



2018

Summary of NAFCU Employee Benefits Program

Effective January 1, 2018

This document provides a brief summary of NAFCU's Employee Benefits Program. For a detailed description of your insurance benefits, see the evidence of coverage information that will be provided to you by the insurer for each specific plan. A more detailed description of other employee benefits is provided in the NAFCU Employee Handbook.

Definitions

Date of Eligibility

| | |
|---------------------|--|
| Insurance: | 1 st day of the month following date of initial employment |
| 401(k) Plan: | 6 months from date of initial employment, provided that individual has reached age 20.5. Entry dates: 1 st of the month following transition to regular employment status |
| Holidays: | 1 st business day following date of initial employment |
| Paid Leave: | Date of transition to regular employment status (i.e., upon successful completion of 90-day initial evaluation period), except as otherwise noted |
| Other: | As noted |

Employment Status

Regular or Initial Employment Status:

- Full-time – eligible for full benefits
- Part-time (min. 20 hrs/wk) – eligible for benefits, except as noted under specific benefits
- Part-time employees (less than 20 hrs/wk) - not eligible for benefits

Temporary Employment Status:

- Not eligible for benefits

Flexible Spending Accounts

Infinisource

| | |
|---------------------|--|
| Eligibility: | Full-time, regular employees Part-time, regular employees who work at least 20 hours per week |
|---------------------|--|

Company Contribution

NAFCU funds the employee's account with \$250 at the start of the plan year

Premium Conversion

Employees can pay their share of their dependents' health premiums on a *payroll reduction* (i.e., pre-tax) basis through the plan's "Premium Conversion" feature.

Accounts Available

Unreimbursed Medical Expense: (to max of \$2,650/year). This account can be used to reimburse for the cost of co-pays and prescription medications as well as other qualified medical and dental expenses not covered by insurance.

Dependent Care: (to the legal maximum of \$5,000/year for single or married filing jointly; or \$2,500/yr for married filing separately)

“Use It or Lose It / Carry It Over”

Funds deposited to your Unreimbursed Medical or Dependent Care account in 2018 must be applied toward eligible expenses incurred within that plan year. However, you may carry over up to \$500 of the funds in your Unreimbursed Medical account from one plan year to the next. Participants have up to 90 days in the next calendar year to submit receipts for reimbursement, but those expenses must have been incurred in 2018.

Medical Plan

NAFCU pays 100% of the premium for eligible full-time employees (50% for eligible part-time employees) plus 50% of the premium for covered employees’ dependent(s) (25% for eligible part-time employees’ dependents).

Cigna

| | In-Network You Pay: | Out-of-Network You Pay: |
|---|---|--|
| Deductible | None | \$1,000 individual / \$3,000 family |
| Co-pay | \$25 per office visit (Primary); \$30 per office visit (Specialist); no gatekeeper required | 20% after deductible has been met (Cigna covers 80%) |
| Annual maximum out-of-pocket expense | \$3,000 individual / \$6,000 family | \$4,000 individual / \$8,000 family |

Access Cigna network providers at www.cigna.com.

Pharmacy Plan (Cigna National Pharmacy Network)

| | Network Pharmacies You Pay: | Mail Order You Pay: |
|-------------------|-----------------------------|---|
| Deductible | No deductible | |
| Co-pay | 30-day supply: | 90-day supply for non-specialty medications = 3x copay less \$10: |
| Tier 1 | \$10 generic | \$30 generic |
| Tier 2 | \$35 preferred brand | \$105 preferred brand |
| Tier 3 | \$60 non-preferred brand | \$180 non-preferred brand |

Employee’s Share of Premium (per pay period)

| | Full-time | Part-time |
|------------------------------|-----------|-----------|
| Employee Only | \$ 0.00 | \$ 134.87 |
| Employee + Spouse | \$ 148.35 | \$ 357.41 |
| Employee + Child(ren) | \$ 97.11 | \$ 280.53 |
| Family | \$ 272.44 | \$ 543.53 |

Dental Plan

Delta Dental

NAFCU pays 100% of the premium for eligible full-time employees (50% for eligible part-time employees) plus 50% of the premium for covered employees' dependent(s) (25% for eligible part-time employees' dependents).

| | In-Network | Out-of-Network |
|-------------------------------------|---|---|
| Deductible | \$50 individual / \$150 family (waived for preventive and orthodontic) | |
| Co-insurance | Preventive/diagnostic: 100% Basic: 90% Major: 60% Orthodontic: 50% | Preventive/diagnostic: 100% Basic: 80% Major: 50% Orthodontic: 50% |
| MaxOver benefit | \$500 | |
| Maximum yearly benefit | \$2,000 (network and non-network) | |
| Lifetime orthodontic benefit | \$2,000 | |

MaxOver Benefit - When a member has at least one cleaning per year and spends less than \$1,000 in claims in the plan year, \$500 will roll over into their MaxOver account which will be added to the member's annual maximum dollars. Where dependents are covered, each dependent has their own MaxOver account and the monies cannot be shared among family members. The MaxOver account has a maximum accrual of \$2,000 and remains available for the member's use as long as he/she has coverage with NAFCU.

Access Delta Dental network providers at www.deltadentalva.com.

Employee's Share of Dental Plan Premium (per pay period)

| | Full-time | Part-time |
|------------------------------|-----------|-----------|
| Employee Only | \$ 0.00 | \$ 9.61 |
| Employee + Spouse | \$ 10.97 | \$ 26.06 |
| Employee + Child(ren) | \$ 11.64 | \$ 27.07 |
| Family | \$ 27.40 | \$ 50.71 |

Vision Plan

VSP

NAFCU pays 100% of the premium for eligible full-time employees (50% for eligible part-time employees) plus 50% of the premium for covered employees' dependent(s) (25% for eligible part-time employees' dependents).

Deductible: \$0
Frequency of Services: Exam – 12 months
 Frames – 12 months
 Lenses – 12 months
Co-pay: Applies to both in-network *and* out-of-network
 \$10 – exam
 \$10 – materials

Co-insurance:

| | In-Network | Out-of-Network |
|----------------------------|--------------|----------------|
| Eye examination | 100% | \$35 |
| Basic Corrective lenses | Most at 100% | \$25-\$80 |
| Frames (limited selection) | \$130 | \$45 |
| Contact lenses (necessary) | 100% | \$210 |
| Contact lenses (elective) | \$130 | \$105 |

Access in-network optometrists through the VSP website: www.vsp.com

Employee's Share of Vision Plan Premium (per pay period)

| | Full-time | Part-time |
|-------------------|-----------|-----------|
| Employee Only | \$ 0.00 | \$ 3.10 |
| Employee + Family | \$ 3.91 | \$ 8.96 |

Short-Term Disability Insurance

Mutual of Omaha

NAFCU pays 100% of premium for employee (not available for family members).

| | |
|-------------------------|--|
| Benefit: | 60% of regular monthly salary |
| Maximum Benefit: | \$750/week (covers maternity leave, for period of doctor-determined disability only) |
| Waiting Period: | 0 days – accident / 7 days – sickness |
| Benefit Period: | Covers days 1-90 of the qualifying disability period (employees who have accrued a sufficient balance of Sick Leave and/or Vacation Leave may use their accrued leave to maintain, but not to exceed, their full salary) |

Long-Term Disability Insurance

Mutual of Omaha

NAFCU pays 100% of premium for employee (not available for family members).

| | |
|-------------------------|-------------------------------|
| Benefit: | 60% of regular monthly salary |
| Maximum Benefit: | \$7,500/month |
| Waiting Period: | 90 days |

Life & Accidental Death/Dismemberment Insurance

Mutual of Omaha

NAFCU pays 100% of premium for employee (not available for family members).

| | |
|-------------------------|-------------------|
| Benefit: | 2 x annual salary |
| Maximum Benefit: | \$200,000 |

Employee Assistance Program (EAP)

Mutual of Omaha

NAFCU pays 100% of premium for employees, spouse and eligible dependent children up to age 26.

Benefit: Employees have unlimited telephone access to EAP professionals (counselors) 24/7 to help deal with personal and job-related concerns, three free face-to-face sessions with a counselor (per household per calendar year), and additional resources and online information for legal and financial services.

401(k) Plan

Standard Insurance Co. (plan administrator)

| | | | | | | | | | | | |
|-------------------------------|---|--------------------------|-------------|----------------------------|------------|---------|----|-----|-----|-----|------|
| Part I: | <p>Employer Basic Match NAFCU will match employee payroll contributions at 100%, up to a max of 4% of annual salary.</p> <p>Vesting: immediate, 100% (for both employee contributions and employer matching contributions; employer and employee contributions deposited to accounts per pay period)</p> | | | | | | | | | | |
| Part II: | <p>Additional Employer Match NAFCU will match additional employee payroll contributions (above initial 4% of annual salary) at 100%, up to a max of 2% of annual salary.</p> <p>Vesting: employee contributions – immediate</p> <p>NAFCU contributions:</p> <table border="0"> <tr> <td>0-1 year</td> <td>2 years</td> <td>3 years</td> <td>4 years</td> <td>5 years</td> </tr> <tr> <td>0%</td> <td>20%</td> <td>40%</td> <td>60%</td> <td>100%</td> </tr> </table> <p>(employer and employee contributions deposited to accounts per pay period)</p> | 0-1 year | 2 years | 3 years | 4 years | 5 years | 0% | 20% | 40% | 60% | 100% |
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| 0% | 20% | 40% | 60% | 100% | | | | | | | |
| Part III: | <p>Profit-Sharing Contribution NAFCU may contribute 2% of annual salary per year (independent of employee contributions) to employee’s 401(k).</p> <p>Vesting:</p> <table border="0"> <tr> <td>0-1 year</td> <td>2 years</td> <td>3 years</td> <td>4 years</td> <td>5 years</td> </tr> <tr> <td>0%</td> <td>20%</td> <td>40%</td> <td>60%</td> <td>100%</td> </tr> </table> | 0-1 year | 2 years | 3 years | 4 years | 5 years | 0% | 20% | 40% | 60% | 100% |
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| Contribution Limits: | <p>Employee Contributions</p> <table border="0"> <tr> <td>Regular salary deferral:</td> <td>\$18,500.00</td> </tr> <tr> <td>Over-50 catch-up deferral:</td> <td>\$6,000.00</td> </tr> </table> | Regular salary deferral: | \$18,500.00 | Over-50 catch-up deferral: | \$6,000.00 | | | | | | |
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| Over-50 catch-up deferral: | \$6,000.00 | | | | | | | | | | |
| Loans: | <p>Employees may borrow up to 50% of their vested account balance, not to exceed \$50,000; loans are not permitted on non-vested funds.</p> | | | | | | | | | | |
| Normal Retirement Age: | 65 | | | | | | | | | | |
| Early Retirement: | 55 (minimum 5 years service as of the date individual ceases to be an employee of NAFCU) | | | | | | | | | | |

NAFCU pays administrative fees on 401(k) accounts for active employees.

Identity Theft Insurance

Travelers

NAFCU has in effect a master policy providing coverage for losses due to identity theft. NAFCU staff members are covered under this master policy for their personal losses due to identity theft, up to a maximum benefit of \$25,000. There is no deductible under this policy.

If you discover that you have been the victim of identity theft, please see the Director of Human Resources & Administration to initiate the process of submitting your claim to Travelers.

Travel Insurance

ITT/Hartford

NAFCU pays 100% of the premium for the employee. (Supplements Life/ADD insurance benefit.)

Benefit: \$100,000 Accidental Death/Dismemberment coverage for employees while traveling on NAFCU business.

Credit Union Membership

Employees of NAFCU are eligible to join **Congressional FCU, NARFE Premier FCU, State Department FCU, NASA FCU and NAPUS FCU.**

Holidays

11 full-day and 2 half-day holidays are observed in 2018:

| | |
|------------------|---------------------------|
| New Year's Day | Veterans' Day |
| M. L. King Day | Thanksgiving Day |
| Presidents' Day | Friday after Thanksgiving |
| Memorial Day | Christmas Eve (1/2 Day) |
| Independence Day | Christmas Day |
| Labor Day | New Year's Eve (1/2 Day) |
| Columbus Day | |

Leave Types

Vacation Leave

Accrual Schedule:

| | |
|---------------------|---------|
| 0-24 months service | 10 days |
| 2 years | 12 days |
| 3 years | 15 days |
| 5 years | 18 days |
| 8 years | 20 days |

Employees become eligible for Vacation Leave on the date of their transition to regular employment status (i.e., after successful completion of their probationary period). Accrual is accounted from date of hire. Up to 160 hours of vacation leave will carry over at the end of the calendar year.

Sick Leave

Full-time employees will accrue 12 full days (96 hrs) of Sick Leave per calendar year; part-time employees will accrue 12 half-days (48 hrs) of Sick Leave per calendar year. Employees become eligible for paid leave on the date of their transition to regular employment status (i.e., after successful completion of their probationary period). Accrual is accounted from date of hire. Unused sick leave will carry over at the end of the calendar year.

Personal Leave

Full-time employees will be credited with 2 full days of Personal Leave per calendar year; part-time employees will be credited with 2 half-days of Personal Leave per calendar year. (Personal Leave is pro-rated according to start date for new employees starting during the current calendar year). Any Personal Leave not used as of December 31 of each calendar year will not carry over at year-end.

Maternity Leave

Covered under Short-Term Disability at 60% of salary, up to \$750 per week.

Parental Leave

Employees will be allowed up to 3 days of paid leave (in addition to any Vacation Leave, Sick Leave, and Personal Leave) for the birth or adoption of their child.

Bereavement Leave

Employees will be allowed up to 3 days of paid leave (in addition to any Vacation Leave, Sick Leave, and Personal Leave) for the death of a member of their immediate family or immediate household.

Jury Duty Leave

Employees may request up to 10 days of paid leave if called to serve on a jury, or required to appear in court as described more fully in the Handbook.

Military Leave

Employees may request up to 10 days of paid leave if called up for military service, or to participate in required military reserve exercises. All other military leave will be handled consistent with the terms of USERRA.

Transportation

Full- and part-time employees in regular or probationary employment status may choose **one or the other** of:

SmartTrip Card, up to IRS monthly maximum for public transportation expenses;

— **OR** —

Parking permit allowing free parking for personal car in NAFCU staff lot.

Discount Movie Tickets

Discount tickets for AMC (AMC, Loews, Cineplex Odeon, Magic Johnson, and Star Theatres) and Regal (Regal, United Artists, and Edwards Theatres) are available in Human Resources. AMC tickets are \$9.00 and Regal tickets are \$8.50.

Recognition of Length of Service

NAFCU offers gifts in recognition of employees' length-of-service as follows:

| | |
|-------------------|------------------------------|
| 1 year | pen with name engraved |
| 5 years | clock with name engraved |
| 10 years | \$250 AmEx gift card |
| 15 years | \$500 AmEx gift card |
| 20 years and over | at the discretion of the CEO |

Recognition gifts will be presented at the monthly All-Staff Meeting.