

March 2009

Providing news that promotes a balanced lifestyle



Matters

MBH 16021
Nancy Nurse
555 E. Cheves St.
Florence, SC 29501

Your Current **Total Compensation** Statement Is Here!

McLeod is pleased to present you with your *Living Well* Total Compensation Statement.

Living Well is a comprehensive program that provides you with the resources and benefits you need to achieve a healthy work and personal life balance. The overall value of the *Living Well* Program determines your total compensation at McLeod.

Your total compensation consists of the amount of money you receive in each paycheck as well as indirect forms of support you receive from McLeod, such as health and retirement benefits, cafeteria discounts, paid time off, tuition reimbursement, and the Employee Assistance Program. These programs are provided to you at significant cost to McLeod.

To give you a more complete picture of the full value of the *Living Well* program and what that means to you, we have created this personalized benefit statement.

Please take the time to review it carefully. If you have questions, your supervisor can assist with explanations.

Your ability to live well matters to McLeod, and we hope that this Total Compensation Statement matters to you!

\$78,939.69

The dollar amount above represents the value of your total compensation from McLeod Health.



BALANCE POINT

The percentage below represents what McLeod pays for the benefits and resources available through *Living Well* in addition to the value of your annual base rate of pay...

32%

Your Current McLeod Health Total Compensation Statement

Nancy Nurse
Employee Number: 9999999
Data Current as of: 03/05/2009

Bi-weekly Assigned Hours: 72
Hourly Rate/Base Annual Salary: \$31.81 / \$59,548.32

Level 1 Assuring Competitive & Just Wages

You Pay

McLeod Pays

| | | | | |
|-------------------------------------|-----------|-------------|-----------|------------------|
| Regular Earnings (Last 12 Months): | \$ | 0.00 | \$ | 50,563.10 |
| Miscellaneous Pay and Recognition:* | | | | |
| Overtime | \$ | 0.00 | \$ | 3,198.01 |
| Shift Differential | \$ | 0.00 | \$ | 4,843.36 |
| Bonuses | \$ | 0.00 | \$ | 0.00 |
| Call Pay | \$ | 0.00 | \$ | 0.00 |
| PTO Cash-In | \$ | 0.00 | \$ | 0.00 |
| Other | \$ | 0.00 | \$ | 763.44 |
| SUBTOTAL OF LEVEL 1: | \$ | 0.00 | \$ | 59,367.91 |

* These miscellaneous earnings are based on your actual pay records for the past 12 months. The amounts simply show other earnings that add to your total compensation.

Other Pay and Recognition Benefits: Associate Recognition & Rewards, Retirement Recognition, Holiday Gift Card, Service Awards.

Level 2 Programs to Protect Health & Income

You Pay

McLeod Pays

Health Protection:

| | | | | | |
|-----------------------------|---------------------------------|----|----------|----|----------|
| Medical Insurance: | H-Core/En/Rx/PR / Employee Only | \$ | 1,075.44 | \$ | 7,294.44 |
| Dental Insurance: | Waived | \$ | 0.00 | \$ | 0.00 |
| Critical Illness Insurance: | | \$ | 902.00 | \$ | 0.00 |

Income and Property Protection:

| | | | | | |
|-----------------------------|------------------------------|----|--------|----|----------|
| Short-Term Disability 60%: | \$ 687.10 Benefit per week | \$ | 101.23 | \$ | 333.47 |
| Long-Term Disability 60%: | \$2,977.42 Benefit per month | \$ | 226.28 | \$ | 285.83 |
| Employee Health & Safety: | | \$ | 0.00 | \$ | 364.00 |
| Unemployment Insurance: | | \$ | 0.00 | \$ | 0.00 |
| Paid Time Off (FMLA, Sick): | | \$ | 0.00 | \$ | 2,001.30 |
| | | | | | 0.00 |

Survivor Protection:

| | | | | | |
|----------------------------|-----------------------------|----|--------|----|--------|
| Group Term Life Insurance: | \$239,000 (4 x Base Salary) | \$ | 573.60 | \$ | 164.91 |
| Dependent Life Insurance: | \$10,000 Spouse/\$10,000 | \$ | 45.60 | \$ | 0.00 |
| Voluntary AD&D Insurance: | \$300,000 / Family | \$ | 126.00 | \$ | 0.00 |
| Universal Life Insurance: | | \$ | 0.00 | \$ | 0.00 |

SUBTOTAL OF LEVEL 2: **\$ 3,050.15** **\$ 10,443.95**

Level **3** Programs to Enhance Financial Well-Being

You Pay

McLeod Pays

Retirement Well-Being Program:

| | | | |
|------------------|---------------------------------------|-------------|-------------|
| Social Security: | | \$ 3,781.14 | \$ 3,659.02 |
| Medicare: | | \$ 884.29 | \$ 855.73 |
| 401(k): | (Current election is 6% of gross pay) | \$ 3,945.59 | \$ 1,905.43 |

Tax Savings:

| | | | |
|----------------------------------|---------------------|-------------|---------|
| Medical Spending Account: | | \$ 3,833.32 | \$ 0.00 |
| Dependent Care Spending Account: | (Not Participating) | \$ 0.00 | \$ 0.00 |

SUBTOTAL OF LEVEL 3:

\$ 12,444.34 \$ 6,420.18

Level **4** Building Health & Wholeness

McLeod Pays

| | | |
|---------------------------------|--------------------------------------|-------------------------|
| McLeod Health & Fitness Center: | (Your actual contribution: \$850.00) | \$ 216.00 ^{††} |
| Employee Assistance Program: | | \$ 22.45 [†] |
| Child Development Center: | | \$ 0.00 ^{††} |
| Paid Time Off: | | \$ 2,145.39 |
| Cafeteria: | | \$ 109.34 ^{††} |

SUBTOTAL OF LEVEL 4:

\$ 2,493.18

[†]Estimated annual cost per employee

^{††}Estimated additional annual cost to McLeod beyond employee contribution

Level **5** Whole Life Success

McLeod Pays

| | | |
|---|--|------------------------|
| Growth & Development: | | \$ 214.47 [✦] |
| Clinical Scholarship/Tuition Reimbursement: | | \$ 0.00 ^{✦✦} |

SUBTOTAL OF LEVEL 5:

\$ 214.47

[✦]Estimated annual cost per employee

^{✦✦}Based on 2008 scholarship awards.

Achieving Balance in Life

McLeod Pays

The total value represented within each section of your *Living Well* total compensation statement:

| | |
|--|---------------------|
| Level 1: Assuring Competitive & Just Wages | \$ 59,367.91 |
| Level 2: Programs to Protect Health & Income | \$ 10,443.95 |
| Level 3: Programs to Enhance Financial Wellbeing | \$ 6,420.18 |
| Level 4: Building Health and Wholeness | \$ 2,493.18 |
| Level 5: Whole Life Success | \$ 214.47 |
| GRAND TOTAL: | \$ 78,939.69 |

Q1. How is Level 1: Assuring Competitive and Just Wages, calculated?

A1. The goal of this statement is to present the most accurate picture possible. For that reason your historical salary information for the past 12 months was the most accurate reflection of your true compensation. Many of your benefits (Short Term Disability Insurance, Group Term Life Insurance, etc.) are based upon your annual base salary and do not include other earnings like overtime, shift differential, call pay and other earnings that vary significantly and are impossible to accurately estimate.

Q2. What is "Other Pay?"

A2. Other pay is a section used to capture miscellaneous pay codes such as; Bereavement, Jury Duty, Miscellaneous Other Pay, Special Pay, and other miscellaneous compensation that may be specific to your position.

Q3. I understand that my statement reflects my current base salary and all other pay. What date was used to determine these values?

A3. The salary and hours that were in the payroll system as of March 05, 2009, were used to calculate your annual base pay and other earnings.

Q4. How were my annual retirement contributions determined?

A4. We calculated this section by using your actual deductions and actual McLeod Health contributions for the past 12 months.

Q5. What if my employee contributions appear to be high?

A5. Your contributions are determined by your individual benefit elections. If you participate in multiple optional benefit plans such as supplemental life insurance and flexible spending accounts, your contributions could be significantly higher than other associates. Also, many of your benefit deductions are on a pre-tax basis which lowers your taxable income and saves you money on taxes. If you have specific questions about these deductions your supervisor can assist with explaining.

Q6. How do I find out more information about my personal benefit elections?

A6. Employee Self-Service is available through the McLeod intranet, accessible from PC's located in most departments. PC's are also available for accessing Employee Self-Service during normal business hours at the Human Resources Service Center, located next to the train station. Log on using the ID and password supplied to you by Information Services. Select the Benefits link, then Current Benefits to view your current elections.

Q7. Why is my Paid Time Off (PTO) listed under Level 2 (Programs to Protect Health and Income) and Level 4 (Building Health and Wholeness)?

A7. PTO is designed to allow you to take time off away from work for planned vacations, rest and relaxation which are all part of Level 4 Building Health & Wholeness. PTO also has the flexibility to cover unplanned sick time and time taken to care for our loved ones. This unplanned PTO is listed under Level 2 Protecting Health & Income. Because of the different situations for PTO use we felt that it was most accurate to show you PTO in two levels. The value will be reflected in the appropriate category where your time was recorded.

Q8. How was the "Total Compensation" number on the front page calculated?

A8. Total Compensation is the combined total of Levels 1-5 as shown on the bottom of Page 3. This number is representative of your total income plus the cost of all of the benefits provided by McLeod.

Q9. How was the benefits percentage on the front cover calculated?

A9. We took the total amount that McLeod pays for benefits in levels 2-5 and divided this number by your base annual salary. Your base annual salary is your current rate of pay times your budgeted hours times 26 pay periods. For most employees, the amount that McLeod pays for Benefits and other programs represents a substantial portion of your "Hidden Paycheck"!

Please Note: While every effort was taken to report accurate values on your current Total Compensation Statement, discrepancies or errors are possible. In the event of any discrepancy, the plan documents will prevail. Should you have any additional questions regarding this statement, please contact the Human Resources Service Center at 777-2595.