

# padilla



## Employee Benefits Guide

# 2021



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# WELCOME

## Welcome to Your 2021 Benefits

Each year you have the opportunity to review your benefit options and make election choices based on your current life situation. Padilla strives to provide a balanced, comprehensive and competitive benefits program that helps employees and their families meet their diverse needs. Along with medical and dental insurance, Padilla offers vision, basic life, short- and long- term disability coverage, as well as additional supplemental options. Padilla pays 100% of the cost of the benefits for its' full-time employees. Part-time employees contribute to the cost of the medical and dental plans.

We encourage you to read this guide before you enroll in your benefit plans.

This is only a summary of your benefits. Certain restrictions and exclusions apply. For exact terms and conditions, please refer to your summary plan description. If information in this summary differs from the legal contract, the legal contract is the ruling document.

## Where to Find More Information

Benefit and policy information is available on the Padilla intranet: <https://pulse.padillaco.com/benefits>.



# ELIGIBILITY

Employees must be scheduled to work at least 20 hours per week on a regular basis to be eligible or average 30 hours per week or more during the previous 12 months, per ACA Rules for the medical plan. See Human Resources for more details. Interns, project employees and other temporary employees are generally excluded from eligibility.

Eligible dependents may also participate in your benefit plans. Eligible dependents include:

- » Your legal spouse (an ex-spouse with court order is not eligible).
- » Your dependent children, which includes a natural, adopted or stepchild or a child for whom you are a legal guardian up to age 26 for your medical and dental plans, up to age 19 or up to age 25 if a full-time student for your life plans.

## Your Benefit Choices for 2021

BENEFITS	EFFECTIVE DATE	WHO PAYS
<b>Medical Plan w/HSA</b>	First of month following or coinciding with date of hire	Full-time Employees - Padilla Part-time Employees - Padilla and You
<b>Dental Plan</b>	First of month following or coinciding with date of hire	Padilla and You
<b>Vision Plan</b>	First of month following or coinciding with date of hire	Padilla and You
<b>Short- and Long-Term Disability</b>	First of month following or coinciding with date of hire	Padilla
<b>Basic Life and AD&amp;D</b>	First of month following or coinciding with date of hire	Padilla
<b>Supplemental Employee &amp; Dependent Life</b>	First of month following or coinciding with date of hire	You
<b>FSA-Dependent Care</b>	First of month following or coinciding with date of hire	You
<b>Transit Benefit</b>	First of month following or coinciding with date of hire	You
<b>401k</b>	Date of hire	Padilla and You

Padilla provides a wide variety of benefits. Some are provided automatically at no cost to you as Padilla pays 100% of the cost. Other benefits are available if you choose them and pay your applicable premiums. Check the guide above to see which benefits most meet your needs, so you can design a successful benefit package just for you, or refer to the Appendix.

# MAKING CAREFUL CHOICES

You have the opportunity to elect your benefit plan options when you are hired or move into an eligible position with Padilla. After this event, the annual Open Enrollment period is the only time you can change benefit plans, terminate plans or add/drop dependents during a plan year unless you have a qualified life event change, family status change or other qualified special enrollment changes.

To protect the tax advantages of your benefits, Padilla is required to follow certain IRS rules. These rules affect when you may change your benefits and what changes you may make when you have a qualified family status change.

Notification must be made within 30 days of the event. If you do not notify Human Resources within 30 days following the event, you may not be able to make the changes to your benefit coverage until the annual Open Enrollment period.

The effective date of any changes to your benefits is based on circumstances surrounding the date of the qualifying event. Qualifying events include:

- » Your marriage, divorce, legal separation or annulment.
- » Addition of dependents due to the birth or adoption of a child.
- » Death of a dependent.
- » A change in the employment status of your spouse or dependent, including the termination or commencement of employment.
- » The commencement or return from an unpaid leave of absence.
- » Your dependent loses or gains benefit eligibility under another employer's benefit plan.
- » Your dependent child reaches the age of 26.

# ANNUAL NOTICES

## **Health Insurance Portability and Accountability (HIPAA)**

Padilla, in accordance with HIPAA, protects your Protected Health Information (PHI). Padilla will only discuss your PHI with medical providers and third-party administrators when necessary to administer the plan that provides your medical and dental benefits or as mandated by federal law. A full copy of Padilla's notice of privacy practices is available upon request from the Human Resources Department.

## **Women's Health Act**

The Women's Health and Cancer Rights Act of 1998 requires all health insurance plans that cover mastectomy to also cover the following:

- » Reconstruction of the breast on which the mastectomy was performed.
- » Surgery and reconstruction of the other breast to produce a symmetrical appearance. Prostheses, and treatment of physical complications at all stages of the mastectomy, including lymph edemas, mastectomy bras and external prostheses, are limited to the lowest cost alternative available that meets the patient's physical needs.

## **Mental Health Parity Act**

According to the Mental Health Parity Act of 1996, updated October 3, 2009, group health plans that choose to offer both medical benefits and mental health or substance abuse benefits must offer such benefits in parity. The MHP Act prohibits imposing more restrictive financial requirements (such as co-pays or deductibles) or treatment limitations (such as day or visit limits) on mental health or substance abuse benefits than those applied to medical or surgical benefits.

## **Newborns' and Mothers' Health Protection Act**

Federal law (Newborns' and Mothers' Health Protection Act of 1996) prohibits the plan from limiting a mother's or newborn's hospital stay to less than 48 hours for a normal delivery or 96 hours for a Cesarean delivery or from requiring the provider to obtain preauthorization for a stay of 48 or 96 hours, as appropriate. However, federal law generally does not prohibit the attending provider, after consultation with the mother, from discharging the mother.

# GENERAL NOTICE - COBRA CONTINUATION

## General Notice of COBRA Continuation Coverage Rights Required by Federal Law for You and Your Dependents

Federal law enables you and/or your dependents to continue health insurance if coverage would cease due to a reduction of your work hours or your employment termination (other than for gross misconduct), if elected, within 60 days of the event. Federal law also enables your dependents to continue to qualify as a dependent. Continuation must be elected in accordance with the rules of your Employer's group health plan(s) and is subject to federal law, regulations and interpretations. When coverage ends, members may be able to continue coverage under state law, federal law or both. *The continuation required by federal law does not apply to any benefits for loss of life, dismemberment or loss of income. However, under Minnesota law, eligible employees may continue their life insurance benefits for up to 18 months.*

## Qualifying Events for Continuation Coverage Under Federal Law

If the coverage of a qualified beneficiary would ordinarily terminate due to one of the following qualifying events, then the qualified beneficiary is entitled to continue coverage. The qualified beneficiary is entitled to elect within 60 days of event the same coverage she or he had on the day before the qualifying event.

The qualifying events with respect to an employee who is a qualified beneficiary are:

1. Termination of the employee for any reason other than gross misconduct.
2. Reduction in the employee's employment hours resulting in a loss of eligibility.

With respect to an employee's spouse or dependent child who is a qualified beneficiary, the qualifying events for continued coverage are:

1. Termination of the employee for any reason other than gross misconduct.
2. Reduction in the employee's employment hours.
3. Death of the employee.
4. Divorce or legal separation from the employee.
5. Loss of eligibility by an enrolled dependent who is a child.
6. Employee entitlement to Medicare benefits.
7. The enrolling group files for bankruptcy, under Title 11, United States Code. This is also a qualifying event for any retired employee and his or her enrolled dependents if there is a substantial elimination of coverage within one year before or after the date the bankruptcy was filed.

# COBRA COVERAGE ADMINISTRATION

COBRA continuation is a temporary continuation of coverage. Padilla contracts Discovery Benefits to administer COBRA. Once Discovery Benefits receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary has an independent right to elect COBRA continuation. Covered employees may elect COBRA on behalf of their spouses and other dependents. When the qualifying event is an employee death, divorce or legal separation, COBRA continuation lasts up to 36 months. *The State of Minnesota continuation extends coverage until it would otherwise terminate or enrollment in other group coverage for the death of employee or divorce. See Human Resources for additional coverage information.*

If an employee reaches the end of his or her employment, or his or her hours are reduced, or the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries, other than the employee, lasts until 36 months after the Medicare entitlement date. For example, if a covered employee becomes entitled to Medicare eight months before the date on which his employment terminates, COBRA for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months).

Otherwise, when the qualifying event is the end of employment or reduction of the employee's employment hours, COBRA continuation generally lasts only up to 18 months. Below we discuss two ways in which this 18-month period of COBRA can be extended.

## **Disability Extension of 18-Month Period of Continuation**

If you or anyone in your family covered under the plan is determined by the Social Security Administration to be disabled, you and your entire family may be entitled to receive up to an additional 11 months of COBRA for a maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month continuation coverage period.

# COBRA COVERAGE ADMINISTRATION

## Second Qualifying Event Extension of 18-Month Period of Continuation

If your family experiences a second qualifying event while receiving 18 months of COBRA and notice of the event is given to the plan, the spouse and dependent children in your family can get up to 18 months additional COBRA coverage for a maximum of 36 months. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits, gets divorced, or if the dependent child stops being eligible under the plan as a dependent child. This only applies if the event would have caused the spouse or dependent child to lose coverage under the plan had the first qualifying event not occurred.

## If You Have Questions

Questions concerning your Plan and COBRA continuation rights should be addressed to your Human Resources Department or Discovery Benefits. For more information about your rights under ERISA, including COBRA, HIPAA and other laws affecting group health plans, you can contact your local U.S. Dept. of Labor or visit the EBSA (Employee Benefits Security Administration) website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

## DISCOVERY BENEFITS

4321 20TH AVE SOUTH | FARGO, ND 58103

Direct Toll Free (866) 451-3399

[www.discoverybenefits.com](http://www.discoverybenefits.com)

## Keep Us Informed of Address Changes

To protect your family's rights, you should keep Padilla and Discovery Benefits informed of any changes in the addresses of your family members.

## Please Note:

If you terminate an eligible dependent during your open enrollment period, it is NOT a qualified COBRA event and COBRA will NOT be extended to your dependents.

# MEDICAL PLAN

Padilla offers a medical plan through Medica / UnitedHealthcare that is designed to provide comprehensive coverage for you and your eligible dependents. *To receive the maximum benefits under the plans, you should use Medica Choice Plus in-network provider. For those outside the Minnesota area, you will use UnitedHealthcare Choice Plus in-network providers.* This is a quick overview; refer to Certificate of Coverage for complete details and exclusions.

\$3,000/\$6,000 HDHP WITH HSA		
MEDICA JAN - DEC 2021	IN-NETWORK	OUT-OF-NETWORK
<b>Calendar Year Deductible</b>	\$3,000/\$6,000 Individual/Family	\$6,500/\$13,000 Individual/Family
<b>Out-of-Pocket Maximum</b>	\$3,000/\$6,000 Individual/Family	\$12,000/\$24,000 Individual/Family
PREVENTIVE - IN-NETWORK NOT SUBJECT TO DEDUCTIBLE		
<b>Routine Preventive Care</b>	0% No Deductible	50%
<b>Preventive Rx</b>	0% No Deductible	50%
<b>Well-Child Preventive Visits</b>	0% No Deductible	50%
<b>Immunizations/Vaccinations</b>	0% No Deductible	50%
<b>Hearing Tests/Eye Exams</b>	0% No Deductible	50%
PROFESSIONAL SERVICES - AMOUNT YOU PAY AFTER REACHING DEDUCTIBLE		
<b>Office Visit</b>	0%	50%
<b>Retail Visit &amp; Virtual Care</b>	0%	50%
OUTPATIENT HOSPITAL - AMOUNT YOU PAY AFTER REACHING DEDUCTIBLE		
<b>Outpatient Surgery</b>	0%	50%
<b>Outpatient Lab, Tests/Exams</b>	0%	50%
<b>Radiology/X-ray</b>	0%	50%
<b>Urgent Care</b>	0%	Covered as In-Network
<b>Emergency Room</b>	0%	Covered as In-Network
CHIROPRACTOR - AMOUNT YOU PAY AFTER REACHING DEDUCTIBLE		
<b>Office Visit</b>	0%	50%/15 visits year
INPATIENT HOSPITAL - AMOUNT YOU PAY AFTER REACHING DEDUCTIBLE		
<b>Room &amp; Board, Surgery, X-rays, Labs and Drugs</b>	0%	50%
PRESCRIPTION DRUG COVERAGE		
<b>Generic/Preferred/ Non-Preferred</b>	0%/0%/No coverage	50%/50%/No coverage
<b>Specialty Rx Preferred/ Non-Preferred</b>	Specialty 0%	Specialty No coverage

Plan costs are reflected in Appendix A in this booklet.

# ADDITIONAL MEDICA RESOURCES

## Medica Invest

Medica's new My Health Rewards Invest will help you reach your specific health goals and earn financial rewards that will be deposited directly into your HSA account on a quarterly basis.

Employees that meet three monthly wellness goals will earn up to \$75 per month (up to \$900 per year)!

WELLNESS GOAL	DETAILS	MONTHLY REWARD
Sleep	Sleep 7 hours a night for 20 days in a calendar month	\$25
Nutrition	Track calories with MyFitnessPal for 20 days in a calendar month	\$25
Activity	Take 10,000 steps for 20 days in a calendar month	\$25
		Up to \$75 per month (up to \$900 per year)

## Health & Wellness - My Health Rewards

Eligible dependents over the age of 18 that are enrolled on the medical plan are eligible to earn gift cards up to \$160 annually for participating in this program. A website/mobile app to assist you in your pursuit of wellness, with Health Assessments, Online Coaching, Activity Tracking and Challenges to meet your Goals.

There are many ways to earn points for activities such as healthy sleep patterns, tracking calories, and quitting smoking.

The program will encourage daily engagement with the platform (online or through a mobile app), through tracking daily steps, sleep, activity and completing Healthy Habits activities and Daily Learning Cards personalized to your interests.

**Log on to [mymedica.com](http://mymedica.com) and click on Health & Wellness**

## Fit Choices<sup>SM</sup> by Medica

Earn a \$20 monthly credit toward your health club dues - that's up to \$240 per year - for meeting your monthly attendance requirement.

**Log on to [mymedica.com](http://mymedica.com) and click on Health & Wellness**

# ADDITIONAL MEDICA RESOURCES

## OptumHealth Employee Assistance Program (EAP)

To help you deal with challenges life may bring, whether it's health, emotional, financial or legal - big or small - trained counselors are available 24 hours a day, 365 days a year to help you find answers and resources for support. This program is available to all regular employees and their families regardless of whether or not you are covered under our benefit plans. With EAP you have access to:

- » 5 counseling sessions per issue covered at 100%
- » Legal and meditation services
- » Child Care Referrals
- » Help with dependency issues, such as alcohol, tobacco, gambling or drugs
- » Online resource LifeAndWorkWell.com. Access interactive resources and information that will help you with the everyday challenges of work and life. Enter the access code MEDICA when you visit the site.
- » EAP specialists are available 24 hours a day, 365 days a year

**Phone: (800) 626-7944**

## Amwell

Amwell is a 24/7 online clinic available in every state. Each visit is \$59. To get started, create an account with Amwell.

Smartphone/tablet: Download the app from the Apple Store or Google Play.

**Phone: (844) 733-3627**

**Or log on to [www.amwell.com](http://www.amwell.com)**

## Virtuwell

Feeling under the weather but not seriously ill? Visit with a board-certified physician for diagnosis and potential prescription without leaving your home. Access doctors 24 hours a day, 7 days a week via your computer, smartphone or tablet. Each visit is \$59.

**[www.virtuwell.com](http://www.virtuwell.com)**

## Medica CallLink® Nurseline

Specially trained nurse helps you make an informed decision about whether to see a doctor or care for your sickness or injury at home.

**Phone: (800) 962-9497**

**Or log on to [mymedica.com](http://mymedica.com) and click on Health & Wellness**

## Medica's Healthy Pregnancy Program

Trained obstetric nurses work with expectant mothers and their doctors to detect and reduce risks that could prevent a healthy, full-term delivery.

**Phone: (888) 906-0958**

**Or log on to [mymedica.com](http://mymedica.com) and click on Health & Wellness**

# DENTAL BENEFITS

Maintaining good dental health by getting regular checkups may prevent you from having major expenses later. Padilla offers the following dental plan through Delta Dental Minnesota. Should you elect dental benefits be sure to present your Dental ID Card and use participating providers for the best benefit level.

*To find a provider, go to [www.deltadentalmn.org](http://www.deltadentalmn.org) and select either the Delta Dental PPO for the best discount savings, or Delta Dental Premier for the largest network. You can see an out-of-network provider, but will be responsible for any additional billed charges.*

DELTA DENTAL BENEFITS	IN-NETWORK
<b>Calendar Year Deductible</b>	\$50 Single
<b>(January to December)</b>	\$150 Family
<b>Diagnostic &amp; Preventive</b>	100%, Not subject to deductible
<b>Basic Services</b>	80%, after deductible
<b>Endodontics</b>	80%, after deductible
<b>Periodontics</b>	80%, after deductible
<b>Oral Surgery</b>	80%, after deductible
<b>Major Restorative</b>	50%, after deductible
<b>Occlusal Mouth Guards</b>	50%, after deductible
<b>Prosthetics Repairs</b>	50%, after deductible
<b>Adjustments</b>	50%, after deductible
<b>Prosthetics</b>	50%, after deductible
<b>Annual Maximum</b>	\$1,500
<b>Orthodontics (to age 19) Lifetime Maximum</b>	\$1,000
Out-of-Network coverage will be paid at Usual & Customary levels and you will be responsible for additional billed charges.	

Employee plan costs are reflected in Appendix A.

This is only a summary of your benefits. Certain restrictions and exclusions apply. For exact terms and conditions, please refer to your summary plan description.

# VISION PLAN

Padilla offers the following vision plan through Superior Vision. Should you elect vision benefits, be sure to present your card and use a participating provider for the very best benefit level. Find an in-network provider online at [www.superiorvision.com](http://www.superiorvision.com).

SUPERIOR VISION		
	IN-NETWORK	OUT-OF-NETWORK
<b>Annual Eye Exam*</b>	\$10 Copay	Up to \$45
<b>Frames: Any available frame at provider location</b>	\$25 Copay; \$150 Allowance 20% off balance over \$150	Up to \$74
STANDARD PLASTIC LENSES		
<b>Single Vision</b>	\$25 Copay	\$38
<b>Bifocal</b>	\$25 Copay	\$53
<b>Trifocal</b>	\$25 Copay	\$68
<b>Lenticular</b>	\$25 Copay	\$68
<b>Standard Progressive Lens**</b>	\$25 Copay	\$68
<b>Premium Progressive Lens**</b> <small>**Standard/Premium Progressive lenses not covered - fund as a Bifocal lens</small>	Covered at lined trifocal level; 20% over trifocal	\$68
LENS OPTIONS		
<b>UV Treatment</b>	\$15	NA
<b>Tint (Solid and Gradient)</b>	\$25	NA
<b>Standard Plastic Scratch Coating</b>	\$13	NA
<b>Standard Polycarbonate</b>	\$40	NA
<b>Standard Anti-Reflective Coating</b>	\$50	NA
<b>Polarized</b>	20% off Retail Price	NA
<b>Other Add-Ons</b>	20% off Retail Price	NA
CONTACT LENSES		
<b>Std Contact Lens Fit &amp; Follow-up</b>	\$0 unless Specialty	NA
<b>Conventional</b>	\$0 Copay; \$150 Allowance	Up to \$100
<b>Disposable</b>	\$0 Copay Copay; \$150 Allowance	Up to \$100
<b>Medically Necessary</b>	\$25 Copay	Up to \$210
LASER VISION CORRECTION		
<b>Lasik or PRK from U.S. Laser Network</b>	Discount varies by provider	NA
FREQUENCY		
<b>Eye Exam</b>	Once every 12 months	Frequency based on last date of purchase
<b>Lenses or Contact Lenses</b>	Once every 12 months	
<b>Frame</b>	Once every 24 months	
<b>Additional Pairs Benefit</b>	Members also receive a 30% discount off exams, frames and prescription lenses (in-network only) and a 20% discount off conventional contact lenses (in-network only) once the funded benefit has been used.	

\*If you have Medical Benefits through Padilla, your annual eye exam is covered at no charge under the preventive benefit for each member.

# HEALTH SAVINGS ACCOUNT (HSA)

## If you and your eligible dependents participate in Padilla's qualified HDHP (High Deductible Health Plan) and

1. You are not enrolled in other health coverage including you or your spouse's FSA; and
2. Are not enrolled in Medicare

Then you are eligible for an HSA, which allows you to use tax-free dollars to reimburse yourself for a wide variety of medical care expenses, as described in section 213(d) of the Internal Revenue Code, incurred by you, your spouse and your eligible dependents.

*The maximum contribution regardless of the source for 2021 cannot exceed \$3,600 for single coverage and \$7,200 for single + one or family coverage per year. These amounts continue to be indexed for cost of living and may fluctuate annually. If you are aged 55+, you can contribute an additional \$1,000/yr.*

## Rules and Regulations of an HSA

Certain contributions may be deductible for purposes of federal income taxation. Withdrawals (including interest and earnings on your contributions) are not subject to federal income taxation provided they are used for "qualified medical expenses." Exemption from state income tax varies from state to state. Currently contributions to HSA are taxed in Alabama, California and New Jersey, and earnings from HSA are taxed in New Hampshire and Tennessee.

Unlike a healthcare flexible spending account in a cafeteria (Section 125) plan, there is no "use it or lose it" rule. You will not lose the balance in your HSA at the end of the year; any money in the account may be saved for future qualified medical expenses. Thus, in addition to providing certain tax benefits (tax-free earnings and federal income tax deductions) HSAs can be a valuable retirement savings tool.

Introduction video to using the Medica ONESource website:

<https://www.youtube.com/watch?v=y6mqrlofYPA>

# FSA AND TRANSIT BENEFIT

## Dependent Care FSA - Discovery Benefits

Dependent Care Flexible Spending Account allows you to use tax-free dollars to reimburse yourself for dependent care expenses. The annual amount you elect to contribute will be divided into 24 equal amounts and deducted from your paycheck before federal and, in most cases, state and local income taxes, are withheld.

Expenses for dependent care services for children under age 13, a disabled spouse, or incapacitated parent are eligible for reimbursement from your Dependent Care FSA as long as you incur them while you and your spouse work or attend school full time.

*The maximum contribution is \$5,000 per year; \$2,500 if filing separately.*

## Rules and Regulations of a Flexible Spending Account

Plan your annual Dependent Care FSA contribution amounts carefully. The election you make when you enroll *is binding for the entire plan year - January 1 to December 31* unless you have a qualifying status change.

Additionally, the IRS imposes some rules and restrictions on the way you can use the plan:

- » You must incur eligible expenses during the plan year in which your election was made. You will have until March 31 of the following year to submit your claims for reimbursement.

If you incur fewer expenses than you expected, you forfeit any money remaining in your account at the end of the year. *You cannot roll money over from one plan year to the next.*

## Transit Spending Account - Discovery Benefits

You can use pre-tax dollars to pay for your commute (up to \$270/month for transit and up to \$270/month for “qualified parking”). Discovery Benefits is our administrator for the commuter benefits which covers all types of commuting - subway, bus, train/rail, ferry, vanpool, and parking. For more information, please contact Human Resources.

**Log in to [www.discoverybenefits.com](http://www.discoverybenefits.com)**



# LIFE AND AD&D COVERAGE

## Basic Life & Accidental Death & Dismemberment (AD&D) Coverage

Padilla provides all eligible employees with basic term life coverage, accidental death & dismemberment (AD&D) and dependent life at no cost to you. Your basic life and AD&D coverage is provided to you through SunLife.

EMPLOYEE LIFE AND AD&D	
<b>All employees Life and AD&amp;D Benefit</b>	3 x Salary to \$150,000
<b>Dependent Spouse (if applicable)</b>	\$2,000 Life
<b>Dependent Child(ren) (if applicable) Birth to age 19, or to age 25 if FT Student</b>	\$1,000 Life
Benefit Coverage is reduced by age; 35% at age 65; 50% at age 70	

## SUPPLEMENTAL LIFE & ACCIDENTAL DEATH & DISMEMBERMENT (AD&D) COVERAGE - DEPENDENDENTS

Padilla also offers Supplemental Life Insurance Benefit Program that can be added to your company provided coverage. These added benefits can be purchased at your own expense. You will receive group rates and the premium is conveniently deducted from your payroll. If electing or increasing coverage after your initial election period, evidence of insurability is required. This benefit is provided through SunLife Financial.

SUPPLEMENTAL EMPLOYEE LIFE AND AD&D	
<b>Employee</b>	\$10,000 increments up to \$500,000 max Life and AD&D elected in equivalent amounts
<b>Guarantee Issue*</b>	\$100,000 Life
Benefit Coverage is reduced by age; 33% at age 70; 50% at age 75	

SUPPLEMENTAL DEPENDENT LIFE	
<b>Spouse</b>	\$5,000 increments up to 50% of EE Life benefit or \$250,000 maximum. AD&D benefit not available.
<b>Guarantee Issue*</b>	\$50,000 Life
<b>Child(ren) age</b>	Birth to age 19 (to age 25 if FT student) \$1,000/\$5,000/\$10,000
A Dependent Spouse's Optional Life Insurance terminates when the Dependent Spouse reaches age 70.	

\*Any amount over the Guaranteed Issue Amount is subject to evidence of insurability, and the excess coverage will be approved or denied based upon your health status. If you are a late entrant, you will be required to go through underwriting for any coverage amount. Plan costs are reflected in Appendix B in this booklet.

# SHORT- & LONG-TERM DISABILITY

Padilla provides all eligible employees with short- and long-term disability benefits at no cost to you. Disability plans work together to help you pay your household expenses if you suffer an injury or illness that prevents you from working. Employees will not earn a PTO accrual during FMLA/short-term disability or long-term disability.

After seven days (five working days), you are eligible to receive short-term disability payments. If your injury or illness extends beyond the 26-week short-term disability period (includes waiting week), you are eligible to receive long-term disability (LTD), based on approval from SunLife Financial.

COVERAGE	ELIMINATION PERIOD	BENEFIT	DURATION
<b>Short-Term Disability</b>	7 days injury 7 days sickness	Week 1: Unpaid, PTO or other paid time off. This is your waiting week; see HR for details  Weeks 2 - 6: 100% of base earnings  Weeks 7 - 26: 80% of base earnings	When you are no longer disabled or 25 weeks, whichever occurs first.  This plan does include a 3/12 pre-existing condition. No benefits will be paid if the STD claim is determined to be caused by a pre-existing condition for the first 12 months of your STD coverage; see HR for details.
<b>Long-Term Disability</b>	180 days	60% of earnings including average bonus to a maximum of \$10,000 a month	LTD will continue up to the Federal Social Security Retirement Age as long as you meet the definition of disability as defined by the LTD contract.



\*Short- and long-term disability are 100% company paid benefits and are provided to eligible employees at no cost. To provide your LTD benefit [should you become disabled] on a tax-free basis, you will pay taxes on the premiums through payroll deductions.

# SUNLIFE VALUE ADDS

## Emergency Travel Assistance

If you have a medical emergency while you are more than 100 miles away from home, you don't have to face it alone. With one simple phone call, you can be connected to Assist America's staff of medically trained, multilingual professionals who can advise you in a medical emergency, 24/7. No matter where you are in the world, they will help you access or receive:

- » Pre-qualified, English-speaking professionals working in hospitals, pharmacies, and dental offices.
- » Medical consultation, evaluation, and referral.
- » Hospital admission.
- » Critical care monitoring.
- » Emergency medical evacuation.
- » Transportation to return home or to a rehabilitation facility.
- » Lost prescription assistance.
- » Legal and interpreter services and more.

If you or a family member has a medical emergency and are more than 100 miles from home, call: **(800) 872-1414** (within the U.S.) or **(609) 986-1234** (outside the U.S.).

Or email: [medservices@assistamerica.com](mailto:medservices@assistamerica.com)

Membership number: 01-AA-SUL-100101

## Identity Theft Protection

Identity theft is a serious crime. Each year, millions of Americans have their personal financial information stolen and must spend a significant amount of time and money to restore their records. If you ever become a victim of identity theft, you don't have to face it alone.

You have the support of a comprehensive Identity Theft Protection program through Assist America's SecurAssist Identity Protection program. It provides:

- » 24x7 telephone support and step-by-step guidance by anti-fraud experts,
- » a case worker assigned to you to help you notify the credit bureaus and file paperwork to correct your credit reports,
- » help canceling stolen cards and reissuing new cards, and
- » help notifying financial institutions and government agencies.

If you are the victim of financial or medical identity fraud, or if you'd like to store your card information in one central location, call: **(877) 409-9597**

Membership number: 01-AA-SUL-100101

To proactively protect your credit cards, register them for Identity Fraud Protection surveillance:

[www.securassist.com/sunlife](http://www.securassist.com/sunlife)

Access code: 18327

# RETIREMENT PLAN

## **401(k) Profit Sharing Plan**

Padilla provides employees the opportunity to save for their own retirement under the 401(k) Profit Sharing plan. We encourage all regular, benefit-eligible employees to participate and take an early and active role in their retirement planning. You can participate in the 401(k) plan immediately upon employment. You may contribute up to 50% of your earnings to the annual established IRS limits. In addition, employees over 50 may also be eligible for additional “catch up” contributions as defined by the IRS each year. For 2021 the maximum basic limit is \$19,500 and the catch-up contribution limit is an additional \$6,500. Once you enroll, Padilla contributes 3% of your earnings each payroll check issued.

You are always vested in your own contribution, and are immediately vested in any Padilla 401(k) contribution.

Additional information including eligibility requirements are contained in the 401(k) Profit Sharing Plan Summary Plan Description.

Padilla’s 401(k) Profit Sharing Plan is administered by John Hancock. You may update or change your deferral percentage, investment mix or your beneficiaries by going to <https://myplan.johnhancock.com>.



# PAID TIME OFF

Padilla believes employees should have opportunities to enjoy time away from work and help balance their lives. Employees have diverse needs for time off from work and therefore Padilla provides employees paid time off (PTO) to meet those needs.

## Eligibility and Accrual Rate

You begin accruing PTO on your first payroll. The total amount is based on your service with the company and increases on the pay date following your anniversary date. Employees accrue PTO based on the following schedule:

YEARS OF SERVICE	PTO DAYS PER YEAR	PTO HOURS PER PAY PERIOD BI-WEEKLY	TOTAL PTO HOURS PER YEAR
<1 year	15	4.615	120
1-2	17	5.231	136
2-3	19	5.846	152
3-5	20	6.154	160
5-7	21	6.462	168
7-9	22	6.769	176
9-10	23	7.077	184
10	24	7.385	192
11	25	7.692	200
12	26	8	208
13	27	8.308	216
14	28	8.615	224
15	29	8.923	232
16+	30	9.231	240

Part-time employees receive prorated PTO. Policies do vary by state. For more information on PTO, please contact Human Resources.

# PAID TIME OFF

## Use and Scheduling of PTO

Whenever possible, employees should request PTO at least one week in advance of time off for the purposes of vacation, personal leave, appointments or other planned events. Unplanned days off should be reported to your supervisor as soon as possible. All PTO requests are subject to supervisor's approval.

This policy is subject to change or revision without notice at any time. For more information on PTO, please contact HR.

## HOLIDAYS

In addition to PTO, Padilla provides paid holidays to all benefit-eligible employees.

The 2021 Holidays are As Follows:

- » January 1<sup>st</sup> - New Year's Day, Friday
- » January 18<sup>th</sup> - Martin Luther King Jr. Day, Monday
- » February 15<sup>th</sup> - President's Day, Monday
- » May 31<sup>st</sup> - Memorial Day, Monday
- » July 5<sup>th</sup> - 4<sup>th</sup> of July (observed), Monday (July 4<sup>th</sup> is on Sunday)
- » September 6<sup>th</sup> - Labor Day, Monday
- » November 25<sup>th</sup> - Thanksgiving Day, Thursday
- » November 26<sup>th</sup> - Day after Thanksgiving, Friday
- » December 24<sup>th</sup> - Christmas Eve, Friday (Christmas day observed)
- » December 31<sup>st</sup> - New Year's Eve, Friday (New Year's day observed)

# APPENDIX A: 2021 BENEFIT COST

Employee benefit costs for medical, dental, vision, and supplemental life insurance are listed in Appendices A & B. Benefit costs for medical, dental, and vision are deducted on a pre-tax basis. Benefit deductions are taken out over 24 paychecks. *These rates are the employee portion only and do not reflect the actual monthly premiums or employer-paid contributions. All payroll deductions are made on a pre-tax basis.*

MEDICAL PLAN COST		
MONTHLY EMPLOYEE COST		PER PAYCHECK
HDHP Full-time Employee Only	\$0	\$0
HDHP Full-time Family	\$0	\$0
HDHP Part-time Employee Only	\$100	\$50 (24 pay periods)
HDHP Part-time Family	\$200	\$100 (24 pay periods)
DENTAL PLAN COST		
MONTHLY EMPLOYEE COST		PER PAYCHECK
Employee	\$14.00	\$7.00
Employee + Spouse	\$30.00	\$15.00
Employee + Children	\$28.00	\$14.00
Family	\$42.00	\$21.00
VISION PLAN COST		
MONTHLY EMPLOYEE COST		PER PAYCHECK
Employee	\$4.21	\$2.10
Employee + One	\$8.10	\$4.05
Family	\$14.04	\$7.02

# APPENDIX B: 2021 BENEFIT COST

EMPLOYEE/SPOUSE SUPPLEMENTAL LIFE INSURANCE MONTHLY RATES			
AGE (LAST BIRTHDAY)	EMPLOYEE PER \$1,000	SPOUSE PER \$1,000	EMPLOYEE AD&D
Under 25	\$0.052	\$0.052	\$0.026
25-29	\$0.078	\$0.052	\$0.026
30-34	\$0.104	\$0.052	\$0.026
35-39	\$0.130	\$0.078	\$0.026
40-44	\$0.182	\$0.130	\$0.026
45-49	\$0.286	\$0.182	\$0.026
50-54	\$0.520	\$0.364	\$0.026
55-59	\$0.962	\$0.702	\$0.026
60-64	\$1.456	\$1.014	\$0.026
65-69	\$2.366	\$1.768	\$0.026
70-74	\$4.420		\$0.026
75+	\$14.53		\$0.026
DEPENDENT CHILD SUPPLEMENTAL LIFE			
	COVERAGE ELECTION	COST PER \$1,000	
<b>Benefits elected apply to all dependent children; premiums are based on family unit regardless of the number of children.</b> <b>Coverage for dependent children under 6 months is \$1,000; from 6 months to age 19, or 25 if FTS, full coverage.</b>	\$1,000	\$182	
	\$5,000		
	\$10,000		
<b>Beneficiary Designations - Employees need to name a beneficiary for their life insurance benefits. Employees are automatically the beneficiary for all dependent insurance. If you need to update your beneficiaries any other time of the year, please contact Human Resources.</b>			

All payroll deductions for employee supplemental insurance are made on a post-tax basis.

# CONTACT INFORMATION

Padilla, in partnership with the following carriers, strives to meet your benefit needs. If you have any questions regarding your benefits, please contact the corresponding carrier listed below or Human Resources.

CARRIER	BENEFIT TYPE	GROUP NUMBER	CUSTOMER SERVICE	WEBSITE
Medica	Medical EAP - Employee Assistance Plan	80691	Medical Plan: (800) 952-3455 EAP: (800) 626-7944	<a href="http://www.mymedica.com">www.mymedica.com</a>
Medica OneSource	HSA	80691	(800) 952-3455	<a href="http://www.mymedica.com">www.mymedica.com</a>
Delta Dental	Dental	59831	(800) 448-3815	<a href="http://www.deltadentalmn.org">www.deltadentalmn.org</a>
Superior Vision	Vision	33046	(800) 507-3800	<a href="http://www.superiorvision.com">www.superiorvision.com</a>
SunLife	Life & Disability Administration	233265	(800) 247-6875	<a href="http://www.sunlife.com/us">www.sunlife.com/us</a>
Discovery Benefits	FSA Dependent Care Reimbursement Continuation	NA	Customer Service: (866) 451-3399 Fax: (866) 451-3245	<a href="mailto:customerservice@discoverybenefits.com">customerservice@ discoverybenefits.com</a>
Discovery Benefits	Transit Benefit	NA	(877) 765-8810	<a href="http://www.discoverybenefits.com">www.discoverybenefits.com</a>
John Hancock	401(k)	47482	(800) 395-1113	<a href="https://myplan.johnhancock.com">https://myplan.johnhancock.com</a>

This is a brief summary only. Certain restrictions and exclusions apply. For exact terms and conditions, please refer to your summary plan descriptions available through HR, or contact the applicable carrier's customer service.



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