is not legally binding, is not a contract, and does not alter any original plan documents. For additional information, please contact the Human Resources department.*