



Living Well
CREATING BALANCE IN LIFE



Introduction to Your **BENEFITS**
at McLeod Health • 2009

Welcome!

Congratulations on your new role with McLeod Health, and if you are new to our hospital, welcome! We are glad you are joining our team in a benefits-eligible status, and we want to assist you in taking advantage of the many comprehensive benefit programs that make us the employer of choice in northeast South Carolina. To help put them into a format that meets the diverse needs of our workforce, we have created a unique program we call “*Living Well*.”

How to Learn about Your Benefits

You will have many opportunities to hear about and utilize the excellent benefit programs McLeod offers employees. In particular, we hope you:

- 1 Enroll** in your benefits, including medical, dental and other key benefits within the stated timeframe,
- 2 Review** your retirement information to be sure you understand how to build your retirement resources, and
- 3 Read** this brochure and your Benefits Resource Guide to make sure you know how to utilize the resources McLeod Health makes available to you.

Remember, it’s your responsibility to review and take advantage of the benefit programs that best meet your needs!

If you have any questions about the benefits offered at McLeod Health, call the HR Service Center at **(843) 777-2595**.



Living Well: Creating Balance in Life

McLeod wants you to live well. And, *Living Well* means finding ways to meet and balance the many needs and challenges that each of us faces in our daily work and personal lives. *Living Well* is a framework for developing and communicating a comprehensive partnership between McLeod and you.

Our goal is simple: To empower you with the resources you need to achieve a healthy work and personal life balance through a wide variety of employee benefits, support, and developmental programs.

McLeod understands that not everyone has the same needs, desires, or life goals. Recognizing the diversity that exists within our workforce, we have designed *Living Well* to help you move closer to living a life that’s balanced. That’s why we refer to *Living Well* as “**Creating Balance in Life**.”

Living Well begins by offering you foundational programs that meet your basic needs, such as competitive compensation and affordable health care coverage. *Living Well* builds on that foundation with programs focused on higher-level needs, personal wholeness and well-being. Each level of the program supports previous levels.

Living Well is organic: It is a work in progress that will evolve over time to ensure that each part of the whole remains aligned with our core values, supports our mission, complies with all laws, and remains affordable to you and McLeod.

BALANCE POINT

- You are eligible for benefits at McLeod Health if you are budgeted and regularly scheduled to work 40 hours or more per pay period.
- You are considered a full-time employee if you are budgeted and regularly scheduled to work 72 hours or more per pay period.

Living Well: The Philosophy

The **Living Well** philosophy is based on McLeod's core values of **Caring, Person, Quality and Integrity**.

The **Living Well** spiral is divided into five levels of support—beginning with basic life needs consisting of market-competitive pay, health and income protection programs, and evolving to enhanced work-life programs, such as paid time off and career advancement:

- Level ① **Assuring Competitive & Just Wages**
- Level ② **Programs to Protect Health and Income**
- Level ③ **Programs to Enhance Financial Well-Being**
- Level ④ **Building Health and Wholeness**
- Level ⑤ **Whole Life Success**

The following section describes and outlines the programs represented on each level of the **Living Well** spiral.

③ Programs to Enhance Financial Well-Being

- Flexible Spending Accounts
- Credit Union
- Retirement Savings Plan
- Savings Bonds
- Debt/Credit Counseling
- Financial Peace at McLeod
- Angel Food Network

② Programs to Protect Health & Income

- Medical, Dental & Vision Coverage
- PTO for unexpected absences
- STD & LTD Disability
- Group Term Life Insurance
- Dependent Life Insurance
- Term Life with LTC Rider
- AD&D Coverage
- Universal Life Insurance
- Critical Illness Plan
- Workers' Compensation
- Professional Liability Coverage

① Assuring Competitive & Just Wages

- Base Compensation Programs
- Supplemental Compensation Programs
- Various Incentive Programs

⑤ Whole Life Success

- McLeod University
- Professional & Personal Development Programs
- Shadowing & Mentoring Programs
- Internships
- Tuition Reimbursement, Scholarship, and Loan Programs
- Career Coaching & Counseling

④ Building Health & Wholeness

- Employee Assistance Programs
- McLeod Health & Fitness Center
- YMCA Discounts
- Stress Management & Health Education Programs
- Day Care Services
- PTO for Planned Absences and Vacation
- Leave of Absence
- Family & Medical Leave
- Cafeteria Discounts
- On-site Pharmacy
- Mother-Friendly Workplace



A Closer Look at *Living Well*

Level ① Assuring Competitive & Just Wages

McLeod is committed to offering compensation programs that are internally equitable and market competitive. Pay programs should be compliant with legal and governing bodies, and all pay programs should be within the organization's ability to pay. This applies to all pay practices, including base pay, special pay practices, merit and incentive reward programs.

Level ② Programs to Protect Health & Income

Most of us would say that our greatest asset is a home or our investments. Actually, it's our ability to produce personal income. Programs incorporated into this level are designed to help you protect your current and future "assets" in a way that can be adapted to your personal situation and needs. In addition, some of these programs encourage you to maintain your physical, not just your financial, well-being.

Programs, such as Health, Dental, Paid Time Off (PTO), PTO Cash Out, Short- and Long-Term Disability, Workers' Compensation, and Basic Life are so valuable to employees that McLeod either pays for them or contributes a portion of the cost.

Level ③ Programs to Enhance Financial Well-Being

Until basic income and income protection needs are met, it is difficult to focus on future financial goals. Level 3 programs help you define and meet both short-term and long-term financial needs.

Programs such as direct deposit, pre-tax deductions, Employee Emergency Fund, Credit Union, and Flexible Spending Accounts are intended to help you save money and taxes for short-term needs. The Preferred Retirement Savings and Savings Bonds Programs are designed to help you build wealth for the long-term, such as college education and retirement.

Level ④ Building Health & Wholeness

Another distinguishing characteristic of the *Living Well* program is McLeod's commitment to help employees maintain their health and wellness. McLeod invests substantially in its state-of-the-art Health & Fitness Center, flu shots, weight loss, smoking cessation, stress reduction and other wellness programs that are designed and offered to help you plan a personal course toward health and wholeness.

Most of us would like to have more control over our personal time. That's why McLeod offers programs such as free parking, on-site gift shops, an on-site pharmacy at our main campus, as well as employee discounts for meals in our cafeterias.

Programs such as Paid Time Off for planned absences and leave of absence policies (including FMLA) provide the opportunity for employees to meet personal and family needs. All of these programs focus on helping you bring overall balance to your life.

Level ⑤ Whole Life Success

Once you have met your most basic needs and built a foundation toward a more secure and healthy future, you have an opportunity to focus on your higher-level needs. Your personal and professional development is important not only to McLeod's future success but also to your own personal success in living a whole, healthy, and rewarding life.

McLeod invests in employee personal and professional development through career coaching and counseling, tuition reimbursement, scholarship and education loan programs, on-site training, and recognition programs.

Our performance management and development programs provide the framework for you and your manager to work together on ways to identify growth opportunities and to continuously improve your job performance.

BALANCE POINT

Unless otherwise stated, your benefit coverages go into effect on the first day of the month following your hire date or benefits eligibility date.

Your Benefit Options for 2009

The chart below lists the benefit coverages and options that you can elect when you first become eligible for benefits. As you review this brochure, check the box beside the benefit options and coverage levels you want. You can use this chart for easy reference when you enroll for benefits through the Employee Self-Service System.

Group Benefit Options—Enroll through the Employee Self-Service System				
Plan	Coverage Options			Levels of Coverage
Medical	<input type="checkbox"/> Core Medical Plan (<i>McLeod pays a substantial portion of the medical premium</i>) <input type="checkbox"/> Waive Core Medical Plan Coverage (Default) Optional additions to the Core Medical Plan: <input type="checkbox"/> Enhanced Coverage <input type="checkbox"/> Preventive Coverage <input type="checkbox"/> Prescription Drug Coverage			<input type="checkbox"/> Employee Only <input type="checkbox"/> Employee + Child(ren) <input type="checkbox"/> Employee + Spouse <input type="checkbox"/> Family
Dental	<input type="checkbox"/> High Dental Plan (<i>Employee pays</i>) <input type="checkbox"/> Low Dental Plan (<i>Employee pays</i>) <input type="checkbox"/> Waive Coverage (Default)			<input type="checkbox"/> Employee Only <input type="checkbox"/> Employee + Child(ren) <input type="checkbox"/> Employee + Spouse <input type="checkbox"/> Family
Vision	<input type="checkbox"/> Vision Coverage (<i>Employee pays</i>) <input type="checkbox"/> Waive Coverage (Default)			<input type="checkbox"/> Employee Only <input type="checkbox"/> Employee + Child(ren) <input type="checkbox"/> Employee + Spouse <input type="checkbox"/> Family
Short-Term Disability (STD)	<input type="checkbox"/> 50% of pay (Default) (<i>McLeod pays in full for this option for full-time employees</i>) <input type="checkbox"/> 60% of pay (<i>Employee pays the additional cost for this option</i>)			<input type="checkbox"/> Employee Only
Long-Term Disability (LTD)	<input type="checkbox"/> 50% of pay, up to \$6,000 per month (Default) (<i>McLeod pays in full for the 50% option for full-time employees</i>) <input type="checkbox"/> 60% of pay, up to \$10,000 per month (<i>Employee pays the additional cost for this option with after-tax deductions</i>)			<input type="checkbox"/> Employee Only
Group Term Life Insurance <i>(Note: All life coverage is subject to plan limits; increases in coverage require Evidence of Insurability.)</i>	Basic Coverage (<i>McLeod pays in full for Basic Coverage amounts</i>): <input type="checkbox"/> \$10,000 (Default) <input type="checkbox"/> 1 times pay Optional Coverage: <input type="checkbox"/> 2 times pay <input type="checkbox"/> 3 times pay <input type="checkbox"/> 4 times pay			<input type="checkbox"/> Employee Only
Dependent Life Insurance	<i>(Employee pays with after-tax deductions)</i> <input type="checkbox"/> \$5,000 spouse and each covered child <input type="checkbox"/> \$10,000 spouse and each covered child <input type="checkbox"/> Waive Coverage (Default)			<input type="checkbox"/> Spouse and Child(ren)
Accidental Death & Dismemberment	<i>(Employee pays)</i> <input type="checkbox"/> \$10,000 <input type="checkbox"/> \$20,000 <input type="checkbox"/> \$30,000	<input type="checkbox"/> \$40,000 <input type="checkbox"/> \$50,000 <input type="checkbox"/> \$100,000	<input type="checkbox"/> \$200,000 <input type="checkbox"/> \$300,000 <input type="checkbox"/> Waive (Default)	Limit: \$300,000 or 10 times pay <input type="checkbox"/> Employee Only <input type="checkbox"/> Family
Health Care Flexible Spending Account	<i>(Employee pays)</i> <input type="checkbox"/> Amount elected: \$_____ (maximum \$6,000/year; minimum \$4/pay period; maximum \$250/pay period) <input type="checkbox"/> Waive Coverage (Default)			<input type="checkbox"/> Employee and all eligible dependents
Dependent Care Flexible Spending Account	<i>(Employee pays)</i> <input type="checkbox"/> Amount elected: \$_____ (maximum \$5,000/year; minimum \$4/pay period; maximum \$208.33/pay period) <input type="checkbox"/> Waive Coverage (Default)			<input type="checkbox"/> Employee and all eligible dependents

Voluntary Benefit Options—Available only during Annual Enrollment

Plan	Coverage Options	Levels of Coverage
Critical Illness (Employee Pays)	This plan pays a benefit for the initial diagnosis of certain diseases to help you meet expenses when you are seriously ill.	<ul style="list-style-type: none"> Employee Only Spouse/Dependents
Universal Life (Employee Pays)	This benefit is an individually owned voluntary option that provides a death benefit up to \$150,000.	<ul style="list-style-type: none"> Employee Only Spouse/Dependents
Term Life with a Long-Term Care Rider (Employee Pays)	This benefit option combines a death benefit with Quality of Life benefits. You can apply for \$100,000 without Evidence of Insurability (EOI).	<ul style="list-style-type: none"> Employee Only Spouse
Accident Plan (Employee Pays)	This plan pays a benefit for the treatment of injuries suffered as a result of a covered accident. Benefits are paid regardless of any other health insurance the insured may receive.	<ul style="list-style-type: none"> Employee Only Spouse/Dependents

More About Your Group Benefit Options

Medical Coverage

McLeod offers you a health plan called the “Core Plan” that provides coverage competitive with other plans in the market at affordable rates. The McLeod Core Plan is a traditional preferred provider organization (PPO) insurance plan that covers most types of medical care, including physician office visits, inpatient hospital stays, outpatient services, and psychiatric and substance abuse. The Core Plan lets you receive care from the provider of your choice. The highest level of coverage is available when you use services provided through the McLeod Network.

Core Medical Plan Out-of-Pocket Costs

Plan Feature	Services received in the McLeod Network	Services received in the BCBS Network
Deductible	Individual \$500 Family \$1,200	Individual \$750 Family \$1,500
Coinsurance Maximum	Individual \$2,500 Family \$4,500	Individual \$5,000 Family \$7,500
MD Office Visits	\$25 copay	30% after deductible
Inpatient Facility*	20% after deductible and \$200 per admission copay (max \$800)	35% after deductible and \$1,500 per admission copay
Inpatient MD	20% after deductible	30% after deductible
Outpatient	20% after deductible	30% after deductible and \$40 copay
ER**	20% after deductible and \$100 per visit copay	30% after deductible and \$250 per visit copay
Urgent Care	\$45 copay	\$100 copay

*\$800 max on Inpatient admission copay (4 admissions)

Services provided out-of-network will not be covered

**ER copay waived if admitted from ER

The Core Plan also gives you the flexibility to “build” additional coverage options on to your core coverage. Each additional coverage option (beginning on page 7) has its own unique provisions, and the cost for each represents the particular level of benefits provided. As with most purchasing decisions, the more benefits or higher levels of protection the plan provides, the greater the cost.

Note: Copays do not apply toward deductibles. Applicable deductibles must be met before coinsurance amounts will apply.

Waiving Medical Coverage

As a healthcare provider, we are firmly committed to helping all our employees have medical insurance. If you are budgeted to work 72 hours or more per pay period and you have medical coverage under another non-McLeod medical plan, you may waive McLeod medical insurance.

BALANCE POINT

All coinsurance amounts apply after the appropriate deductible is met. This applies to all medical plans and options.

The Core Medical Plan also includes the following behavioral health benefits:

Behavioral Health Benefits		
Plan Feature	Services through McLeod EAP*	Conventional Behavioral Health Plan**
Employee Assistance Program	5 visits/year (no cost to employee)	Not Applicable
Outpatient Services		
Licensed Therapist (Masters)	\$10-per-visit copay (maximum 20 outpatient visits per year)	Not Covered
Psychologist (Ph.D.)	\$15-per-visit copay (maximum 20 outpatient visits per year)	50% of covered charges (maximum 20 outpatient visits per year)
Psychiatrist (MD)	\$20-per-visit copay (maximum 20 outpatient visits per year)	50% of covered charges (maximum 20 outpatient visits per year)
Inpatient Services		
McLeod Behavioral Health	10% after deductible (maximum 30 days per year; 60 days per lifetime)	10% of covered charges after deductible (maximum 30 days per year; 60 days per lifetime)
Other Facility	10% after deductible (maximum 30 days per year; 60 days per lifetime)	50% of covered charges after a \$500 per confinement deductible (maximum 30 days per year; 60 days per lifetime)

*Services provided by a pre-approved McLeod Behavioral Healthcare Network provider through McLeod Employee Assistance Program

**Services not provided through Employee Assistance Program but may require pre-certification

If services cannot be provided by McLeod Behavioral Health Services but are coordinated through the EAP, coverage will be treated as if provided by McLeod. To maximize your benefit, call the McLeod EAP at 843-317-4949.

Optional Additions to the Core Medical Plan

The Core Medical Plan offers three ways to supplement your core medical coverage:

- 1 enhanced coverage
- 2 prescription drug coverage
- 3 preventive and routine coverage.

You choose the combination of optional additions (if any) you want to add to your Core Plan coverage. The more options you choose, the more comprehensive your coverage will be.

Core Medical Plan
+ Enhanced Coverage
+ Prescription Drug
+ Preventive & Routine
= Highest Level of Coverage

1 Enhanced Coverage

This option features many coverage enhancements compared to the Core Plan, including:

- Predictable copays at McLeod Physician offices
- Lower deductibles and out-of-pocket expenses for other services
- Freedom to receive care from the provider of your choice, within the McLeod or Blue Cross Network with the understanding that services provided in the McLeod Network will be processed at the highest level of coverage.

Enhanced Coverage Out-of-Pocket Costs

Plan Feature	Services Received in the McLeod Network	Services Received in the BCBS Network
Deductible	Individual \$100; Family \$150	Individual \$300; Family \$900
Coinsurance Maximum	Individual \$1,500; Family \$3,000	Individual \$4,000; Family \$6,000
MD Office Visit	\$25 copay	20% after deductible
Inpatient Facility*	10% after deductible and \$200 per admission copay (max \$800)	35% after deductible and \$1,500 per admission copay
Inpatient MD	10% after deductible	20% after deductible
Outpatient	10% after deductible	30% after deductible and \$40 copay
ER**	10% after deductible and \$100 per visit copay	30% after deductible and \$250 per visit copay
Urgent Care	\$45 copay	\$100 copay

*\$800 max on Inpatient admission copay (4 admissions)

Services provided out-of-network will not be covered

**ER copay waived if admitted from ER.

Note: Copays do not apply toward deductibles. Applicable deductibles must be met before coinsurance amounts will apply.

2 Prescription Drug Coverage

Prescription Drug Coverage can be added to the Core Medical Plan. Accessing coverage is easy. Simply present your Blue Cross and Blue Shield card at a participating retail pharmacy or the McLeod Outpatient Pharmacy.

Prescription Drug Deductibles and Coinsurance

Coverage	McLeod Employee Pharmacy	BCBS Network Provider
Annual Deductible	Individual \$75 Family \$150	Individual \$75 Family \$150
Generic	5% no deductible	10% no deductible
Preferred Brand	15% after deductible	20% after deductible
Non-Preferred	35% after deductible	50% after deductible
Per-Script Max	\$150 maximum out-of-pocket per prescription	\$150 maximum out-of-pocket per prescription

Prescription Drug Benefits: Things to Keep in Mind

- If a “generic drug” is available and you choose to take a “preferred brand name drug” or a “non-preferred brand name drug,” the Plan will pay only for the amount that would have been paid had you elected to take the “generic drug.”
- The Prescription Drug Benefit **excludes** non-sedating antihistamines (NSAs) and stomach medicines known as proton pump inhibitors (PPIs) and H2 Blockers.
 - **Non-covered NSAs include:** Allegra, Allegra D, Clarinex, Claritin D, and Zyrtec. **The OTC brands are Claritin.**
 - **Non-covered PPIs include:** Zyrtec D, Aciphex, Nexium, Pepcid, Prevacid, Protonix, Tagamet, and Zantac. **The OTC brand is Prilosec.**

BALANCE POINT

The Preferred Drug List and BCBS Network Providers are available by contacting BCBS of SC through www.southcarolinablues.com or by calling 1-800-760-9290.

3 Preventive and Routine Coverage

Preventive and routine coverage can be added to the Core Medical Plan to give you the coverage you need.

The McLeod preventive and routine coverage option will pay up to \$300 in annual coverage per eligible family member for expenses for routine physical exams, GYN exams, pap smears, mammography, prostate screening, and influenza vaccines. To help ensure your children are healthy, Well-Child Care and children’s immunizations are not subject to the \$300 annual preventive maximum.

Your Out-of-Pocket Costs for Preventive and Routine Coverage

Preventive and Routine Services	McLeod Network	BCBS Network	Out-of-Network
\$300 Individual Annual Maximum	10%	30%	Not Covered
Unlimited Well Child	10%	30%	Not Covered

Special Preventive and Routine Benefit at McLeod Facilities	
Mammogram	No Cost at McLeod
Colonoscopy	No Cost at McLeod
PSA	No Cost at McLeod

Note: The coverage for preventive mammograms, colonoscopies, or PSA screenings applies to the McLeod facility charges only. Physician charges are not included. They will apply toward your preventive and routine coverage benefits and maximums. Preventive and routine coverages must be in accordance with applicable clinical guidelines.

BALANCE POINT

When you use a McLeod facility for your health care, you receive excellent quality care at the lowest cost to you. The facilities in the McLeod Health Network include: McLeod Regional Medical Center, McLeod Medical Center Darlington, McLeod Medical Center Dillon and physicians within McLeod Physician Network.

Dental Coverage

When you enroll in dental coverage, you'll be covered for a full range of dental services. Care is divided into four basic categories: preventive, basic procedures, major procedures, and orthodontic procedures. There are two levels of dental coverage offered in the dental plan. One option gives you expanded covered services for a higher premium and the other option gives you basic covered services at a lower premium. Both options cover routine cleanings and basic restorative care.

Dental Plan Summary

	High Option	Low Option
Deductible	Individual \$50 Family \$100	Individual \$50 Family \$100
Coverage		
Type A: Preventative and Diagnostic	100%	100%
Type B: Basic Restorative	80%	80%
Type C: Major Restorative	50%	Not Covered
Type D: Orthodontia	50%	Not Covered
Maximums		
Calendar Year	\$1,500 (\$750 major)	\$1,000
Orthodontia	\$1,500	Not Covered

Vision Coverage

When you enroll in the Vision Plan you will be covered for your basic vision needs. The plan covers eye exams and gives allowances for eyeglasses and contacts.

NEW! Physicians Eyecare Plan

- Large provider network with over 165 doctors in SC, both Ophthalmologist & Optometrists, including Stokes Eye Center
- \$200 allowance on all eyewear and contact lenses every 24 months
- Eye examination, with contact fitting*, once every 12 months
- \$0 copay for eye exam (in other words no charge)

*\$49 standard contact lens fitting fee or 15% discount off retail for non-standard contact lens fitting to be paid by the member at time of service

Short-Term Disability

Short-term disability (STD) provides income protection for illnesses or injuries that last longer than 14 consecutive calendar days. At McLeod Health, you have two choices for STD protection. You may elect coverage at:

- 50% of your base pay, or
- 60% of your base pay.

McLeod Health believes disability protection is so important that we pay the full cost of the 50% of pay option for full-time employees.

Part-time employees are eligible for STD coverage, too. Coverage is not automatic. Part-time employees may elect STD protection and pay the entire cost to receive coverage.

Long-Term Disability

Long-term disability (LTD) is another extremely important component of our income protection plan that provides income security for a disabling injury or illness that lasts more than 180 consecutive calendar days. This benefit is designed to protect your financial security if you become totally disabled. At McLeod, you have two choices for LTD protection. You may elect coverage at:

- 50% of your base pay, up to \$6,000 per month, or
- 60% of your base pay, up to \$10,000 per month.

McLeod believes disability protection is so important that we pay the full cost of the 50% of pay option for full-time employees. Because you pay income tax on the value of the LTD premiums provided by McLeod, any LTD benefit payments you receive are tax-free.

Part-time employees are eligible for LTD coverage, too. Coverage is not automatic. Part-time employees may elect LTD protection and pay the entire cost to receive coverage. Because you pay for LTD premiums with after-tax dollars, any LTD benefit payments you receive are tax-free.

If you are going to be out for more than 180 calendar days (about six months) due to an injury or illness, you may be eligible to receive LTD benefits. If you have already been approved for your STD benefits, your STD application also will serve as your LTD application.

Survivor Protection

Group Term Life Insurance

McLeod Health offers you five different levels of term life insurance. The coverage is based on your current base pay, rounded up to the next \$1,000, with a combined basic and optional coverage maximum of \$1,000,000. The five life insurance options are:

Basic coverage:

- \$10,000 (default)
- 1 times base pay

Optional coverage:

- 2 times base pay
- 3 times base pay
- 4 times base pay

You must choose one level of coverage. You can't waive group term life insurance coverage. McLeod pays for the \$10,000 and/or 1 times base pay options. McLeod is committed to protecting both you and your loved ones through our survivor protection plans.



For newly eligible employees, you can elect the maximum life coverage of 4x base pay without evidence of insurability (EOI). After the initial newly eligible enrollment period, you may increase one level of life coverage per plan year without EOI. If you elect a higher increase in coverage during a plan year or for a qualified life event, you will have to provide EOI to Liberty Mutual and be approved before the additional coverage requested will become effective. (An EOI form will be provided to you.)

Keep in mind that the "value" of any employer-provided life insurance coverage that is greater than \$50,000 (based on Internal Revenue Service regulations) will result in taxable income to you. This is known as "imputed income." The amount of any imputed income will be shown on your pay stub, and any appropriate taxes will be withheld.

Dependent Life Insurance

Nobody wants to think about the loss of a loved one. Unfortunately, there are financial considerations even in the saddest moments of our lives. While no amount of income can compensate for the death of a family member, it's important that the survivors be able to meet family financial responsibilities. To help you prepare for those financial concerns now, McLeod Health offers dependent life insurance. You can choose from these life insurance options:



- \$5,000 for your spouse and each covered child
- \$10,000 for your spouse and each covered child
- Waive coverage.

Accidental Death & Dismemberment Insurance

Statistics show that accidental bodily injuries are the fourth greatest cause of death in the United States. McLeod Health offers Accidental Death & Dismemberment (AD&D) Insurance that provides a benefit if you or a covered family member loses a limb, eyesight or dies as a result of an accident.

McLeod offers coverage options from \$10,000 to \$300,000. Your coverage is limited to \$300,000 or 10 times your annual base salary, whichever is less.

Benefit Coverage for:	Level of Coverage
You	100% of value selected
Spouse	60% of value selected
Spouse and Child	50% of value for spouse and 10% for child
Child	15% of value selected

Note: If you are over age 70, your benefit is reduced by 50%.

BALANCE POINT

In accordance with federal law, your cost for dependent life insurance is deducted from your pay on an after-tax basis.

Flexible Spending Accounts

Flexible Spending Accounts (FSA) are voluntary accounts that allow you to use your before-tax pay for certain health care expenses and dependent day care expenses as determined by IRS regulations.

You can set up two separate accounts—one for eligible health care expenses for you and your dependents and one for qualified dependent care expenses. These are two separate accounts for two separate purposes. The monies in one account can't be used to satisfy expenses in the other account. You can participate in either of these accounts or both—or none at all—depending on your needs.

Eligible and Ineligible Expenses

A description of eligible and ineligible expenses that can be reimbursed through the Health Care and/or Dependent Care FSA can be found at WageWorks at www.wageworks.com.

Your FSA Contributions

When you establish a Health Care and/or a Dependent Care FSA, you choose the annual amount you want to contribute, up to certain plan limits. This amount is deducted from your paycheck in equal installments before federal, state, most local income and Social Security taxes are withheld.

If you experience a change in family or employment status, you can change your FSA election during the year. For the Dependent Care FSA, a significant increase in the cost of dependent care imposed by a provider who is not your relative is treated as a "change in status."

Since you don't pay Social Security taxes on your contributions, your FSA contributions may reduce your wages reported for Social Security purposes. The effect on your future Social Security benefit at disability or retirement is usually very small.

BALANCE POINT

You may have the opportunity to save 15% or more on out-of-pocket medical expenses by participating in the Health Care FSAs.

FSA Reimbursements

Instructions for filing for reimbursement for your medical or dependent care expenses are included on the reimbursement forms that you may pick up in the HR Service Center or online under the HR Tab. Reimbursement requests must be for services incurred during 2008.

WageWorks processes reimbursements every week. The processing time to receive your reimbursement check is approximately two weeks from the time you mail or fax your reimbursement claim form and receipt(s). **Be sure to save your FSA receipts for verification purposes.**

Health Care Flexible Spending Account

The Health Care FSA can help you pay for eligible health care expenses for you and your dependents and save money on taxes at the same time. You can use the Health Care FSA for eligible medical, dental, prescription medication and vision expenses that are not paid for by another plan. And, you can pay your eligible expenses with the FSA debit card. For more information about the FSA debit card, see below.

Maximum Contribution

You may contribute up to \$6,000 per year as a before-tax contribution to your Health Care FSA. The minimum amount you can contribute is \$4 per pay period.

Eligible Dependents

In general, an eligible dependent under the Health Care FSA is anyone you list as a dependent on your federal income tax return. This includes your immediate family members, a close relative, or other person whose primary residence is your home and for whom you provide more than 50% support.

Debit Card Adds Convenience

If you participate in the Health Care FSA, you can choose to receive reimbursements from your account through the convenience of a debit card. You can use the debit card at

BALANCE POINT

According to IRS regulations, any money left in either of your FSAs at the end of the year must be forfeited and cannot be returned to you. So be conservative when estimating your expense for the coming year. The deadline for filing current year claims is March 31 of the following year.

retail stores to pay for eligible health care-related expenses that are not covered by a medical plan. You can also use the debit card at your doctor's office for co-payments. The amount of your purchase is automatically withdrawn from your Health Care FSA, up to your annual contribution.

In general, using a debit card helps save you time. You don't have to complete and submit reimbursement forms and receipts. And, you don't have to wait to receive reimbursement checks.

If you choose not to use the debit card, you can use the paper form reimbursement service. In this case, you have the option to have your reimbursements deposited directly into your checking account.

Note: In accordance with IRS regulations, certain expenses may require a receipt.

Dependent Care Flexible Spending Account

If you pay for child or elder care, the Dependent Care Flexible Spending Account (FSA) can save you money on taxes. The Dependent Care FSA lets you contribute a portion of your before-tax pay to fund expenses incurred while you (and your spouse, if you are married) work.

Maximum Contribution

In the Dependent Care FSA, you may contribute up to \$5,000 per year. The minimum amount you may contribute per pay period is \$4. The \$5,000 annual maximum applies to all contributions made by you and your spouse to a Dependent Care FSA through McLeod and any other employer.

In the case of a divorce, only one parent can contribute to a Dependent Care FSA.

Enhancing Financial Wellbeing

Angel Food Network at McLeod

Angel Food provides nutritious, name-brand food at a discount—a savings, in some cases, of at least 50% off the cost of what you would pay at a local supermarket. These kinds of savings are possible by harnessing volume purchasing and by relying on volunteers to support the distribution efforts. You can see the Angel Food Network monthly menu on the McLeod Intranet or at www.angelfoodministries.com. For more information, call **777-6009**.



Financial Peace at McLeod



Your financial well-being is so important that McLeod Health sponsors FREE classes to help you learn how to better manage your finances. Financial Peace at McLeod is a unique program that combines effective learning techniques with expert presentations of financial information. The principles are taught via video by nationally known financial counselor, Dave Ramsey. This program consists of 13 basic financial modules and covers topics like saving, getting out of debt, negotiating for the best bargain, understanding insurance and investments, and much more. Each module takes approximately two hours, for a total of 24-26 hours of class time. To learn more log on to [Living Well Online](#), or call **777-2595** for more information.

Mother-Friendly Workplace

McLeod Health recognizes the critical role women play in our workforce. We also recognize the challenges a new or expecting mother faces with her new baby. That is why we have created a "Mother Friendly" workplace for both expecting and new mothers. This program offers assistance to new mothers returning to work who want to continue to breastfeed. Rooms and equipment are available to you to pump your breast milk in a clean, private, and quiet environment. It is available days, evenings, nights, and weekends, until you and your baby are ready to wean. McLeod provides a pump, and an opportunity to join a working mother's support group. For more information, call **777-8465**.



Other Benefits that Add Balance

Income Protection Program

McLeod recognizes that your needs may be different from your coworkers. We also recognize that there are fundamental flaws in traditional vacation, holiday, and illness programs. For these reasons, we are pleased to provide you with a comprehensive Income Protection Program. This program gives you the flexibility to balance your personal needs with the demands of your job.

How the Program Works

The Income Protection Program has been designed to provide you with a “safety net” of protection. The following example shows you how. As you review this example, please keep the following terms in mind:

- **PTO:** Paid Time Off (a bank of time that includes vacation time, holidays, personal time, and absences due to illness)
- **STD:** Short-term disability (full-time benefit; optional for part-time)
- **LTD:** Long-term disability (full-time benefit)

How Benefits Are Coordinated

Here’s how the time-off plans work together under the Income Protection Plan:

Plan that Covers Absence	Days of Disability
PTO*	First 3 calendar days through day 14
STD (50% or 60% with supplement from PTO)	Day 15 up to 180 calendar days or until recovery
LTD (50% or 60%)	181+ calendar days, until age 65, plan limits, or recovery

*For approved leaves of absence PTO may be paid out at the employees discretion up to budgeted hours.

Benefits While on Disability

As a major commitment to our employees, especially those most in need, McLeod continues all benefits for employees who are out of work due to disability and receiving McLeod disability payments. Your benefits will continue at the employee rates, for up to six months, as long as you continue to submit your share of the premium and are receiving employer-provided disability benefit payments. Please make arrangements with the HR Service Center for continuation of your benefits.

Paid Time Off

Paid Time Off (PTO) is a special bank of time for you to use for vacation, holidays, personal days, or other absences due to your own illness or that of a family member, with pre-approval from your supervisor.

How You Earn PTO

You will receive PTO based on your years of service and eligible status. You earn PTO if you are budgeted and regularly scheduled to work 40 or more hours per pay period.

Full-time employees (1.0/0.9 FTE) will accrue PTO according to the following schedule:

Years of Service	Days Accrued	Annual Maximum Hours
Less than 5 Years	20 days (160 hours)	30 days (240 hours)
5 < 10 Years	25 days (200 hours)	37.5 days (300 hours)
10 years or more	30 days (240 hours)	45 days (360 hours)

You will accrue a prorated amount of PTO each pay period for every hour you work, up to your annual maximum accrual. When your years of service increase to the next level, your PTO accrual will automatically change to the new rate. PTO will not accrue when you are out on a leave of absence. Your PTO balance and the number of hours you use each pay period will be shown on your paycheck.

Maximum Carryover PTO

The maximum PTO accrual allowed to carry over from one calendar year to the next is 1.5 times your maximum annual accrual rate. For example: If you accrue at a rate of 160 hours, your accrual maximum will be 240 hours per year.

PTO Cash Out

McLeod recognizes that not everyone has the same time off needs. To help reward those employees who have accrued higher balances, respond to employee requests and help avoid “maxing out” on PTO, a cash-out opportunity will be available twice annually. In November and May, if you meet the eligibility criteria, you will be able to sell your PTO time. For more information, refer to the Benefits Resource Guide.

Living Well. Retiring Well. Your McLeod Health Retirement Programs

Enhancing financial well-being is one of the goals of *Living Well*. Our preferred Retirement Plan is a program in which you and McLeod work together to build a financially secure retirement.



The Lincoln Financial Group, our retirement plan administrator, will send you an information packet containing details about the plan. The packet will include instructions on how to enroll in the plan, schedule an on-site meeting with a Lincoln Financial Consultant, access the customer service center, and visit the web site.

Who Is Eligible

All employees, except PRNs, are eligible to participate in this plan on the first month following 30 days of employment.

Employee Contributions

To help you build retirement savings, you are automatically enrolled into the plan at a contribution rate of 2% of your salary. You then have the option to elect a pre-tax contribution amount between 1% and 75% of your salary, up to the IRS annual limit of \$16,500 for 2009 and updated annual. You may increase, decrease, or stop your contributions to the plan at any time.

Special Provisions for Employees 50 or Older

The 2009 IRS catch-up contribution limit for employees age 50 or older is \$5,500. This amount is updated each year by the IRS.

BALANCE POINT!

Deductions to this plan begin with the first full payroll period following your eligibility date.

Matching Contributions

To encourage you to participate and help your retirement savings grow, McLeod matches \$.50 for every \$1.00 that you contribute to the plan, up to 6% of your salary deferral. That is like a 50% return on your investment, day one!

Vesting

Vesting is how much of your account you own rights to. You are always 100% vested in your plan contributions. You become vested in McLeod's contributions after three years of credited service. A credited year of service is one in which you worked more than, 1,000 hours in a calendar year.

Investment Options

You can direct where your contributions are invested by selecting from the plan's investment options. If you do not make any investment elections, your account will be invested in a default fund. You may change your investment option mix for future and existing contributions at any time in 1% increments.

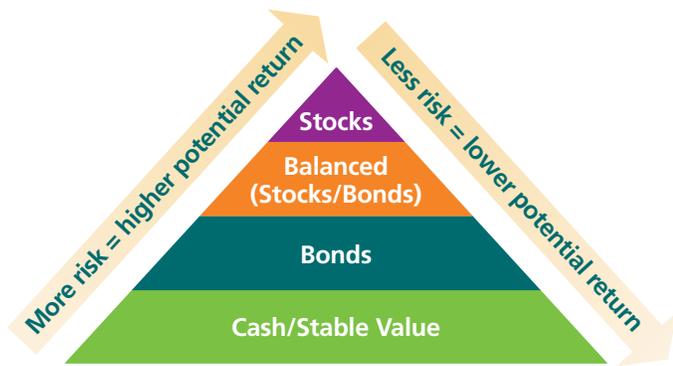
McLeod's Retirement Plan offers numerous investment options including*:

- 15 mutual funds (professionally managed type of collective investment options including stock and bonds)
- 10 T. Rowe Price Target Maturity Funds (designed to provide a simple investment solution through a portfolio where the asset mix becomes more conservative as the target date—usually retirement—approaches)
- One Stable Value Investment (a fund that provides a low return on your investment with very little risk)

*Refer to plan documents and prospectus online at www.LincolnAlliance.com for the most current information.

Rollovers

This plan accepts rollovers from other retirement plans, such as 401(a), 401(k), 403(b), 457, as well as IRAs. See your Lincoln Retirement Consultant by calling **777-5767** to make a personal appointment.



Diversifying your investments among the major asset classes can help minimize investment risk.

Make a Difference in Your Retirement Income

You have the chance to make big differences in your retirement dreams tomorrow by doing something small today. It's human nature to procrastinate. "I can start saving next year," you tell yourself. But the costs of delaying are enormous. Even one year makes a difference. Here are three things to try to accomplish to get your retirement nest egg growing:

- **Start early.** The younger you start, the more time compounding has to work in your favor, and the wealthier you can become. *The next best thing to starting early is starting now!*
- **Make regular investments.** Remain disciplined, and make saving for retirement a priority. Do whatever it takes to maximize your contributions.
- **Be patient.** Do not touch the money. Compounding only works if you allow your investment to grow. The results will seem slow at first, but persevere. Most of the magic of compounding returns comes at the very end.

Accessing Your Retirement Account

A Personal Identification Number (PIN) will be mailed to your home.

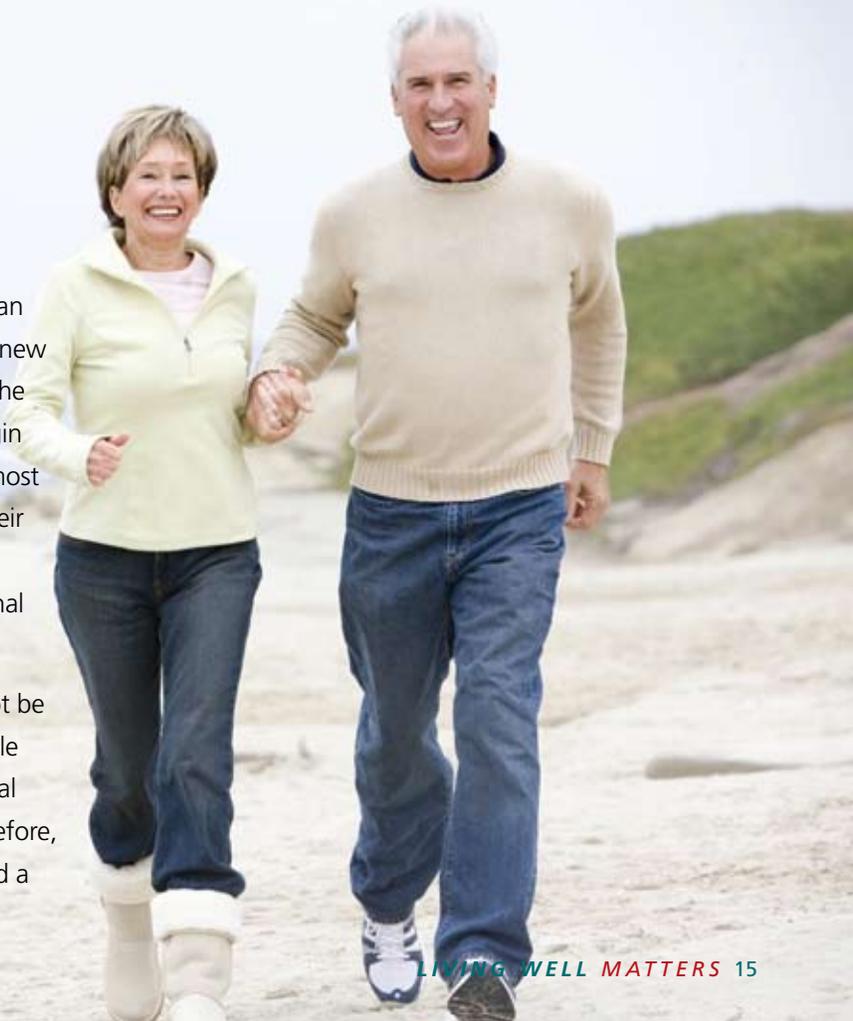
You can access your account by:

- Going to the website at www.LincolnAlliance.com
- Calling Voice Response at **800-234-3500**. Customer service is available 8 a.m. - 8 p.m. (EST).
- Contacting a Lincoln Representative at **777- 5767**.

It is Never Too Early (or Too Late) To Save For Retirement

In the past, retirement was a time to rest. Today, retirement can signal the start of a new life phase. Some people even begin new careers. In order to help ensure that you will be able to lead the type of "retirement" lifestyle you want, you may need to begin planning today. Many financial experts generally agree that most people will need to have income equal to 70% to 80% of their working salary when they retire. Social Security typically will account for only a portion of the money needed. Your personal savings may need to make up the rest.

In addition, many experts suggest that Social Security may not be a reliable income source in the future. Achieving a comfortable retirement is increasingly difficult due to rising costs of medical care, housing, transportation and other living expenses. Therefore, you should take advantage of every tool you can to help build a comfortable retirement.



Important Contact Information

Use this quick reference guide to help you find answers to your questions about McLeod benefits.

Medical Coverage

Blue Cross/Blue Shield of S.C.
Major Accounts Claims Unit
P.O. Box 100300
Columbia, SC 29202
1-800-760-9290
www.southcarolinablues.com

Dental Coverage

Met Life
Dental Claims
P.O. Box 14093
Lexington, KY 40512-4093
1-800-GETMET-8
(1-800-438-6388)
www.mybenefits.metlife.com

Vision Coverage

Physicians Eyecare Plan
48 Courtenay Dr.
Charleston, SC 29403
1-800-368-9609
www.PhysiciansEyecareplan.com

FMLA/Leaves of Absence

McLeod Human Resources
555 E. Cheves St.
Florence, SC 29506-2606
Benefits Specialist
(843) 777-2595

Short-Term Disability

Liberty Mutual
2810 Coliseum Center Dr.
Charlotte, NC 28217
Report Claims Only:
1-800-713-7384
Claims Questions:
1-800-291-0112

Long-Term Disability

Liberty Mutual
2810 Coliseum Center Dr.
Charlotte, NC 28217
Report Claims Only:
1-800-713-7384
Claims Questions:
1-800-291-0112

Group Life/Dependent Life

Liberty Mutual
2810 Coliseum Center Dr.
Charlotte, NC 28217
Report Claims Only:
1-800-713-7384
Claims Questions:
1-800-291-0112

Claims Benefits Specialist

(843) 777-5514

Accidental Death & Dismemberment

Liberty Mutual
2810 Coliseum Center Dr.
Charlotte, NC 28217
Report Claims Only:
1-800-713-7384
Claims Questions:
1-800-291-0112

McLeod Employee Health

(843) 777-2031

Flexible Spending Accounts

McLeod Human Resources
555 E. Cheves St.
Florence, SC 29506-2606
(843) 777-2595

McLeod Employee Assistance

(843) 317-4949

Critical Illness

Continental American
Insurance Company
P.O. Box 427
Columbia, SC 29202
1-800-433-3036
www.caicworksite.com

Retirement Plan

Lincoln Financial Group
1300 Clinton St.
Fort Wayne, IN 46802
1-800-234-3500
www.lincolnalliance.com

Workers' Compensation

Employee Health McLeod
555 E. Cheves St.
Florence, SC 29506-2606
(843) 777-2031

Health Facilities Credit Union

501 S. Irby St.
Florence, SC 29504
(843) 669-4041
www.healthfacilities.org

Universal Life

Continental American
Insurance Company
P.O. Box 427
Columbia, SC 29202
1-800-433-3036
www.caicworksite.com

This brochure provides highlights of the McLeod Health employee benefits program effective January 1, 2009. Nothing in these materials in any way creates an expressed or implied contract of employment between McLeod Health and its employees.

If you want to read the legal documents governing the McLeod Health Benefit Plans, they are available in the HR Service Center during regular business hours. If there is a discrepancy between this summary and the plan documents, the plan documents govern.