



NUFlex Benefits
2009

University of Nebraska
University of Nebraska-Lincoln
University of Nebraska Medical Center
University of Nebraska at Omaha
University of Nebraska at Kearney

NUFlex Contacts

Should you have any questions regarding NUFlex enrollment, please call your Campus Benefits Office.

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IMPORTANT NOTICE

This booklet summarizes the University of Nebraska benefits program including NUFlex related benefits and the retirement plans. Although university retirement plans are not part of the NUFlex benefits program, they are included in the booklet for the purpose of employee communication.

Welcome

Welcome to the University of Nebraska. This booklet is designed to provide you an overview of NUFlex, the university's flexible benefits program. Additional NUFlex benefit information may be viewed on the University of Nebraska benefits Web page at www.nebraska.edu/benefits or you may contact your Campus Benefits Office.

Your individual benefit enrollment elections may be viewed on the Employee Self-service Web site at <http://firefly.nebraska.edu>.

NUFlex Overview

A flexible benefits program allows you to choose from a group of benefit options that best suit your circumstances and lifestyle. With NUFlex, you can customize your benefits to fit your personal needs by making choices among these benefit areas:

- Medical Insurance
- Dental Insurance
- Vision Care Insurance
- Long Term Disability Insurance
- Life Insurance
- Accidental Death & Dismemberment Insurance
- Dependent Life Insurance
- Long Term Care Insurance
- Reimbursement Account

Each benefit option has a price tag which reflects individual differences such as age, salary, benefits FTE, tobacco/nicotine use, and number of dependents enrolled for coverage.

The University of Nebraska provides you an allowance of NUCredits (based on your benefits FTE). This allowance represents part of the money the university spends for your benefits and is yours to spend on coverages which fit your needs. If your benefit choices add up to less than your allowance of NUCredits, you will receive the remaining amount as taxable cash. If you choose benefits that add up to more than your NUCredits, any additional cost will be deducted from your pay.

You may wish to compare price tags of each NUFlex benefit with other benefits and insurance coverages that are available on an individual (non-group) basis prior to your NUFlex enrollment. This review will allow you to have a benefits program that is competitive in both benefit options and cost.

The Board of Regents of the University of Nebraska reserves the right to amend or terminate any such benefit or arrangement at any time.

NUFlex Information

Booklet

This enrollment booklet will guide you through the choices you have available in each benefit area and raise issues to consider as you make your NUFlex choices.

Price Tag Summary

The Price Tag Summary for full-time employees (included in the appendix) provides monthly price tag or cost information for your NUFlex benefit options and coverages. If your benefits FTE is less than 100 percent, your Campus Benefits Office should be contacted for appropriate price tag information.

Benefits Enrollment Form

Once you have made your final benefit decisions, the Benefits Enrollment Form, which is also included in the appendix, must be completed and returned to your Campus Benefits Office.

Before You Start

In addition to the NUFlex Benefits booklet, Price Tag Summary, and Benefits Enrollment Form, you should have these resources on hand to help make your enrollment decisions:

- Health and dependent day care expense records for the previous calendar year.
- Benefit and cost information from your spouse's employer's benefits plan (if applicable).

It may help to review all enrollment materials before you start making final choices.

Confirmation Statement

Once your Benefits Enrollment Form has been returned to your Campus Benefits Office, you will receive a confirmation of your NUFlex benefit choices. This Confirmation Statement will allow you to review your choices and correct any inaccuracies. Your Campus Benefits Office should be contacted immediately if you find any errors or problems.

Eligibility

You are eligible for the NUFlex benefits program if you are employed in a "Regular" position with an FTE of .5 or greater or employed in a "Temporary" position for more than 6 months with an FTE of .5 or greater. Eligible dependents for the University of Nebraska NUFlex benefits program include:

Your spouse:

- Husband or wife, as recognized under the laws of the state of Nebraska,
- Common-law spouse if your common-law marriage was contracted in a jurisdiction recognizing a common-law marriage.

Your unmarried children:*

- Natural-born or legally adopted child who has not reached the limiting age of 19;
- Stepchild who is living in your home and dependent on you for support (must be claimed as an IRS dependent), and who has not reached the limiting age of 19;
- Child for whom you are the legal guardian and who has not reached the limiting age of 19;
- Mentally or physically handicapped child who has attained the limiting age of 19**; or
- Full-time student between the ages of 19 through 23 with the same principal place of residence as you for more than half of the year and receiving over half of his or her support from you.

**Dependent children who are employed at the University of Nebraska in a benefits eligible position may not be covered as a dependent on their parent's university benefit plans.*

***Does not apply to accidental death & dismemberment and dependent life insurance coverage.*

Initial Enrollment

You must enroll for coverage within 31 days of your hire or eligibility date. Enrollment after the initial 31-day period is limited to the annual NUFlex enrollment or when a Permitted Election Change Event occurs.

Effective Date of Coverage

Coverage is effective on the first day of the month following your date of hire or eligibility, assuming any applicable underwriting has been completed (some life and long term care insurance options require proof of insurability). If you are hired on the first day of the month or first working day of the month, coverage will be effective immediately. In addition, some coverages require you to be physically able to work on the date the coverage goes into effect.

Change in Status Guidelines

Your NUFlex choices will be in effect for the calendar year unless 1) a qualified change in status event occurs and 2) your requested change is consistent with the event that results in you, your spouse or dependent child gaining or losing coverage eligibility. Enrollment or changes in coverage must be made within 31 days of the Permitted Election Change Event. **Some enrollment changes are limited due to certain eligibility restrictions.** Listed below are several Permitted Election Change Events that may allow you to initiate a midyear benefits election change.

- Change in legal marital status
- Change in number of dependent children
- Change in employment status or work schedule which results in a gain or loss of coverage eligibility
- Change in coverage under other employers' benefits plan, if substantial

A Medical, Dental and Vision Care Insurance Dependent Information Request Form must be completed to add a new dependent child to the medical, dental, or vision care insurance policy even if the employee is currently enrolled for Employee & Child or Employee & Family coverage.

Medical Insurance

NUFlex provides you with several medical options which differ in the deductible, coinsurance and stop-loss amounts. The medical options described below cover services such as hospital room and board, hospital supplies, surgery, office visits, outpatient treatment, laboratory tests, and x-rays.

The Blue Cross Blue Shield of Nebraska plan provides comprehensive medical insurance coverage for the treatment of an illness or injury. After a deductible is met, the plan pays a percentage of the covered medical expenses (coinsurance) until the annual stop-loss limit is reached. Thereafter, the medical plan pays 100 percent of all covered medical expenses which do not exceed the maximum benefit amount.

A component of any Blue Cross Blue Shield medical option is a preferred provider health care program (BluePreferred). By choosing a physician or hospital that is a member of the BluePreferred network, you file no claim and save money through:

- Discounted fees by the provider
- Reduced deductible and stop-loss limit
- Lower coinsurance payments
- No balance billing by the provider

The only differences between these three options lie in the deductible, coinsurance and stop-loss limits. CVS Caremark prescription drug copays and the annual prescription drug deductible are the same for any Blue Cross Blue Shield of Nebraska medical option.

The current medical PPO network directory may be viewed on the University of Nebraska benefits Web page at www.nebraska.edu/benefits. PPO participation information may also be obtained by calling Blue Cross Blue Shield at (888) 368-2227.

Summary of Medical Options

OPTION	ANNUAL DEDUCTIBLE		COINSURANCE PLAN PAYS/YOU PAY		ANNUAL STOP-LOSS LIMIT	
	PPO provider	Non-PPO provider	PPO provider	Non-PPO provider	PPO provider	Non-PPO provider
1 No Coverage						
2 Blue Cross Blue Shield Low Option	\$ 1,500 / person 3,000 / family	\$ 1,900 / person 3,800 / family	70% / 30%	55% / 45%	\$ 2,400 / person 4,800 / family	\$ 2,800 / person 5,600 / family
3 Blue Cross Blue Shield Basic Option	400 / person 800 / family	600 / person 1,200 / family	70% / 30%	55% / 45%	1,500 / person 3,000 / family	1,900 / person 3,800 / family
4 Blue Cross Blue Shield High Option	300 / person 600 / family	400 / person 800 / family	80% / 20%	65% / 35%	1,300 / person 2,600 / family	1,600 / person 3,200 / family

The prescription drug component of the medical plan is administered by CVS Caremark, a pharmacy benefit management specialist. This program offers you two convenient methods to fill your medication needs... in person at a participating CVS Caremark retail network pharmacy or by mail order. **Each covered person is required to establish an annual \$50 prescription drug deductible for brand-name drugs.** Once the deductible is met, the applicable prescription drug copay must be paid. Copays for the prescription drug program are based on CVS Caremark's formulary/Primary Drug List, which is a list of preferred brand name drugs. Listed below are the amounts you pay for each prescription purchased through a CVS Caremark retail network pharmacy or the mail order drug program.

Days Supply	Up to 30	31-60	61-90
Generic	\$ 9 copay	\$ 18 copay	\$ 27 copay
Brand (on formulary/Primary Drug List)	28 copay	56 copay	84 copay
Brand (not on formulary/Primary Drug List)	47 copay	94 copay	141 copay

*An annual \$50 deductible is also required for brand-name drugs for each covered person.

It is important that you use the CVS Caremark prescription drug program in order to receive the best price and greatest savings. If you purchase a drug outside of the CVS Caremark prescription drug program, you must pay 100 percent of the prescription price to the pharmacy. Paying cash rather than using the CVS Caremark prescription drug program can impact you financially. The CVS Caremark prescription drug program allows the university to obtain drug manufacturer discounts which helps keep your medical premium as low as possible. These discounts are lost when the prescription drug program is not used. Prescriptions purchased through a government program (Medicaid and state aid), nursing home, and internationally, etc. should continue to be processed per the appropriate agency's guidelines. **If you have any problems using the CVS Caremark prescription drug program, contact your Campus Benefits Office.**

Prescription drug purchases may not be submitted to the Blue Cross Blue Shield medical plan.

If you and/or your dependents become eligible for Medicare in the next 12 months, a federal law provides you prescription drug coverage alternatives.

You may view CVS Caremark's Nebraska PPO retail network directory and the CVS Caremark Primary Drug List on the University of Nebraska benefits Web page at www.nebraska.edu/benefits. PPO participation information may also be obtained by calling CVS Caremark at (800) 841-5550 or (888) 202-1654.

Disease Management Program

The university offers you and your covered family members a valuable health service called BluePartners, a disease management program provided by Blue Cross Blue Shield of Nebraska. The program is available at no additional cost to members who are dealing with any of four chronic medical conditions: diabetes, heart disease, chronic pulmonary disease and asthma.

The BluePartners program offers personalized attention, from a team of health care professionals, custom-designed to fit individual needs, lifestyle and doctor's instructions. BluePartners strives to educate and empower program participants by providing a wide variety of support: personal phone contact with a registered nurse, educational materials and internet tools. Health care professionals can answer questions about specified chronic conditions, as well as consult with you and your doctor regarding treatment plans. The university and BluePartners are working together to reach those who would benefit most from this program.

Be Sure the Option You Select is “Cost Efficient”

In selecting your medical option, you are strongly encouraged to compare the annual difference in price tags between options, to the difference in medical cost exposure (deductible and stop-loss) between options. In most instances, the Basic Option is a more economical choice than the High Option, **regardless of the medical expenses you may incur**. In such cases, the difference in the deductible, coinsurance and stop-loss amounts you receive through the High Option cannot equal the savings in premium expense provided by the Basic Option for the same coverage category. **For most employees, the Basic Option is always the best choice**, from a purely economic perspective.

Some individuals may still select the High Option, for cash management purposes preferring to pay more per month in order to assure a more affordable deductible and coinsurance payment when medical expenses do occur. You are urged to be aware of the cost of your choice, however, because the savings can be significant, depending on your coverage category and medical claims experience.

Issues to Consider

- You and your dependents may enroll in any medical option without proof of insurance or pre-existing condition limitation.
- If you are covered by your spouse’s medical plan, duplicate coverage may not be the most cost effective approach.
- If you use the Health Care Reimbursement Account to pay non-covered medical expenses, you may want to elect a medical option with a higher deductible.
- If your spouse is employed by the university and is benefits eligible, your Campus Benefits Office should be contacted for the applicable medical plan price tags.
- Enrollment of any dependent into one of the Blue Cross Blue Shield medical options requires completion of the “Medical, Dental, and Vision Care Insurance Dependent Information Request Form,” which is included in the appendix.
- If you use the services of a non-Blue Cross Blue Shield network provider (Non-PPO provider), you may experience higher out-of-pocket costs due to potential balance billing by the provider.
- Participation in the prescription drug program is dependent upon your enrollment in the Blue Cross Blue Shield medical plan and does not require any additional premium to participate.

Medical Insurance Notice

If you are declining medical insurance enrollment for yourself or your dependents (including your spouse) because of other medical coverage, you may in the future enroll yourself or your dependents in one of the university provided options, provided that you request enrollment within 31 days after your other coverage ends. In addition, if you have a new dependent as a result of marriage, birth, or adoption, you may be able to enroll yourself and your dependents, provided that you request enrollment within 31 days after the marriage, birth or adoption.

Blue Cross Blue Shield Insurance Benefits Summary

Preexisting Condition Limitation	None
Lifetime Maximum	\$3,000,000 per person
Choice of Physician	No restrictions
Calendar Year Deductible	Refer to Summary of Medical Options
Coinsurance	Refer to Summary of Medical Options
Annual Maximum Out-of-Pocket (Stop-Loss)	Refer to Summary of Medical Options
Hospital Services	
Inpatient	
Semi-Private Room	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Service & Supplies (operating room, anesthesia, lab and x-ray)	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Outpatient	
Surgery	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Medical Emergency	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Maternity	
Prenatal & Postnatal Care	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Hospitalization & Delivery	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Major Medical Services	
Physician/Surgeon Fee	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Physician Office Visit	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Diagnostic Laboratory and X-Ray	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Prescription Drugs	Benefits provided through CVS Caremark, a pharmacy benefits manager specializing in both retail and mail order prescriptions
Eye Examination & Glasses	Not covered under the medical plan; however, a comprehensive vision care plan is provided as a separate plan through EyeMed Vision Care
Wellness and Preventative Services	100% not to exceed \$250 in a calendar year
Mammography Screening	100%
Immunization	100% for dependents under age 6
Well-Child Care	100% not to exceed \$500 in a calendar year for children up to age two (Includes wellness and preventative services benefit)
Allergy Testing	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Occupational Therapy, Speech Therapy, Cognitive Training, Physical Therapy, and Chiropractic Services	Deductible; Coinsurance percentage; 100% after stop-loss is reached; up to a 60 visit maximum per year for all services combined
Skilled Nursing Facility	100% after deductible, up to a 30 day maximum
Ambulance	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Mental, Nervous and Chemical Dependency	
Mental & Nervous	
Inpatient (6 serious conditions)	Deductible; Coinsurance percentage; 100% after stop-loss is reached
Inpatient (all other conditions)	Deductible; Coinsurance percentage; up to a 60 day maximum per year
Outpatient	100% after \$30 copay (PPO) per visit
Chemical Dependency	
Inpatient	Deductible; Coinsurance percentage; up to a 30 day maximum per year. \$100,000 lifetime maximum for chemical dependency services
Outpatient	100% after \$30 copay (PPO) per visit
Preventive Dental Services	
	Not covered under the medical plan; however, a comprehensive dental plan is provided as a separate plan through Blue Cross Blue Shield of Nebraska

Dental Insurance

The Blue Cross Blue Shield of Nebraska dental plan has been designed to pay a significant portion of the cost for checkups and to provide cost-sharing benefits for needed restorative work up to the annual maximum benefit. **You may participate in the dental plan or elect no coverage. The choice that you make now will be in effect through December 31, 2009.**

A component of the Blue Cross Blue Shield dental plan is a preferred provider dental program (BluePreferred). By choosing a provider who is a member of the BluePreferred network, you file no claim form and save money through:

- Discounted fees by the provider
- Reduced deductible
- Lower coinsurance payments
- No balance billing by the provider

The current dental PPO network directory may be viewed on the University of Nebraska benefits Web page at www.nebraska.edu/benefits. PPO participation information may also be obtained by calling Blue Cross Blue Shield at (888) 368-2227.

Summary of Dental Benefits

Type of Service	Annual Deductible		Coinsurance Plan Pays/You Pay		Benefit Maximums	
	PPO provider	Non-PPO provider	PPO provider	Non-PPO provider	PPO provider	Non-PPO provider
Preventive And Diagnostic	None	None	85% / 15%	80% / 20%	\$1,500 / person annual maximum for all preventive, restorative, and major dental services combined.	\$1,500 / person annual maximum for all preventive, restorative, and major dental services combined.
Restorative Dental Services	\$35 / person	\$45 / person	85% / 15%	80% / 20%		
Major Dental Services			50% / 50%	50% / 50%		
Orthodontic	\$40 / person	\$50 / person	50% / 50%	50% / 50%	\$2,000 / person lifetime maximum	\$2,000 / person lifetime maximum

Issues to Consider

- If you do not choose dental coverage now, you may not enroll until January 1, 2010. If you enroll, coverage may not be cancelled. You may however, change your dental coverage category (who you cover), subject to limitations, when a Permitted Election Change Event occurs.
- Enrollment of any dependent into the Blue Cross Blue Shield dental plan requires completion of the "Medical, Dental, and Vision Care Insurance Dependent Information Request Form," which is included in the appendix.
- If you are covered by your spouse's dental plan, duplicate coverage may not be the most cost effective approach.
- If you have non-covered dental expenses to pay, qualifying expenses may be submitted to the Health Care Reimbursement Account.
- If you use the services of a non-Blue Cross Blue Shield network provider (Non-PPO provider), you may experience higher out-of-pocket costs due to potential balance billing by the provider.

Vision Care Insurance

EyeMed Vision Care provides comprehensive vision care benefits to help ensure you and your dependents receive quality eye care from a network of professional eye care providers. Participation allows you and your dependents to obtain an eye examination, glasses, or contact lenses from a network provider at an affordable cost. **You may participate in the vision care plan or elect no coverage. The choice that you make now will be in effect through December 31, 2009.**

The EyeMed Vision Care Provider Network Directory for Nebraska may be viewed on the University of Nebraska benefits Web page at www.nebraska.edu/benefits. Network participation information may also be obtained by calling EyeMed Vision Care at (877) 226-1115.

Summary of Vision Benefits

	In-Network Member Cost	Benefit Frequency	Out-of- Network Allowance
Examination with dilation	\$10 copay	Annual	Up to \$35
Frames	80% of retail price over \$100 allowance	Annual	Up to \$38
Standard Plastic Lenses			
Single Vision	\$10 copay	Annual	Up to \$25
Bifocal	\$10 copay	Annual	Up to \$40
Trifocal	\$10 copay	Annual	Up to \$55
Standard Progressive	\$10 copay	Annual	Up to \$50
Contact Lenses Fit and Follow-up			
Standard	Up to \$55	Annual	N/A
Premium	90% of retail price	Annual	N/A
Contact Lenses Allowance			
Conventional	85% of balance over \$75 allowance	Annual	Up to \$60
Disposable	Balance over \$75 allowance	Annual	Up to \$60
Medically Necessary	\$0	Annual	Up to \$200
Laser Surgery	15% off retail price or 5% off promotional pricing	Unlimited	N/A

Benefit include a discount for lens options such as UV coating, tint, scratch-resistance coating, etc.

Issues to Consider

- If you use the services of a non-EyeMed network provider, you may experience higher out-of-pocket costs due to lower out-of-network allowances.
- Enrollment of any dependent into the vision care plan requires completion of the "Medical, Dental, and Vision Care Insurance Dependent Information Request Form," which is included in the appendix.

Long Term Disability Insurance

The long term disability insurance plan (LTD), which is underwritten by Unum, provides monthly benefits if you become ill or injured and are unable to work. This income replacement is designed to restore part of the work earnings lost during a period of disability.

Benefits begin after completion of the elimination (waiting) period and are equal to a percentage of your base annual salary, up to a maximum of \$10,000 per month. Benefit amounts may be reduced by other income benefits, such as, but not limited to, pay for sick leave, workers compensation, university retirement, Social Security disability/retirement payable by the United States Social Security Act, etc.

To qualify for LTD benefits, you must be unable to perform each of the significant duties of your regular occupation during the first 24 months of disability. Disability will continue thereafter if you cannot perform each of the significant duties of any gainful occupation for which you are reasonably fitted by training, education, or experience.

Summary of LTD Options

Option	Income Replacement	Elimination Period
1	No coverage	
2	50%	180 days
3	66 2/3%	180 days
4	50%	90 days
5	66 2/3%	90 days

Issues to Consider

- LTD benefits are subject to a "3-12 month pre-existing condition" exclusion which precludes income replacement benefits for any disability that is (a) caused by, contributed to by, or results from a preexisting condition, and (b) which begins in the first 12 months after an insured's effective date of coverage.
- You may enroll for coverage, increase your income replacement benefit percentage, and/or reduce your elimination period from 180 to 90 days at a later date. Benefits are, however, subject to a pre-existing condition exclusion.
- LTD benefits are offset by pay for sick leave. If you have a sick leave balance of 90 days or more, it may be desirable for you to enroll for Option 2 or 3 which pay benefits after a 180 day elimination period.
- Premiums are withheld on a pre-tax basis; therefore, disability benefit payments will be taxable.
- Due to cost-of-living increases (COLA), your monthly disability benefit may be increased annually by an amount equal to the previous year's CPI, not to exceed 3 percent of your monthly benefit.
- Totally disabled employees who qualify will receive a monthly retirement plan contribution based on a percentage of their pre-disability earnings, not to exceed the maximum allowable by law.

Life Insurance

The life insurance plan through Assurity Life Insurance provides term life insurance coverage (no cash value) that is payable in the event of your death, thus giving your family or beneficiary financial protection.

Premiums for each life insurance option are based on your age and tobacco/nicotine use. Premiums for coverage amounts exceeding \$50,000 are withheld on an after-tax basis, i.e., subject to state and federal income taxes and Social Security. Life insurance Option 1 includes \$15,000 of accidental death & dismemberment (AD&D) coverage. All other life Options (2-13) include \$25,000 of AD&D coverage.

Life insurance also includes a Critical Illness benefit equal to \$5,000. This additional benefit will pay you a lump sum amount (benefit may be taxable for Option 1 and is nontaxable for Options 2-13) upon the first-ever confirmed diagnosis of several life threatening covered illnesses or medical procedures including heart attack, open heart surgery, cancer, kidney failure, and stroke.

Summary of Life Insurance Options

Option	Coverage Amount
1	\$15,000
2	25,000
3	35,000
4	50,000
5	75,000
6	100,000
7	125,000
8	150,000
9	200,000
10	250,000
11	300,000
12	400,000
13	500,000

Issues to Consider

- You may enroll for Option 1-4 regardless of your health. If you elect Option 5-13, you must complete an Assurity Life Insurance Statement of Health form which is included in the appendix.
- If your proof of insurability request is pending as of 90 days after your effective date of coverage, the amount of coverage subject to insurability will be denied.
- Participation in the group life insurance plan requires completion of the Life Insurance Tobacco/Nicotine Designation which is located on your Benefits Enrollment Form. If you do not designate your tobacco/nicotine use or history, your life insurance coverage will be based on the Tobacco/Nicotine premium.
- Assurity Life Insurance has the right to investigate each death claim. Any material misrepresentation made by you, including your tobacco/nicotine use history, may void your insurance, pursuant to the policy's Incontestable Clause.
- You may change your level of life insurance coverage or your tobacco/nicotine designation during the next annual NUFlex enrollment period or during the year if you have a qualified change in status. An Assurity Life Insurance Statement of Health form must be completed to increase your coverage.
- Coverage amounts are reduced for employees age 70 and over (AD&D coverage ends at age 70); contact your Campus Benefits Office for price tags and coverage amounts.

Accidental Death & Dismemberment Insurance

The accidental death & dismemberment (AD&D) insurance plan through Assurity Life Insurance provides benefits if you or a covered family member die or are dismembered (loss of eye, arm, leg, etc.) as a result of an accident.

There are eleven AD&D options, ranging in amounts up to \$250,000. This coverage is in addition to the AD&D amounts provided with the life insurance plan. You may also elect family coverage, which includes coverage for your spouse at 50 percent of your coverage amount, and dependent child(ren) at 10 percent of your coverage amount. Premiums are withheld on a pre-tax basis.

Summary of AD&D Insurance Options

Option	Coverage Amount
1	No coverage
2	\$ 25,000
3	50,000
4	75,000
5	100,000
6	125,000
7	150,000
8	175,000
9	200,000
10	225,000
11	250,000

Issues to Consider

- This coverage is not a substitute for life insurance since it is only payable in the event of an accidental death or bodily dismemberment.
- Proof of insurability is not required to enroll or change your coverage.
- Coverage for you, your spouse and dependent children ends when you attain age 70.
- Coverage for a dependent child ends at age 19 or age 24 if a full-time student.
- If you and your spouse both work for the university, you may not cover your respective spouse for accidental death and dismemberment insurance. Each married spouse should purchase additional accidental death and dismemberment insurance to compensate for the coverage not available to your university spouse.
- Only one married spouse (when both work for the university) may cover dependent children.

Dependent Life Insurance

Dependent life insurance provided through Assurity Life Insurance offers you financial protection in the event of the death of your spouse or dependent child. Premiums are withheld on an after-tax basis.

Summary of Dependent Life Insurance Options

Option	Coverage for a Spouse	Option	Coverage for each Child*
1	No coverage	1	No coverage
2	\$ 10,000	2	\$ 5,000
3	20,000	3	10,000
4	50,000		

*Coverage for a child age 14 days to 6 months is equal to 10 percent of the option amount selected. No coverage is available for a child age 13 days or less.

Issues to Consider

- New coverage applications for dependent children do not require proof of insurability. Coverage for dependent children may be added or increased at a later date with proof of insurability.
- Coverage for your spouse and dependent children ends when you attain age 70.
- Coverage for a dependent child ends at age 19 or age 24 if a full-time student.
- Your spouse and dependent children are eligible for coverage unless they are legally disabled on the effective date of coverage.
- If not legally disabled on the date your insurance is effective, you may cover your spouse for \$10,000 (Option 2) without proof of insurability. Options 3 and 4, however, require your spouse to complete an Assurity Life Insurance Statement of Health form which is included in the appendix. Coverage for your spouse may be added or increased at a later date with proof of insurability.
- If you and your spouse both work for the university, you may not cover your respective spouse for dependent life insurance.
- Only one married spouse (when both work for the university) may cover dependent children.
- Dependent life insurance is not part of the NUFlex benefits program. Enrollment and/or changes will continue, however, to be conducted simultaneously with the NUFlex program as a matter of convenience for both you and the university.

Long Term Care Insurance

The long term care insurance plan is underwritten by CNA. This plan provides for a variety of support services for insureds that are unable to care for themselves, whether on a temporary or permanent basis. Group long term care coverage is designed specifically to cover the cost associated with extended long term care services in your home, community based setting, such as adult day care, assisted living facility or nursing home. Premiums are withheld on an after-tax basis.

Summary of Long Term Care Benefits

	Option 1	Option 2	Option 3
Maximum Daily Nursing Home Benefit Plan pays 100 percent of the benefit chosen.	\$100	\$150	\$200
Maximum Daily Community-Based Benefit Plan pays 60% of the nursing home amount.	\$60	\$90	\$120
Lifetime Maximum Benefit			
3 years	\$109,500	\$164,250	\$219,000
5 years	182,500	273,750	365,000
Waiting Period	30 days	30 days	30 days
Guaranteed Benefit Increase Inflation protection allows you to periodically increase your daily nursing home benefit, (not applicable if the Lifetime Automatic Benefit Increase option is elected).	Included	Included	Included
Lifetime Automatic Benefit Increase Inflation protection increases your daily nursing home benefit 5% each year.	Optional	Optional	Optional
Benefit Account This nonforfeiture provision provides a reduced lifetime maximum benefit should the policy lapse for any reason after three years of participation.	Optional	Optional	Optional
Caregiver Benefit Pays 25% of the daily maximum benefit, up to thirty times each year, whenever an informal caregiver provides services.	Optional	Optional	Optional
Return of Premium at Death Benefit Refunds premiums paid if the insured person dies before age 75. If the individual dies at age 65 or before, CNA refunds 100% of all premiums paid (less any benefits received). After age 65, the amount refunded declines by 10% each year through age 75.	Optional	Optional	Optional

Issues to Consider

- Premiums are based on the insured's age on the effective date of coverage. Therefore, the younger you are when you enter the plan, the lower the premium.
- New or newly eligible employees may enroll without proving insurability while spouses must apply by completing a Short Form Application and be approved by CNA.
- After your initial eligibility, enrollment is limited to the annual NUFlex enrollment period unless a Permitted Election Change Event occurs. At that time, both you and your spouse must complete the Short Form Application to enroll for long term care coverage.
- The long term care plan is not part of the NUFlex benefits program. Enrollment and/or changes will continue, however, to be conducted simultaneously with the NUFlex program as a matter of convenience for both you and the university.

Reimbursement Account

Health Care Account

The Health Care Account provides you with a unique opportunity to pay certain IRS approved health care expenses with pre-tax dollars. Contributions to the account are withheld from your income and are exempt from both state and federal income taxes and Social Security. Up to \$5,000 annually may be withheld from your pay.

Eligible Expenses

You can use the Health Care Account to pay a wide variety of expenses. The following are examples of eligible expenses that can be reimbursed. Qualifying expenses which can be reimbursed through the Health Care Reimbursement Account and claim filing procedures can be viewed on the University of Nebraska benefits Web page at www.nebraska.edu/benefits. Your Campus Benefits Office should be contacted to verify qualifying expenses which can be reimbursed through the Health Care Reimbursement Account.

- Deductibles
- Coinsurance
- Non-covered medical and dental services (excludes cosmetic services)
- Eye examinations
- Eye glasses/contact lenses
- Hearing aids
- Prescription copays
- Over-the-counter drugs (to treat sickness, pain, or injuries)

Issues to Consider

- Contributions not used by the end of the calendar year will be forfeited.
- Your contributions to the Health Care Account cannot be reduced during the calendar year.
- Only expenses for services you receive or incur during the calendar year and after the effective date of your coverage will be reimbursed, provided such services were incurred during employment in a benefits eligible status. Expenses are "incurred when you are provided with the medical care that gives rise to the medical expenses, and not when you are formally billed or charged for, or pay for the medical care."
- If you participate in both the Health Care and Dependent Day Care Accounts, you cannot use money from one account to cover expenses in the other account.
- Amounts payable from the Health Care Reimbursement Account will be included in your pay and shown on the payroll advice.
- All health care expenses must be submitted to your Campus Benefits Office for reimbursement by March 31st, following the year in which the expense was incurred. After March 31st, any remaining unreimbursed amounts will be forfeited.

Reimbursement Account

Dependent Day Care Account

This account may be used to pay dependent day care expenses that are necessary for you and your spouse (if applicable) to work. Covered expenses include day care services for children under age 13, or other dependents you claim for tax purposes who are physically or mentally incapable of self-care. Qualifying expenses which can be reimbursed through the Dependent Day Care Reimbursement Account and claim filing procedures can be viewed on the University of Nebraska benefits Web page at www.nebraska.edu/benefits. Your Campus Benefits Office should be contacted to verify qualifying expenses which can be reimbursed through the Dependent Day Care Reimbursement Account.

Up to \$5,000 annually may be withheld from your pay. If both you and your spouse participate in a Dependent Day Care Account, the combined total contribution cannot exceed \$5,000. These contributions are withheld on a pre-tax basis.

Issues to Consider

- Contributions not used by the end of the calendar year will be forfeited.
- In general, you and your spouse may not participate in the Dependent Day Care Account unless both of you are working. Contributions cannot be greater than the amount of taxable income earned by the spouse with the lower income.
- Reimbursement Account payments offset the tax credit amount dollar-for-dollar. As a result, most employees cannot use both the tax credit and Reimbursement Account.
- Participation in the Dependent Day Care Account may affect your eligibility for the earned income tax credit.
- Only expenses for services you receive or incur during the calendar year and after the effective date of your coverage may be reimbursed provided such services were incurred during employment in a benefits eligible status. Expenses are "incurred when the dependent is provided with the dependent care that gives rise to the expense, and not when you are formally billed or charged for, or pay for the dependent care."
- If you participate in both the Health Care and Dependent Day Care Accounts, you cannot use money from one account to cover expenses in the other account.
- Amounts payable from the Dependent Day Care Reimbursement Account will be included in your pay and shown on the payroll advice.
- All dependent care expenses must be submitted to your Campus Benefits Office for reimbursement by March 31st, following the year in which the expense was incurred. After March 31st, any remaining unreimbursed amounts will be forfeited.

Completing Your Benefits Enrollment Form

It is important that you complete your Benefits Enrollment Form promptly.

If your Benefits Enrollment Form is not submitted within the first 31 days of your date of hire or eligibility, you will be enrolled for only Life Insurance (Option 1). Benefit changes will not be permitted until the next annual NUFlex enrollment period unless a Permitted Election Change Event occurs.

Therefore, you should review your options and make your decisions within this time period. If special circumstances prohibit you from submitting your Benefits Enrollment Form, please contact your Campus Benefits Office.

Remember, if you elect Life Insurance Option 5-13 you must complete an Assurity Life Insurance Statement of Health form. In addition, if you elect Dependent Spouse Life Insurance Option 3 or 4, your spouse must complete a Statement of Health form. This form is included in the appendix or is available from your Campus Benefits Office.

Enrollment of any dependent into one of the Blue Cross Blue Shield medical options, dental plan, and/or vision care plan requires completion of the "Medical, Dental, and Vision Care Insurance Dependent Information Request Form" which is included in the appendix.

In order to determine your group life insurance premium, you must complete the Life Insurance Tobacco/Nicotine Designation which is located on your Benefits Enrollment Form. **If not completed, your life insurance coverage will be based on the Tobacco/Nicotine premium.** This designation cannot be changed during the year unless a Permitted Election Change Event occurs.

Long Term Care enrollment and premium information is available from your Campus Benefits Office.

Important Note

This booklet describes the highlights of the NUFlex benefits program. A complete description of each benefit can be found in the program's legal documents and contracts. Every effort has been made to provide an accurate summary of the university's benefits program. However, if there is a conflict between this material and the documents and contracts, the documents and contracts will govern. The Board of Regents of the University of Nebraska reserves the right to amend or terminate any such benefit or arrangement at any time.

Basic Retirement Plan 401(a)

Eligibility

Mandatory Participation

Employees age 30, who are employed in a regular budgeted position, and who have completed two years of service and possess an employment status equal to one-half full-time equivalency (.5 FTE) or greater are required to participate. Certain positions may be excluded from participation.

Voluntary Participation

Employees ages 26-29, who are employed in a regular budgeted position, and who have completed two years of service and possess an employment status equal to one-half full-time equivalency (.5 FTE) or greater may participate voluntarily. Certain positions may be excluded from participation.

Employees declining voluntary participation when initially offered may not participate until the mandatory participation requirements are satisfied.

Employees who satisfy the eligibility requirements for participation except for the two-year service provision may enroll if they can prove qualifying service with a prior employer whose primary purpose or activity provided a formalized program of education.

Effective Date of Participation

Mandatory Participation

Participation is effective the first of the month coincident with or following satisfaction of the eligibility requirements.

Voluntary Participation

Participation is effective the first of the month coincident with or following satisfaction of the eligibility requirements.

Participation for employees who decline voluntary participation is effective the first of the month coincident with or following satisfaction of the mandatory participation eligibility requirements.

Contributions to the Plan

Both the employee and the university contribute to the Basic Retirement Plan based on a percentage of the employee's salary. All employee contributions are withheld on a tax-deferred basis, thus reducing federal and state income tax. The employee may choose between two levels of participation:

	<u>Employee Contribution</u>	<u>University Contribution</u>	<u>Total</u>
Tier 1	3.5%	6.5%	10.0%
Tier 2	5.5%	8.0%	13.5%

Employees initially electing Tier 1 may, at a later date, change to Tier 2 effective each July 1st (election form must be submitted by June 1st). No change will be permitted from Tier 2 to Tier 1.

Vesting

All contributions, including those made by the university, are vested immediately upon participation.

Contribution Allocation

Employees may allocate Basic Retirement Plan contributions among or between TIAA-CREF and Fidelity Investments in any whole-number percentage, including full allocation to any option. Once participation begins, allocation changes of future premiums may be made at any time by contacting the respective investment company.

Investment Alternatives

Participants may invest Basic Retirement Plan contributions with TIAA-CREF or Fidelity Investments. Both retirement plan investment companies are committed to offering a wide range of investment options while providing the educational resources to help plan for a successful retirement.

Participants may invest retirement plan contributions among the following categories:

- Money Market
- Bonds (Fixed Income)
- Stocks (Equities)
- Guaranteed Annuity
- Lifecycle Funds

Transfer of Funds

Basic Retirement Plan funds may be transferred among or between TIAA-CREF and Fidelity Investments at any time. Certain conditions apply when transferring money from TIAA.

Rollover of Funds

Employees may not rollover retirement plan funds from another retirement plan to the university's Basic Retirement Plan. This includes rollovers from a previous employer's plan, personal IRA, self-employed retirement plan, etc. or any other retirement plan such as a qualified Defined Benefit plan, qualified Defined Contribution plan, 401(a), 403(b), 401(k), SEP, or Governmental 457 pension plan.

Access to Funds

As required by governing law, employees generally are not permitted to receive a distribution from University of Nebraska retirement plans including the Basic 401(a), SRA 403(b), and Deferred Compensation 457(b) while actively employed by the university in any full-time, part-time, temporary, on-call, etc., position. Employees who have attained normal retirement age with an employment status of .5 FTE or less may access Basic 401(a) Retirement Plan accumulations. Employees who have attained normal retirement age may access SRA 403(b) Retirement Plan accumulations. Otherwise, accumulations may be accessed after termination of employment. Unless the distribution is rolled over to an eligible retirement plan, funds received from the retirement plans are taxable. In some cases, a 10% excise tax will be assessed. Participants should seek competent tax advice before receiving a distribution.

The university will only approve retirement plan distributions for those retired and/or separated employees where there is no expectation or pre-planned agreement of future employment by the university. To assure compliance, if a separated employee receives a retirement plan distribution, he or she generally may not be reemployed by the University of Nebraska in any paid position for a period of 12 months from date of separation. This includes any full time, part time, temporary, or on-call employment position.

Supplemental Retirement Plan 403(b)

Eligibility

Any employee, regardless of age, length of service, or benefits FTE, may enroll in the Supplemental Retirement Plan (SRA).

Effective Date of Participation

Participation is effective the first of the month following submission of a Tax-sheltered Annuity Program Salary Reduction Agreement form and completion of account application forms.

Contributions to the Plan

SRA contributions are withheld each pay period as a percent of compensation or a flat dollar amount (\$200 annual minimum) up to the Internal Revenue Service's maximum allowance. Contributions made to the SRA Plan are withheld on a voluntary basis and are made on a tax-deferred basis, thus reducing federal and state income tax.

Contribution Allocation

Employees may allocate contributions among or between TIAA-CREF and Fidelity Investments in any whole-number percentage, including full allocation to any option. Once participation begins, allocation changes of future premiums may be made at any time by contacting the respective investment company.

Investment Alternatives

Participants may invest contributions with TIAA-CREF or Fidelity Investments. Both retirement plan investment companies are committed to offering a wide range of investment options while providing the educational resources to help plan for a successful retirement. Participants may invest retirement plan contributions among the following categories.

- Money Market
- Stocks (Equities)
- Bonds (Fixed Income)
- Guaranteed Annuity
- Lifecycle Funds

Transfer of Funds

SRA Retirement Plan funds may be transferred among or between TIAA-CREF and Fidelity Investments at any time.

Rollover of Funds

Employees may rollover funds from another employer's retirement plan to the university's SRA Retirement Plan only if the original retirement plan in which the funds were contributed provided for the rollover of funds.

Access to Funds

SRA Retirement Plan funds may be accessed subject to certain IRS guidelines and restrictions. SRA funds received are taxable and in some cases, a 10 percent excise tax will be assessed. Additional information is available from the Campus Benefits Office.

Deferred Compensation Plan 457(b)

Eligibility

Employees are eligible to participate in the 457(b) Deferred Compensation Plan as long as they have "elected to defer" the maximum 402(g) amount allowable to the university's Supplemental Retirement Plan 403(b).

Effective Date of Participation

Participation is effective the first of the month following submission of a 457(b) Deferred Compensation Plan Salary Reduction Agreement form and completion of account application forms.

Contributions to the Plan

457(b) Deferred Compensation Plan contributions are withheld each pay period as a flat dollar amount (\$50 pay period minimum) up to the Internal Revenue Service's maximum allowance. Contributions made to the 457(b) Deferred Compensation Plan are withheld on a voluntary basis and are made on a tax-deferred basis, thus reducing federal and state income tax.

Contribution Allocation

Employees may allocate contributions among or between TIAA-CREF and Fidelity Investments in any whole-number percentage, including full allocation to any option. Once participation begins, allocation changes of future premiums may be made at any time by contacting the respective investment company.

Investment Alternatives

Participants may invest contributions with TIAA-CREF or Fidelity Investments. Both retirement plan investment companies are committed to offering a wide range of investment options while providing the educational resources to help plan for a successful retirement. Participants may invest retirement plan contributions among the following categories:

- Money Market
- Stocks (Equities)
- Bonds (Fixed Income)
- Guaranteed Annuity
- Lifecycle Funds

Transfer of Funds

457(b) Deferred Compensation Plan funds may be transferred among or between TIAA-CREF and Fidelity Investments at any time.

Rollover of Funds

Employees may rollover funds from another governmental employer's 457(b) Deferred Compensation Plan to the university's 457(b) Deferred Compensation Plan only if the original retirement plan in which the funds were contributed provided for the rollover of funds.

Access to Funds

457(b) Deferred Compensation Plan funds may not be accessed. Deferred Compensation Plan funds received are taxable. Additional information is available from the Campus Benefits Office.

Notes

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and abides by all federal, state and regental regulations pertaining to same.*