

DIOCESE OF WINONA-ROCHESTER EMPLOYEE BENEFITS SUMMARY

Eligibility: All Diocese of Winona-Rochester employee benefits are written as corporate plans and are available to be adopted by any parish, school, or other institution under the jurisdiction of the Bishop of Winona-Rochester. Persons working for these employers are eligible for diocesan benefits if they work at least 20 hours a week or work at least half-time during the academic year, regardless of job title. Employees hired on a temporary basis working 30 or more hours per week are eligible for health insurance on the first of the month following 60 days of continuous employment (call HR/Benefits for further explanation). In addition, the (403)b Lay Retirement and Flexible Benefits Account (FSA) Plans require employees to be age 21 or over to participate.

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Medical/Dental/Life/Accidental Death & Dismemberment/Long Term Disability Insurance Plans

The following policy is in effect in the Diocese of Winona-Rochester: That all eligible lay employees, employed by parishes and institutions in the Diocese of Winona-Rochester, be enrolled in the Diocese of Winona-Rochester group insurance plan.

- A. **Medical:** Eligible employees have two deductible plans to choose from - \$2,500 and \$5,000. The plans pay for eligible medical expenses at a rate 80% after the applicable deductible is met. Each plan has an annual out-of-pocket maximum for the participant. The \$5,000 deductible plan is Health Savings Plan Account (HSA) plan. The \$2,500 deductible plan has a co-pay program for prescription drugs; the co-pay amount is determined by the Medica Formulary Drug listing and is not an eligible HSA plan. Coverage is available in either single or family plans. The plans are administered by Medica and take advantage of the Medica network of participating medical providers. The use of non-participating providers may result in a benefit reduction.
- B. **Dental:** Eligible employees who enroll in the medical plan are also provided with a dental plan. The dental plan pays for eligible dental expenses, with a maximum annual benefit of \$1,500. Preventative services are paid at 100%. Basic procedures are paid at a rate of 80% after a \$50 annual deductible. Major procedures are paid at a rate of 50% after the same \$50 deductible. There is also an orthodontia benefit for dependents ages 8-19 (if on family coverage). The orthodontia benefit is 50% of eligible charges with a lifetime maximum benefit of \$1,000. The plan is administered by Delta Dental of Minnesota and takes advantage of the Delta PPO network of participating dental providers. The use of non-participating providers may result in a benefit reduction.
- C. **Life and Long-Term Disability (LTD):** Each eligible employee is covered by a term life insurance policy equal to 1½ times the employee's annual salary, up to a maximum benefit of \$50,000. Employees who become disabled will receive a monthly benefit equal to 60% of salary, after a 90-day waiting period. Life and LTD contracts are written by Unum and the premiums are paid by the employer.
- D. **Accidental Death and Dismemberment (AD&D) Life Insurance:** In the event of an accidental death, the employee will receive an additional death benefit equal to the life benefit. AD&D insurance contracts are written by Mutual of Omaha and the premium is paid by the employer.

403 (b) Lay Retirement Plan

Type of Plan:	Tax Deferred 403(b) - Lincoln Alliance®
Eligibility:	Employees, age 21 or older, who are normally scheduled to work 20 or more hours per week. Participation is effective at date of hire for eligible employees.
Employer Discretionary Contribution:	3% of employee's wages.
Employee Elective Deferral:	Participant may contribute, via payroll deduction, from 1% to 100% of his/her wages up to the annual IRS limits (whole numbers only). Participant may change his/her elective deferral percentage effective the first day of any given month.
Employer Matching Contribution:	1% of employee's wages if the employee contributes 1%; 2% of employee's wages if the employee contributes 2%; 3% of the employee's wages if the employee contributes 3% or more; otherwise 0%.
Vesting - Employer Contributions:	20% vesting (ownership) per full year of eligible employment. Participant is 100% vested after 5 years.
Vesting - Employee Contributions:	Participant is always 100% vested in his/her elective deferral contributions.
Investments Options:	Participant directs all contributions to a variety of widely-recognized mutual funds. Participant also has the option to select a <i>LifeSpan</i> ® asset allocation model, which provides allocation among the various investment options, based on a targeted retirement date. Participant may change investment options at any time.
Default Investment Election:	Participants who do NOT make individual investment elections for their contributions will automatically be invested in a <i>LifeSpan</i> ® Target Date Model based on the participant's date of birth and the date closest to when the participant will reach the plan's normal retirement age of 65.
Withdrawal of Funds:	Participant may be eligible to withdraw money from the vested account balance when the following events occur: <ul style="list-style-type: none">- Reach age 59½- Upon retirement- Upon death- Upon total and permanent disability- A financial hardship, as defined by IRS guideline- No longer employed within the Diocese of Winona-Rochester Please note that distribution restrictions may apply to certain accounts under each of the above events. Taxes will be due upon distribution and if taken before age 59½, may be subject to an additional 10% federal tax penalty.
Loans:	Participant may borrow from his/her elective deferral account balance. Minimum loan amount is \$1,000 and only one loan may be outstanding at a time. Loan must be repaid within 5 years, except loans used to purchase primary residence.
Fees:	The mutual funds in this program contain operating expenses just like all mutual funds.

Flexible Spending Account Medical and Dependent Care Benefit Plans (Administered by “Further”)

Purpose:	To allow employees to reduce their taxable income and to use that deferred amount to purchase qualified benefits. New employees have 30 days from their date of employment to enroll in the plan.
Qualified Benefits:	Family medical expenses up to maximum of \$2,750 per plan year (calendar year) with a minimum of \$150. Dependent care expenses up to maximum allowed by IRS per plan year with a minimum of \$150.
Administration:	Total amount deferred for the plan year is deducted from employee's gross pay. The medical expense and dependent care portion is forwarded to the Diocese of Winona-Rochester to be held in a separate fund. When an employee has qualified expenses, the employee files a claim form with Further, the Flexible Benefits Plan third party administrator.
Employee Savings:	The amount of employee-deferred wages is not subject to state or federal income taxes or Social Security/Medicare taxes. The W-2 form issued to the employee will be total annual salary minus flex plan deferrals.
Employer Savings:	Because deferred amounts are not subject to the Social Security/Medicare tax, the employer also saves their share of the tax, which is currently 7.65%.
Social Security:	It should be noted that any amount deducted from wages in this plan are not subject to Social Security/Medicare tax, and may affect the employee's social security benefits upon retirement.
Unused Accounts:	Employees should be very conservative when they decide on their income deferrals for the plan year. Amounts not incurred for qualified expenses cannot be returned to the employee.
Fees:	There are no fees paid by the employees. The Diocese of Winona-Rochester charges an annual fee to each participating employer based on the cost to administer the plan.

Note: This document is a summary of the various employee benefit programs offered by the Diocese of Winona-Rochester. In the case of an inconsistency between this and the “Plan” document or other policy related document will take precedence.

Supplemental Life Insurance (Administered by Unum)

Coverage Amounts	
Employee	Up to 5 times salary in increments of \$10,000.
Spouse	Up to a maximum of the lesser of 5x salary or \$500,000. Up to 100% of employee amount in increments of \$5,000. Not to exceed \$500,000. Benefits will be paid to the employee.
Child(ren)	Up to 100% of employee coverage amount in increments of \$2,000. Not to exceed \$10,000 (up to age 26). The maximum death benefit for a child between the ages of live birth and 6 months is \$1,000. Benefits will be paid to the employee. The premium paid for child coverage is based on the cost of coverage for one child, regardless of how many children you have.
Increase in Coverage	Once you enroll, you are able to increase the coverage amount at annual enrollment or a qualifying event. You and your eligible dependents may purchase additional life coverage up to the guarantee issue amount without evidence of insurability. Coverage over the guarantee issue amount requires evidence of insurability.
Guarantee Issue	If you and your eligible dependents enroll within 30 days of your eligibility date, you may apply for any amount of life coverage up to \$200,000 for yourself and any amount of coverage up to \$25,000 for your spouse. Any life coverage over the guarantee issue amount is subject to evidence of insurability.
30 days of eligibility	You have 30 days to enroll you and your dependents in life insurance. Once the 30 days are up you will be able to enroll at yearly enrollment of January 1 or if you have a qualifying event, but you are required to furnish the evidence of insurability for the entire amount of coverage.