

## ***BENEFITS PROGRAM OVERVIEW***

**Southwest General** offers a benefits program that allows you to make a variety of choices for your individual benefit coverage. You can design a program that matches the specific benefit needs of you and your family.

**Southwest offers the following benefits:**

- ◆ Medical Insurance
- ◆ Prescription Insurance
- ◆ Dental Insurance
- ◆ Vision Insurance
- ◆ Health Care Flexible Spending Account
- ◆ Dependent Care Flexible Spending Account
- ◆ Health Savings Account (with CDHP only)
- ◆ Basic Life and AD&D Insurance
- ◆ Disability Insurance
- ◆ Voluntary Term Life/AD&D Insurance
- ◆ Dependent Term Life Insurance Plan
- ◆ Paid Absence Management (P.A.M.)
- ◆ Home, Auto and Pet Insurance
- ◆ Accident Insurance
- ◆ Specified Critical Condition
- ◆ Supplemental Disability (Half-Time Employees Only)
- ◆ Employee Assistance Program (EAP)
- ◆ Southwest Matching Defined Contribution Retirement Plan [403(b)]

**How Your Benefits Work:**

Upon hire and during open enrollment, you select the plan coverage you want for the coming year. The plan year is from January 1 through December 31. Eligibility begins January 1 of the plan year.

Medical, dental, vision, spending accounts, health savings account, and 403(b) deductions are deducted on a pre-tax basis. Other benefits are purchased with after-tax dollars. Pre-tax dollars are contributions from your pay before any federal or state taxes are calculated. By paying for coverage in pre-tax dollars, the amount of your pay that is subject to federal and state taxes becomes less so your taxes are lower each payday.

Full-time Employees	Full-time employees are eligible to elect a medical, dental, or vision plan along with other voluntary benefits including the Southwest General Wellness Program. Full-time employees also receive basic life insurance, accidental death and dismemberment insurance and disability insurance benefits at no cost you.
Half-time Employees	Half-time employees are eligible to elect a medical, dental, or vision plan along with other voluntary benefits including the Southwest General Wellness Program
Part-time Employees	Part-time employees are eligible for the Health Care Flexible Spending Accounts and the Dependent Care Flexible Spending Accounts along with other voluntary benefits.
New Hires	New hires must make benefit elections within 30 days of their hire date. Eligibility begins the first of the month following the hire date, and deductions will begin on the first pay of the month following the hire date.

**Your Medical Choices...**

Southwest offers three health plans for you to choose. Each of the plans is administered by Mutual Health Services.

- ◆ **Consumer Driven Health Plan (CDHP)**
- ◆ **Basic PPO Plan**
- ◆ **High PPO Plan**

The Consumer Driven Health Plan (CDHP) Plan is a high deductible health plan that comes with a higher deductible, but has lower employee contributions and allows you to set up a HSA account to set aside tax-free funds to pay for current or future qualified medical expenses for you, your spouse and any qualified dependents. If you contribute to a HSA account, Southwest will also contribute funds to the account.

The Basic PPO Plan encourages covered member to be cost-minded and become ‘partners in health care’. The PPO providers have agreed to charge cost-effective rates negotiated by Southwest. By using more cost-effective providers, you will help stabilize health care coverage for both you and your benefit plan at the same time protecting your freedom to choose any physician or provider you desire.

While the design of the High PPO plan is similar to the Basic PPO, the premiums for the plan are higher. The employee pays more for their insurance premiums but the co-pays, deductibles and other cost-sharing rates are more generous.

For additional information, please refer to the schedule of benefits in the Benefits Guide which is available upon request.

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### **Your Wellness Plan...**

#### ◆ **Southwest General Wellness**

Southwest General Wellness is a voluntary based wellness program administered by Southwest General Wellness. Southwest General Wellness is a separate provider committed to your privacy and confidentiality - your detailed health information is kept separate from your employment records.

The purpose of the program is to encourage both employees and their spouses to lead healthier lifestyles which would in turn, reduce costly claims and benefit expenses overall. This is done by tying healthcare costs to attainment of certain health goals. The more points you and your spouse earn, the less you pay in healthcare contributions.

This program involves both a biometric screening and opportunities to earn points by completing Healthy Actions. Employees and their spouses earn points from September through August and those points determine your health care contributions for the following year. Southwest General Wellness processes your data and supplies you with a confidential results report. They will also work with you to process any appeals that you have. Human Resources does not receive your individual results or assist in appeals due to the sensitive medical nature of the information involved.

### **Your Prescription Drug Benefit...**

#### ◆ **MedImpact Healthcare Systems**

Employees enrolled in a Southwest medical plan will automatically be covered in the Southwest Prescription Drug Plan administered by MedImpact. Separate identification cards are issued for those the prescription drug benefit.

**Your Dental Plan Choices...** Southwest offers two dental plans:

#### ◆ **CIGNA Dental Care PPO Plan**

CIGNA Dental PPO offers their CIGNA PPO network for the highest level of benefits. When you use dentists who are members of the Radius network, the plan pays the percentage of benefits with no balance billing.

#### ◆ **CIGNA Dental Care DHMO Plan**

CIGNA Dental Care is a dental plan that uses a designated network of providers to deliver care. To use the plan, you must use one of the dentists or dental offices in the Cigna network. If an out-of-network provider is used, the plan will not pay towards the services

provided. Upon receipt of your cards, you will be asked to select a specific dentist. You will also receive a listing of fixed co-payments so you will know what your out-of-pocket costs are before you have the procedure performed.

### **Your Vision Plan...**

Southwest General's Vision Care Plan is through:

#### ◆ **EyeMed Vision**

EyeMed is dedicated to helping you and your dependents obtain vision care for exams and corrective devices through its education and service. They offer a broad network of independent providers, as well as top retail chains such as LensCrafters®, Sears Optical® and Target Optical® to help you maintain your overall eye health

### **Your Flexible Spending Account (FSA) Options...**

FSAs allow all full-time, half-time, and part-time employees to use pre-tax money to pay for certain eligible expenses that would otherwise be paid for with after-tax money. These arrangements create reimbursement accounts that are used to pay for qualified expenses related to health care and dependent care.

Federal laws affecting pre-tax (Flexible Spending Accounts) are fairly strict. The IRS requires that once you set aside money into a Health Care or Dependent Care FSA, you can only use those dollars to pay for eligible services that you incur during that same Plan Year. The IRS defines "incurred" as date(s) on which the Health Care or Dependent Care that gives rise to an expense is performed, not when you are formally billed, charged for, or pay for the care (orthodontia payment plans are an exception). In no case may the contributions be refunded or moved from one type of account to another.

Likewise, changes in your contribution elections are restricted. Changes to your original Health Care and Dependent Care contribution amounts are only permitted if you have a Life Qualifying Event.

The three flexible spending accounts offered are:

#### ◆ **Health Care Flexible Spending Account**

(Annual maximum \$2,700, minimum \$130)

The Health Care Flexible Spending Account is fully pre-funded. In other words, your annual election is available to you on your first day of participation.

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A Health Care FSA allows you to pay for eligible medical, dental and vision expenses that are not reimbursed by any other plan of this nature or any other insurance plan. In general, eligible expenses include only those that could otherwise be taken as a federal income tax deduction.

### ◆ **Limited-purpose Flexible Spending Account**

(Annual maximum \$2,700, minimum \$130)

For those employees who enroll in the Mutual Health Services HSA CDHP Plan, The Limited Purpose Flexible Spending Account is available for dental and vision expenses that are not reimbursed by any other plan of this nature or any other insurance plan

The Limited Purpose Flexible Spending Account is fully pre-funded. In other words, your annual election is available to you on your first day of participation.

### ◆ **Dependent Care Flexible Spending Account**

(Annual maximum \$5,000, minimum \$130)

Reimbursements for eligible Dependent Care expenses are made to the extent of your available payroll contributions at the time of reimbursement.

A Dependent Care FSA allows you to pay for eligible Dependent Care (daycare) expenses incurred so that you or your spouse can continue working, your spouse can look for employment or your spouse can attend school full time. Eligible dependents include children under the age of 13. Expenses for other Dependents who are physically or mentally unable to care for themselves may also qualify.

The accounts are not “insurance” plans; rather they are “tax savings” benefits, and participation in each is voluntary. If you decide to participate, the dollars you elect to contribute to these accounts will be set aside through payroll deduction prior to taxes being calculated. As eligible expenses are incurred throughout the year, you are able to submit a claim against your accounts and be reimbursed with your pre-tax contributions for the amount of those expenses. The dollars you set aside in these accounts are exempt from:

- Federal Income Tax
- State Income Tax (taxable in PA and NJ)
- FICA (Social Security/Medicare) Tax
- City Income Tax (state of Ohio)

### **Your Basic Benefits...**

Southwest General provides a basic benefits package for eligible employees. Depending on your status (full- or half-time), this package may include basic life insurance and accidental death and dismemberment (AD&D) coverage for yourself, paid absence management (PAM) time, long-term disability insurance and retirement plans.

#### ◆ **Full-time Employees: Basic Life Insurance/AD&D**

The first of the month following your hire date or status change to full-time employment, Southwest provides (*at no charge to you*) life insurance for full-time employees equal to one times your annual salary rounded to the next higher \$1,000 to a maximum of \$25,000. You are also provided with AD&D coverage for the same amount.

The Life insurance is canceled upon termination of employment or a change from full-time status. By request, you may convert the life insurance to an individual policy with the insurance company within 31 days from the date your insurance is canceled.

#### ◆ **Full-time Employees: Short-Term/Long Term Disability Insurance**

The first of the month following the date of hire or status change to full-time employment, Southwest provides (*at no charge to you*) disability insurance for full-time employees. Following a 30-day waiting period, a participant may receive 60% of base monthly earnings while disabled.

#### ◆ **Full-time Employees: Short-Term Disability Buy-up**

Full-time employees have the option to buy-up a shorter waiting period on the short-term disability benefit. With a minimal payroll deduction, employees can reduce their disability waiting period from 30 days to 14 days.

#### ◆ **Full-time and Half-time Employees: Paid Absence Management (PAM) Time**

The benefits of vacation, paid sick days and holidays are combined into one package providing full-time and half-time employees with paid time off and the opportunity to manage their time off. Eligible employees earn PAM time based on position, length of service and hours worked each pay period.

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### **Your Voluntary Benefit Options...**

#### ◆ **Voluntary Term Life Insurance Coverage**

Full-time and half-time employees can purchase from \$10,000 to \$200,000 in life insurance coverage in \$10,000 increments.

#### ◆ **Dependent Term Life Insurance**

Employees who enroll in Voluntary Term Life Insurance are also eligible to purchase voluntary dependent life insurance when enrolled in the Voluntary Term Life Insurance program.

#### ◆ **Voluntary AD&D Insurance Coverage**

Full-time and half-time employees are eligible to purchase Voluntary AD&D (accidental death and dismemberment) insurance to cover themselves in the event of accidental death or a covered accident. Coverage can be selected from \$10,000 to \$300,000 in increments of \$10,000.

#### ◆ **Dependent AD&D Insurance Coverage**

Employees who enroll in Voluntary AD&D Coverage are also eligible to purchase Voluntary AD&D insurance for their dependents when enrolled in the Voluntary AD&D insurance. Spouses are covered as a benefit of \$50,000 and dependent children are covered at a benefit of \$10,000.

#### ◆ **Southwest Matching Defined Contribution Retirement Plan [403(b)]**

The retirement plan offers a variety of benefits:

- You put money away before federal and state income taxes are deducted, also known as pre-tax savings.
- You may save any percentage of your pay on a pre-tax basis, up to Internal Revenue Service (IRS) limits. For 2019, the maximum amount is \$19,000.
- Your contributions are made automatically through payroll deduction.
- Your 403(b) funds are invested in a tax-deferred annuity (TDA) or custodial account.
- Contributions are also available as an after-tax Roth deduction.
- Southwest offers a generous match after one year of employment of 50% on the first 6% that you contribute (50 cents on each dollar up to 6% of your pay). You are vested in the matching contributions after three calendar years with 1,000 hours worked in each year. Matching funds are allocated to your

account after the end of each calendar year for all employees active on 12/31 of the year.

- In addition to matching on your contributions, Southwest also offers an Employer Savings Contribution (ESC) toward your 403(b). Based on your annual year end compensation, age and years of service, Southwest will contribute an additional percentage of your compensation to your 403(b) account with the same vesting requirements as the matching contributions. Funds are allocated to your account after the end of each calendar year for all employees active on 12/31 of the year provided you worked 1,000 in the year.

#### ◆ **Accident Insurance**

When an accident occurs, you may have trouble finding room in your budget to cover the charges that can accumulate. Accident Insurance can supplement your medical insurance to help pay for those unexpected costs.

Accident Insurance pays benefits if you are injured accidentally on or off the job. The financial payment correlates with each accident, and the money can be used any way you choose. Accident Insurance helps pay the extra expenses that add up as a result of an injury, even your ER copay. There are no medical questions asked or requirements to be met to be eligible. The plan is voluntary and you can take the coverage with you if you leave the company. Coverage is available for you and your dependents. You can enroll in this benefit during our open enrollment period.

#### ◆ **Specified Critical Condition**

This benefit provides a lump sum payment upon the first diagnosis of a covered condition. Some of the conditions the plan pays benefits for are: cancer (except skin cancer), heart attack or heart surgery, stroke, organ transplant, and kidney failure. You choose the benefit you want – subject to underwriting approval. You can enroll in this benefit during our open enrollment period.

#### ◆ **Supplemental Disability (Half-Time Employees Only)**

Voluntary Disability Insurance is available to our half-time employees (or full-time weekend employees) who work at least 20 hours per week. Voluntary Disability insurance provides you the opportunity to custom design a personal disability plan that meets your needs and budget. You can enroll in this benefit during our open enrollment period.

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- ◆ **Comprehensive Auto and Home Insurance**  
MetLife Auto & Home offers a high level of responsive service, whether you're calling about a claim or to get free quotes. Licensed insurance consultants are empowered to make decisions and can help you get exactly what you need. You'll enjoy group rates that could save you up to 10%, plus additional discounts. Premiums for auto and home insurance may be paid through convenient payroll or bank account deductions. Other payment options are also available.
- ◆ **Veterinary Pet Insurance**  
With today's advances in veterinary medicine, your pet has the opportunity to live a longer and more rewarding life. Employees have access to one of the largest health plan carriers for pets, VP/NCC. Veterinary expense reimbursement for injuries, accidents and illness for your cats, dogs, birds and exotic pets is available in all 50 states (and the District of Columbia). You will also find a multitude of covered conditions are available under a selection of plans.
- ◆ **EASE@Work**  
Southwest General Health Center offers EASE@Work, our Employee Assistance Program (EAP). EASE@Work provides a full menu of employee assistance and work/life services that assists employees in managing work and personal issues, leading to higher motivation, morale, loyalty and productivity. All programs are designed to help promote a positive work/life balance for employees that can ensure organizational success. You may access services 24/7. When an employee or family member accesses a service, he or she will receive a confidential, professional assessment and referral service, helping them identify problems and develop a plan to resolve them – often before job performance is negatively impacted. Quality programs are a key to success. EASE@Work has received a four-year accreditation from the Council on Accreditation (COA). This signifies that EASE@Work meets the highest national standards for employee assistance programs.

### **Benefits and Social Security**

Any amount deducted from your pay for benefit contributions, which results in lowered FICA taxes today, will somewhat reduce your career average earnings for Social Security. Before making a decision, you should consult a qualified tax advisor about your personal situation.

### **Waiving Coverage**

You can waive coverage under any or all plans for which you are eligible during open enrollment period, upon hire or

Qualified Life Event. If you do waive coverage under all plans, you will not receive coverage for the entire plan year. Normally you cannot enroll for coverage until the next open enrollment period, unless you have a qualified life event during the year.

**One Final Note...** This informational sheet describes the highlights of our benefits program. Upon accepting a position with us, you will receive complete benefits information to assist you with making your final benefit selections. Once you have enrolled, you may not change your enrollment choices until the next open enrollment period *unless* a qualifying life event occurs.

***We urge you to look carefully at the different plans, along with the payroll contributions for each, and select the plan that best fits your needs. A good suggestion is to compare what you will be financially paying for the benefit versus what you will be financially getting out of the plan.***