

LAY EMPLOYEE BENEFITS

I. POLICY

A variety of benefits are available to employees. Non-discretionary benefits are to be offered to employees according to the same eligibility guidelines (as outlined below) in a consistent and fair manner. The availability and eligibility of discretionary benefits may be established at the local level, but must be applied consistently by each employer.

DISCLAIMER

This section of the Pastoral Directives contains a very general description of the benefits to which employees may be entitled. This general explanation is not intended to, and does not provide all the details of the available benefits. Therefore, this section does not change or otherwise interpret the terms of the official plan documents. Employee rights can be determined only by referring to the full text of the official plan documents, which are available for examination from the Diocesan Finance Office. To the extent that any of the information contained in this section is inconsistent with the official plan documents, the provisions of the official documents will govern in all cases.

Nothing contained in the benefit plans described herein shall be held or construed to create a promise of employment or future benefits, or a binding contract between the employer and its employees, retirees or their dependents, for benefits or for any other purpose. All employees shall remain subject to discharge or discipline to the same extent as if these plans had not been put into effect.

The Diocese reserves the right, in its sole and absolute discretion, to amend, modify or terminate, in whole or in part, any or all of the provisions of the benefit plans described herein, including any health benefits that may be extended to retirees and their dependents. Further, the Diocese reserves the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply and interpret the benefit plans described herein, and to decide all matters arising in connection with the operation or administration of such plans.

For more complete information regarding any of our benefit programs, please refer to the Summary Plan Descriptions, which were provided to you separately or contact the Diocesan Finance Office. If you lost or misplaced those descriptions, please contact the Diocesan Finance Office for another copy.

A. NON-DISCRETIONARY BENEFITS AND ELIGIBILITY GUIDELINES

The following are the group plans available to employees:

- Health
- Dental
- Cafeteria Plan (Reimbursement Account)
- Basic Life
- Long Term Disability
- Retirement-401(a)
- Voluntary Supplemental Insurance
- Employee Assistance Program
- Unemployment

- Workers Compensation

Benefits vary according to the status of each employee. All employers are to follow these eligibility specifications:

- Full-time employees are eligible for all available non-discretionary benefits.
- Part-time employees are eligible for retirement and basic life insurance benefits if they work a minimum of 600 hours in a service year. They become eligible for health, dental and long term disability insurance if they work 20 hours or more per week.
- Temporary lay employees are eligible only for worker's compensation benefits.
- Contracted employees are eligible only for those benefits, which are specified in their contract at the time of hire.

B. NON-DISCRETIONARY BENEFITS DESCRIPTION

Health and Dental Insurance Plans

• Four medical plan options are offered to eligible employees. The plans are insured by Regence. Eligible employees may choose from one of the following:

- Basic Plan Valuecare
- Standard Valuecare Plan
- Basic Plan Traditional
- Standard Plan Traditional

• All plans include a prescription drug card and dental benefits. Employees may select any plan and may switch from one plan to another annually during the open enrollment period – June 1 through June 30.

• New hire packets and enrollment, deletion, transfer, waiver, or claim forms can be obtained from the Diocesan Finance Office.

• Benefit and claim questions may be directed to Regence: Phone: (801) 333-2100; Toll Free 1-800-624-6519; Website: www.regence.com

• The following individuals are eligible for inclusion under Regence:

- All priests and transitional deacons of the Diocese of Salt Lake City: who are incardinated and hold an official assignment from the bishop, or who have been on official assignment from the bishop for at least three months.

- All full-time Religious who work in excess of 20 hours per week.

- All diocesan seminarians.

- All lay employees who consistently work in excess of 20 hours per week.

(New employees are eligible the first of the month following a thirty day waiting period.

- Dependents of an employee eligible for coverage are: the spouse of the employee and any unmarried dependent child of the employee from birth to age 19 (age 26 if full-time student) if residing in the employee's household.

Note: Spouse and dependent coverage is at the employee's expense. Participants over age 65 qualify and may elect some benefits coordinated with parts A and B of Medicare.

• Any lay employee or Religious may waive coverage under the Regence Plan by signing a waiver form.

• Eligible employees consistently working thirty (30) or more hours per week have single coverage under the Basic Plan paid by their parish, school, agency or institution. Eligible employees working less than thirty (30) hours per week are to contribute toward the monthly

premium. Coverage under the Standard plans is available along with family coverage under all plans at the employee's expense.

- Once an employee becomes eligible for the health plan, an enrollment form or waiver should be completed and sent immediately to: Diocese of Salt Lake City, 27 C Street, Salt Lake City, UT 84103, Attn: Finance Office.
- Current information regarding monthly rates, employee monthly premiums and summary plan descriptions is provided by the Diocesan Finance Office.
- Participating employees have the option to pay their share of the monthly premium by payroll deduction through the Cafeteria Plan on a 'pretax' basis.
- Diocesan clergy and religious personnel have single coverage under the Standard 70/30 plan paid by their parish, school, agency or institution
- Administration of the Health Plan locally is handled by Regence, (801-333-2100).
- Participating Providers: Regence has contracted with providers of health care service to provide benefits. When care is provided, participating providers will bill Regence and will receive reimbursement directly for eligible services. If a non-participating provider is chosen, the employee will be required to submit the claim directly to Regence for reimbursement. The service benefit payment is the amount participating providers have agreed to accept as full payment for eligible services. The employee is responsible for the annual deductible and the 30% (50% for some services) coinsurance amount of the service benefit payment up to the out-of-pocket maximum. Non-participating provider charges may exceed the service benefit payment allowance. In such cases, it is the employee's responsibility to pay the provider the full amount charged.

II. HEALTH INSURANCE PORTABILITY PROTECTION ACT (HIPAA) POLICY

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) is a federal law designed to improve access to health coverage and to protect plan participants and their dependents. One of the provisions of HIPAA, pertaining to the portability of health coverage, requires Certificates of Creditable Coverage be issued to covered employees when coverage terminates.

Procedures For a request for a Certificate of Creditable Coverage:

- Certificates of Creditable Coverage is issued by insurance carrier, Regence.
- Certificates of Creditable Coverage is issued automatically at the termination of coverage and mailed to the address that Regence has on file. It is the employee's responsibility to keep his/her addresses current.
- Additional Certificates may be requested by contacting Regence at: 801-333-2100.
- Questions regarding the Certificate of Creditable Coverage information provided should be directed to Regence at the phone number above.

III. UTAH STATE MINI-COBRA

Under Utah law, an employer group, which is not required to offer federal COBRA continuation coverage, must offer state Mini-COBRA to enrolled employees and their enrolled dependents. Employees Are Required to Give Notice to the Diocese. If a qualifying event for Mini-COBRA is a covered employee's divorce or legal separation, or a dependent child's losing eligibility for coverage under the Plan, the employee must provide written notice of these events.

The notice must be given immediately following the event (the divorce or legal separation, or the event causing the dependents child's ineligibility). If notice is not provided to the Employer, Mini-Cobra coverage will not be available as a result of that event.

Summary of Utah State Mini-COBRA Statute

Under Utah Code Section 31A-22-722, employers must offer an extension of group coverage benefits to insured employees and/or their insured family members upon the occurrence of certain events which otherwise would terminate the insured's group coverage.

Generally, extension of benefits must be offered as follows:

- To an insured employee in connection with a loss of coverage due to voluntary or involuntary termination of employment (including retirement), death, divorce or legal separation, sabbatical, disability, leave of absence, or reduction of hours, and the insured spouse and/or children of such an employee;
- To an insured spouse and children upon the death of the insured employee through whom they were covered;
- To an insured spouse and children who would otherwise lose coverage as a result of the spouse's loss of status as a family member of the insured employee (usually due to divorce);
- To an insured child who loses his status as a family member of the insured employee, but such extension of coverage shall be solely for that child.
- The maximum extension of benefits period for each of the above events is six months. The employer must notify the terminated insured of the extension right in writing via first class mail within 30 days of the termination of group coverage. Notification must include the amount, time, place, and manner for premium payment. Individuals who are extending their health coverage through State Mini COBRA are to make premium payments in full to the employer group. Though otherwise qualified for extension of benefits, an insured shall not be offered extension if:
 - The person has not been continuously insured and eligible under a group policy for at least the six months immediately prior to termination; or
 - the employer group plan is self-insured; or
 - the group coverage was terminated because of the member's failure to pay premiums or any required contribution toward premiums; or
 - the member acquires other group coverage covering all Preexisting Conditions (including maternity) for which coverage existed under the terminating group coverage; or
 - the person who would be extending benefits performed an act of fraud or made an intentional misrepresentation of material fact under the terms of the coverage; or
 - the insured is eligible for any extension of coverage under federal law; or
 - the employee was terminated for gross misconduct.

An insured who chooses to accept an offer of extension of benefits must apply in writing and pay the premium for such coverage within 60 days of losing group coverage. Where written application and premium are received within the 60-day period, the accepting insured's coverage continues, without interruption, from the date group coverage terminated. According to Utah Code Section 31A-22-722(7), extension of benefits will terminate upon the first of the following to occur:

- The extending insured establishes residence outside of Utah or moves outside the insurer's service area;
- The extending insured fails to make timely payment of premiums for the coverage;

- The extending insured performs an act or practice that constitutes fraud or makes an intentional misrepresentation of material fact in connection with the coverage;
- The extending insured becomes eligible for similar coverage under another group policy.
- Six months elapse.
- The employer's coverage is terminated.

If the employer replaces coverage with similar group coverage, without interruption, individuals who are extending their health coverage through State MINI COBRA may obtain coverage under the replacement policy for the balance of the period that they would have been allowed to extend benefits under the replaced coverage. After the extending insured's term of extension has been exhausted, a policy of conversion coverage must be offered by the employer via first class mail (see Utah Code Section 31A-22-723 for conversion details).

IV. LAY EMPLOYEES' RETIREMENT-401(A) PLAN

- A Lay Employees' Retirement-401(a) Plan has been established for all lay employees who work at least 600 hours within a calendar year. Such employees must work for an Employer and be 20 ½ years of age. Enrollment in the Retirement-401(a) Plan is effective only on January 1st of each calendar year.
- A board of trustees is appointed to oversee the administration of the plan on behalf of lay employees of the diocese.
- Contributions to the Retirement-401(a) plan are made by the Employer. A specified percentage of the employee's gross salary is submitted to VALIC. Each parish or institution is to submit the contributions on a monthly basis. Contributions are made to VALIC, c/o Chase Bank of Texas, P.O. Box 201402, Houston, TX 77216-1402.
- The Pension Plan is administered by VALIC (The Variable Annuity Life Insurance Company). VALIC's toll free telephone number is 1-800-448-2542. Quarterly reports of each employee's Retirement-401(a) status are sent to each employee. Detailed information about the plan is available from VALIC. For such, an employee may simply call the toll free telephone number listed above.
- There is a vesting schedule for each employee. Partial vesting begins after the third calendar year of employment. A five-year employee is totally vested.

V. GROUP LIFE INSURANCE

All lay employees who qualify for the lay employees' pension plan are covered by group life insurance at no expense to the employee. This provides a \$10,000.00 life and accidental death and dismemberment benefit to the employee, and a 24-Hour Travel Assistance Program through WorldNet Services Corporation. Each Employer pays the monthly premium per employee.

VI. LONG-TERM DISABILITY INSURANCE

All active lay employees working 20 hours per week or more are eligible for Long-Term Disability Insurance. Each Employer will make payments to the diocese for this coverage. Current cost information is available at the Diocesan Finance Office. The insurance covers 60% of employee salary paid 90 days after employee disability.

VII. CAFETERIA PLAN (REIMBURSEMENT ACCOUNT)

A “Cafeteria” plan for administration of benefits is available to all employees. Use of this plan permits employees to contribute to a wide range of benefit packages administered by the diocese. For details and enrollment contact the Finance Office.

VIII. VOLUNTARY SUPPLEMENTAL INSURANCE

- American Family Life Assurance Company of Columbus (AFLAC) and CONSECO insurance companies offer all employees voluntary supplemental insurance coverage. This includes:
 - Cancer Insurance
 - Hospital Intensive Care Insurance
 - Personal Sickness
 - Accidental Injury Insurance
 - Short-Term Disability Insurance

- The CONSECO coverage includes a return of premium feature. If coverage is maintained continuously for a 20 year period, all premiums minus any claims paid will be returned to the covered employee.
- Each employee is responsible for all premium costs. This is facilitated through a payroll deduction plan. The American Family Life Assurance Company of Columbus (AFLAC) invoices Employers for premiums of covered employees and their families.
- CONSECO Insurance Company invoices the diocese for premiums of covered employees and their families; Employers are then billed for these premiums on monthly diocesan invoices. Information and procedure for offering this insurance to new employees can be obtained from the Diocesan Finance Office.

IX. EMPLOYEE ASSISTANCE PROGRAM

An Employee Assistance Program (EAP) is included with the medical insurance coverage. This service is administered by Reliant Behavioral Health (RBH) and provides confidential assistance for personal problems that may be interfering with an employee’s life or work. The EAP is intended to provide short term counseling to help with a problem. The intent is to help resolve a problem before it turns into a situation requiring medical care. If medical care is required, the employee will be referred to a provider. For Crisis Services or to schedule an appointment have employees call Reliant’s 24 Hour Hotline 1-866-750-6327.

X. STATE UNEMPLOYMENT INSURANCE COVERAGE

- The Diocese is self-insured. Therefore, the Diocese will pay actual claims submitted by the State.
- All lay employees are covered. Clergy and religious are exempt from state unemployment insurance.
- Each Employer is to report the gross payroll for each individual employee on a quarterly basis.

Payments must be made to the Diocesan Finance Office for all lay employees employed 20 hours a week or more. Current cost information is available at the Diocesan Finance Office. This insurance is paid quarterly to the Diocesan Finance Office. The Diocesan Finance Office will bill each Employer.

- Employers are to report a complete summary with the number of insured and noninsured workers by month on a quarterly basis.
- In completing Utah State Unemployment Insurance forms, anyone without a Social Security Number is not to be listed.

Note: For reporting forms contact the Diocesan Finance Office.

- Employees are not always eligible for unemployment compensation. When an employee resigns or is summarily terminated, a decision of eligibility is made by the state.
- An employee who is terminated from employment may apply for unemployment compensation.

XI. WORKER'S COMPENSATION INSURANCE COVERAGE

- This insurance provides coverage for injury to a covered person arising out of and in the course of employment. Notice of the injury must be made immediately following the incident.
- All clergy, religious and lay employees must have workers compensation coverage, pursuant to and in compliance with state law.
- Independent contractors who do not have an individual policy are to be covered under the Employer's policy.
- Quarterly reports are filed with the Diocesan Finance Office indicating all employees and gross salaries for the quarter. The Diocesan Finance Office supplies the forms.
- The Diocesan Finance Office bills each Employer quarterly for the amount of Worker's Compensation.
- Current cost information is available at the Diocesan Finance Office.
- All compensation paid to contract laborers, not carrying their own insurance policy, must be included in the calculation of workers compensation premiums. (Rate should be multiplied by each \$100.00 of employee's gross salary.)
- Please consult the Employer's Handbook from Worker's Compensation Fund for reporting claims due to work related injuries. Workers Compensation Fund can be contacted at (800) 446-comp. For further information, please contact the Diocesan Resources Office.