Employee Benefits Overview

2015
A. HEALTH INSURANCE

1. Medical Insurance

North Carolina State Health Plan
There are three medical insurance options available through the NC State Health Plan administered by Blue Cross Blue Shield of North Carolina. The three options include two PPO plans (Preferred Provider Option) and a CDHP (Consumer-Directed Health Plan). In addition to employee coverage, eligible dependents include a lawful spouse and/or children who are less than age 26. The monthly premium rates are as follows:

<table>
<thead>
<tr>
<th></th>
<th>PPO Traditional 70/30 Plan</th>
<th>CDHP Consumer-Directed Health Plan</th>
<th>PPO Enhanced 80/20 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$ 0.00</td>
<td>$ 40.00</td>
<td>$ 63.56</td>
</tr>
<tr>
<td>Employee + Child(ren)</td>
<td>205.12</td>
<td>224.60</td>
<td>336.36</td>
</tr>
<tr>
<td>Employee + Spouse</td>
<td>528.52</td>
<td>515.68</td>
<td>692.10</td>
</tr>
<tr>
<td>Employee + Family</td>
<td>562.94</td>
<td>546.64</td>
<td>729.94</td>
</tr>
</tbody>
</table>

Monthly premium discounts are available for the CDHP (up to $40 per month) and the PPO Enhanced 80/20 Plan (up to $50 per month) if the employee completes up to three wellness activities during the new hire enrollment period.

HR InTouch & Benefits Now

HR InTouch and Benefits Now is the online portal for the health benefit plan offered through the North Carolina State Health Plan. After setting up their online account with a User ID and password, an employee will be able to make changes to their health benefit plan, their personal data, and access tools and information to help them better understand their benefits. Note: Changes to the Benefits Now website are not final until approved by the Plan Administrator.
NC Health Smart
Through healthy living initiatives such as NC Health Smart, the NC State Health Plan has designed a wealth of resources to help eligible members make healthy lifestyle choices. Login to the Personal Health Portal to take a Health Assessment (HA) and receive a personal Action Plan; explore information on specific health-related conditions (e.g., back pain or diabetes) and learn about lifestyle programs.

Express Scripts
Express Scripts is the pharmacy benefit manager for the NC State Health Plan. The following services are provided by Express Scripts for employees enrolled in the NC Health Plan.

Prescription benefits cover prescription drugs, injectable medications, insulin and diabetic test supplies. When visiting a participating pharmacy, the employee should be sure to present their ID card to the pharmacist. The employee will only be required to pay the appropriate co-pay as follows:

<table>
<thead>
<tr>
<th>Prescription Drug</th>
<th>Co-Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 - Generic Drugs</td>
<td>$12</td>
</tr>
<tr>
<td>Tier 2 - Preferred Brand Drugs where Generic is not available</td>
<td>$40</td>
</tr>
<tr>
<td>Tier 3 - Non-Preferred Brand Drugs where Generic is not available</td>
<td>$64</td>
</tr>
<tr>
<td>Brand Name Drugs where Generic is available.</td>
<td>Tier 1 Generic co-pay plus the difference between the Plan cost for the Brand Name Drug and the Plan cost for the Generic Drug.</td>
</tr>
<tr>
<td>Specialty Drugs</td>
<td>Members must pay 25% co-insurance up to $100 for each 30-day supply.</td>
</tr>
<tr>
<td>Diabetic Testing Supplies</td>
<td>$10 co-pay for preferred brands for each 30 day supply, or $25 co-pay for non-preferred brands for each 30 day supply.</td>
</tr>
</tbody>
</table>

Express Scripts customer service representatives and pharmacists are available 24 hours per day, 7 days a week, except for Thanksgiving Day and Christmas Day to assist the employee with questions.
2. Dental Insurance

Assurant
There is one option for dental insurance coverage provided by Assurant. In addition to employee coverage, eligible dependents include a lawful spouse and/or children who are less than age 26. Employees are responsible for 100% of the monthly premium costs for the dental plan. The monthly premium rates are as follows:

<table>
<thead>
<tr>
<th>Monthly Dental Premiums</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option</strong></td>
<td><strong>Premium</strong></td>
</tr>
<tr>
<td>Employee Only</td>
<td>$ 39.22</td>
</tr>
<tr>
<td>Employee + Spouse</td>
<td>75.07</td>
</tr>
<tr>
<td>Employee + Child(ren)</td>
<td>84.11</td>
</tr>
<tr>
<td>Employee + Family</td>
<td>119.96</td>
</tr>
</tbody>
</table>

**Highlights of the dental plan include:**
- 100% of diagnostic and preventive services, including two dental examinations per year.
- 80% of basic dental services and 50% of major dental services.
- A $50 annual deductible applies to basic and major dental services.
- The maximum benefit is $1,000 per patient per year.
- 50% for orthodontic services for dependent children.
- Maximum orthodontic benefit for each person, while insured, is $1,000.

**Waiting Period**
If the employee enrolls within 30 days of hire date, there is no waiting period for Preventive and Basic dental services; however, a 12-month waiting period still applies for Major and Orthodontic Services. If the employee enrolls after 30 days from hire date, there is no waiting period for Preventive services; a 6-month waiting period for Basic (Restorative) services; a 12-month waiting period for Basic (Non-Restorative) services; and a 24-month waiting period for Major and Orthodontic services.
3. Vision Insurance

Superior Vision Services
There is one option for vision insurance coverage. In addition to employee coverage, eligible dependents include a lawful spouse and/or children who are less than age 26. Employees are responsible for 100% of the monthly premium costs for the vision plan. The monthly premium rates are as follows:

<table>
<thead>
<tr>
<th>Option</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$10.30</td>
</tr>
<tr>
<td>Employee + One Dependent</td>
<td>19.99</td>
</tr>
<tr>
<td>Employee + Family</td>
<td>29.37</td>
</tr>
</tbody>
</table>

Coverage
In-network co-payments are paid directly to the vision provider. The employee is required to pay the full cost for non-network services and will be reimbursed the co-pay upon application. Co-payments for materials apply to eyeglass lenses and/or frames, not contact lenses. The Vision Plan coverage and frequency for coverage are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Co-Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exam</td>
<td>$ 10.00</td>
</tr>
<tr>
<td>Materials</td>
<td>15.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Service</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comprehensive Exam</td>
<td>12 Months</td>
</tr>
<tr>
<td>Lenses</td>
<td>12 Months</td>
</tr>
<tr>
<td>Frames</td>
<td>24 Months</td>
</tr>
<tr>
<td>Contact Lenses</td>
<td>12 Months</td>
</tr>
</tbody>
</table>

4. Flexible Spending Plans

Flex-Pro - Key Benefit Administrators
If the employee participates in a flexible spending plan, they will elect to have a pre-tax specified amount deducted from their paycheck each pay period. This amount is set aside in a
reimbursement account and subtracted from their gross earnings before any taxes are taken.

The employee can either submit a receipt and a claim form for reimbursement, or they can use a debit card that has been made available to them with the amount they selected for the current year. An administrative fee in the amount of $4.75 is deducted monthly.

**Health Care Flexible Spending Account (FSA)**
The annual maximum Health Care FSA is $2,500 per calendar year.

The employee can participate in the Health Care Flexible Spending Account if they have health expenses for themselves, their lawful spouse and/or dependent children even if they are not enrolled in the medical, dental, or vision plan with the College or are enrolled somewhere else.

**Highlights of the Health Care Flexible Spending Account include:**
- Use to cover certain health care costs not paid by insurance, e.g., medical, dental, vision and hearing expenses
- Expenses must be incurred within the plan year
- May include, but not limited to:
  - Expenses for medical plan co-payments
  - Deductibles
  - Prescription drug co-payments and charges
  - Chiropractic care
  - Physician office visits
  - Vision, dental, and orthodontia care

**Dependent Care Flexible Spending Account (FSA)**
The annual maximum Dependent Day Care FSA is $5,000 per calendar year.

**Highlights of the Dependent Care Flexible Spending Account include:**
- Use to cover certain dependent care costs while the employee (and their lawful spouse) are working or attending school on a full-time basis
- Qualified expenses may include:
5. **Employee Assistance Program (EAP)**

**McLaughlin Young Group**

McLaughlin Young Group provides short-term counseling for employees, dependents, and household members to manage those challenges in life that might adversely impact things such as work performance, health, and well-being. Examples of these challenges include: marital difficulties, family problems, stress, depression, alcohol and drug use/abuse. The EAP services include a total of eight sessions per incident to all benefits-eligible employees and their family members at no cost to the employee.

**Work-Life Program**

In addition to the traditional EAP Services, McLaughlin Young Group also provides Work-Life Services. These services provide employees online access to resources needed to deal with personal issues that may influence individual effectiveness and productivity. Some of the categories under the Work-Life Program include: Legal, Financial, Personal Growth, Career Development, Parenting, Family, Relationships, Health Tools, and Living Healthy. The Work-Life Program also includes a Savings Center, Relocation Center, Learning Center, Legal Center, and Care-Space Center for employees caring for loved ones.

**B. GROUP, OPTIONAL, AND SUPPLEMENTAL INSURANCE**

1. **Group and Optional Life Insurance**

**Lincoln National Life Insurance Company**

Gaston College will provide $5,000 basic life insurance coverage at no cost to the employee.

<table>
<thead>
<tr>
<th>Group Basic Life Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 5,000</td>
</tr>
</tbody>
</table>
Optional Coverage
New full-time employees may elect up to $45,000 of optional life insurance coverage during the 30-day period immediately following employment. Employees are responsible for 100% of the monthly premium costs for the optional life insurance coverage.

<table>
<thead>
<tr>
<th>Coverage Amount</th>
<th>Monthly Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>45,000</td>
<td>$13.95</td>
</tr>
<tr>
<td>40,000</td>
<td>12.40</td>
</tr>
<tr>
<td>35,000</td>
<td>10.85</td>
</tr>
<tr>
<td>30,000</td>
<td>9.30</td>
</tr>
<tr>
<td>25,000</td>
<td>7.75</td>
</tr>
<tr>
<td>20,000</td>
<td>6.20</td>
</tr>
<tr>
<td>15,000</td>
<td>4.65</td>
</tr>
<tr>
<td>10,000</td>
<td>3.10</td>
</tr>
<tr>
<td>5,000</td>
<td>1.55</td>
</tr>
</tbody>
</table>

2. Optional Life Insurance

MetLife
MetLife provides eligible employees with additional optional life and Accidental Death & Dismemberment (AD&D) insurance coverage. There is an option to buy valuable life insurance coverage for themselves, their lawful spouse, and dependent children at affordable group rates. Employees are responsible for 100% of the monthly premium costs for the optional life and AD&D insurance coverage.

New full-time employees may elect up to $150,000 of optional life insurance for themselves, $30,000 for their spouse, and $10,000 for their dependent children without a medical assessment during the 30-day period immediately following employment.

The overall maximum benefit amount that an employee can elect is the lesser of 5x their base annual salary for themselves, $100,000 for their spouse, and $10,000 for their dependent children.
The plan also features a free will preparation service and is portable if the employee terminates employment.

3. Supplemental Insurance Plans

**Colonial Life and Accident Insurance Company**
Employees and dependents are eligible to participate in several supplemental insurance plans as listed below. These benefits are paid directly to the employee and are in addition to any other coverage an employee may have with other insurance companies. Employees are responsible for 100% of the monthly premium costs for the supplemental insurance coverage.

**Educator Income Protection Insurance**
The Educator Income Protection Insurance is designed to protect the employee’s income during accidents and sickness. It provides a lump-sum income, hospital indemnity, dismemberment, and death benefit. This plan covers the employee on or off the job, 24 hours a day and 365 days a year.

**Accident Insurance**
Through the Accident Insurance plan, employees can elect coverage for their spouse and dependent children. This plan includes coverage for initial care, common accidental injuries, transportation and lodging, accident hospital care, and follow-up care. Plan Includes $50 Annual Wellness Benefit.

**Hospital Confinement Indemnity Insurance**
The Hospital Confinement Indemnity Insurance plan assists employees with the rising costs associated with a hospital stay or outpatient surgery. This insurance coverage is designed to supplement existing coverage so that the employee is better prepared to pay the medical and non-medical expenses associated with a hospital stay or outpatient surgery. Plan Includes $50 Annual Wellness Benefit.

**Cancer Insurance**
Cancer Insurance provides benefits for cancer-related care, which include wellness screenings, bone marrow donation, diagnosis of skin cancer, hospitalization, outpatient treatment, transportation, surgical procedures, and extended care. Plan Includes $100 Annual Wellness Benefit.
Critical Illness Insurance
Complements the employee’s major medical coverage by providing a lump-sum benefit that can be used to pay the direct or indirect cost related to a covered critical illness, which can often be expensive and lengthy. Plan Includes $50 Annual Wellness Benefit.

4. Long-Term Care Insurance

John Hancock
Long-Term Care Insurance provides assistance for care when the need arises through the normal aging process or due to an injury or illness. It can provide for assistance in a skilled nursing facility, assisted living facility, adult day care, or home care. The individual plan through John Hancock can be customized to include various daily benefit rates, benefit periods, and waiting periods. Employees are responsible for 100% of the monthly premium costs for the Long-Term Care Insurance coverage.

C. RETIREMENT PLANS

1. North Carolina State Retirement Plan

Teachers’ and State Employees’ Retirement System
All full-time, benefits-eligible employees are covered under the Teachers’ and State Employees’ Retirement System. The State Retirement System requires that 6% of each employee’s salary be deducted for the retirement fund. Additionally, for each full-time permanent employee, the State Retirement System contributes 15.21% of their salary to the retirement fund. This amount may change annually.

If enrolled in the State Retirement System, the retirement benefit is vested when an employee has completed five (5) years of creditable service.

An employee may retire with full benefits at:
• Age 65 with 5 years of creditable service
• Age 60 with 25 years of creditable service
• Any time they complete 30 years of creditable service regardless of age
An employee may retire early with a reduced benefit at:
• Age 50 with 20 years of creditable service
• Age 60 with 5 years of creditable service

Death Benefit
After one year of creditable service, a death benefit is provided by the State Retirement System. This benefit is in the amount of one year’s salary, with a minimum of $25,000 and a maximum of $50,000.

Short-Term Disability Benefits
Short-Term Disability benefits are available through the State Retirement System after one (1) year of membership service.

Long-Term Disability Benefits
Long-Term Disability benefits are available through the State Retirement System after five (5) years of membership service.

2. North Carolina Supplemental Retirement Plans

NC 401(k) Plan
The 2015 annual contribution limit for the NC 401(k) plan is $18,000, or $24,000 if age is 50 or older. Contributions in the NC 401(k) plan can be pre-tax, Roth, or a combination of both.

NC 401 (k) Plan Distribution Options:
Before retirement, the NC 401(k) plan offers an option to take a loan or hardship withdrawal from an account. Also, pre-tax contributions can be used to purchase allowable service credits with the State Retirement System.

After retirement or when an employee is at least 59 ½ years of age, the distribution options for the 401(k) are as follows:
• Leave funds in the plan, however, must begin taking a portion at age 70 ½
• Take a full or partial withdrawal systematically (monthly, quarterly, semi-annually, or annually)
• Take a full or partial lump-sum withdrawal
• Roll balance to an eligible IRA

NC 457 Deferred Compensation Plan
The 2014 annual contribution limit for the NC 457 plan is $18,000 or $24,000 if age is 50 or older. All the contributions in the NC 457 plan are pre-tax.
NC 457 Distribution Options:
Withdrawals from the NC 457 Deferred Compensation Plan account are never subject to a 10% federal income tax penalty.

Before retirement, if the employee reaches age 70 ½, has an unforeseeable emergency, experiences a severance of employment, becomes permanently disabled, or requests an in-service transfer to purchase service credit with the State Retirement System.

After retirement, the distribution options for the NC 457 plan are as follows:
• Leave funds in the plan, however, must begin taking a portion at age 70 ½
• Take a full or partial systematic withdrawal (monthly, quarterly, semi-annually, or annually)
• Roll over balance to an eligible governmental 457(b), 401(k), 403(b), or 401(a), or to an IRA

3. Tax-Deferred Annuities
Payroll deduction of an employee’s contributions to a tax-deferred annuity, 403(b), may be arranged by providing signed deduction forms to the payroll office.

The following annuity plans are currently approved for payroll deduction:
• ING-Reliastar (Northern Life)
• Lincoln National Life Insurance Company
• New York Life & Annuity
• VALIC

D. ADDITIONAL EMPLOYEE BENEFITS INFORMATION

1. Pre-Tax Premiums
Section 125 of the Internal Revenue Code allows employees to pay qualified insurance premiums by payroll deduction from gross earnings on a pre-tax basis, which reduces taxable income and taxes.

The terms of a Section 125 election can be changed each year during annual enrollment or as a result of a qualifying event such as marriage, divorce, birth, or job change.
2. **Tuition Assistance**
College employees who enroll as students at the College receive free tuition for one course per academic term with the exception of self-supporting courses. Immediate family members of College employees are granted one-half of their curriculum tuition free when they attend the College. For purposes of this policy, immediate family is defined as spouse, children, and stepchildren.

3. **Longevity Pay**
Longevity pay is granted on a rising scale after ten years of eligible service as a full or part-time permanent employee and is based on annual salary. Longevity pay is paid in a lump sum in the month of eligibility or in the preceding month, if eligibility is after the 15th of the month.

<table>
<thead>
<tr>
<th>Years of Total State Service</th>
<th>Longevity Pay Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 but less than 15 years</td>
<td>1.50 percent</td>
</tr>
<tr>
<td>15 but less than 20 years</td>
<td>2.25 percent</td>
</tr>
<tr>
<td>20 but less than 25 years</td>
<td>3.25 percent</td>
</tr>
<tr>
<td>25 or more years</td>
<td>4.50 percent</td>
</tr>
</tbody>
</table>

4. **Record of Employment**
Persons beginning employment with Gaston College may transfer in accumulated sick leave from other North Carolina state agencies or North Carolina government agencies. Up to 30 days of accumulated vacation leave may be transferred in from other North Carolina state or government agencies.

5. **State Employees’ Credit Union**
Employees are eligible to join the Credit Union, which offers all the features of full-service banking as well as direct deposit of payroll checks. Their local offices are located at 7225 Wilkinson Blvd., Belmont, 704.825.1085; 584 Cox Road, Gastonia, 704.867.3852; 2709 Union Road, Gastonia, 704.864.2085; and 110 Sigmon Road, Lincolnton, 704.732.0764.

6. **Direct Deposit**
All employees are encouraged to take advantage of Direct Deposit. Forms are available online, in the Human Resource
Office, or the Payroll Office. Options include deposits to checking accounts, savings accounts, or a combination of the two.

7. Parking
Free parking for employees is provided in specified parking lots; however, employees must display a College parking permit. Identifying signs marked as Faculty/Staff Parking are posted at the entrances to these lots.

E. LEAVE PLANS

1. Staff Vacation
Staff members are granted vacation leave on a rising scale as listed below. Unused days may be carried over to the following year as long as the accumulated total does not exceed 240 hours. Accumulated totals in excess of 240 hours will be rolled over into sick leave at the end of the calendar year.

<table>
<thead>
<tr>
<th>Years of Aggregate Service</th>
<th>Hours Per Month</th>
<th>Number of Days per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 years</td>
<td>9.33</td>
<td>13.995</td>
</tr>
<tr>
<td>5 but less than 10 years</td>
<td>11.33</td>
<td>16.995</td>
</tr>
<tr>
<td>10 but less than 15 years</td>
<td>13.33</td>
<td>19.995</td>
</tr>
<tr>
<td>15 but less than 20 years</td>
<td>15.33</td>
<td>22.995</td>
</tr>
<tr>
<td>20 years or more</td>
<td>17.33</td>
<td>25.995</td>
</tr>
</tbody>
</table>

2. Faculty Vacation
Faculty members are granted vacation leave as scheduled on the College calendar.

3. Holidays
The College observes 15 paid holidays annually as determined by the President and as indicated on the College calendar.

4. Sick Leave
Faculty and staff are granted 12 days of sick leave per year. Unused days accumulate indefinitely.
F. CONTACT INFORMATION FOR EMPLOYEE BENEFITS

1. State Health Plan
   1.888.234.2416
   www.shpnc.org
   Online Account
   http://gaston.hrintouch.com

2. NC Health Smart
   Health Coach 24/7
   1.800.817.7044
   www.shpnc.org/ncHealthSmart

3. Express Scripts
   Prescription Information
   1.800.336.5933
   www.express-scripts.com

4. Dental Insurance
   1.800.733.7879
   www.assurantemployeebenefits.com

5. Vision Insurance
   1.800.507.3800
   www.superiorvision.com

6. Flexible Spending Plans
   1.800.558.5553
   Fax 1.866.241.1488
   www.keybenefit.com
   Online Account
   www.mywealthcareonline.com/flexpro

7. North Carolina State Retirement Plan
   1.877.627.3287
   https://orbit.myncretirement.com
   Set Up Orbit Account
This overview contains a general description of benefits for use as a convenient reference. Details of benefits are contained in official documents including provider information, summary plan descriptions, plan documents, and applicable policies. Should there be any discrepancy between the information in this overview and official documents, the official documents will apply. Benefit plan designs, rates, and provider agreements are subject to change. In the event of any changes, you will be notified.
GASTON COLLEGE HUMAN RESOURCES
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