

PENNS^TATE



OVERVIEW OF BENEFITS

REGULAR FULL-TIME FACULTY AND STAFF MEMBERS

PREPARED BY
OFFICE OF HUMAN RESOURCES
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This material has been prepared to acquaint regular full-time faculty and staff members with highlights of their benefits program. It is intended to be a general summary and not a definitive policy statement. Decisions regarding benefits are made on the basis of the more definitive statements found in such documents as benefits booklets, insurance policies, laws, and other official University

publications. References in this material such as “See HR-36” refer to the University’s Policy Manual.

For further information contact the Employee Benefits Division, 410 James M. Elliott Building, University Park, PA 16802 or call: (814) 865-1473, E-mail: Benefits@psu.edu or go to our website at <http://www.ohr.psu.edu/benefits>.

HEALTHCARE

Eligibility

Healthcare is comprised of medical, dental, and vision coverage. Each regular full-time faculty or staff member may elect coverage and also cover his or her spouse, same-sex domestic partner and dependent children, with premiums paid through payroll deductions.

Dependent children are defined as unmarried children until their nineteenth birthday, or until their twenty-fourth birthday if they are full-time students.

Coverage for the faculty or staff member begins immediately upon date of appointment (pay status) provided coverage is elected and an enrollment form is signed within thirty-one days of such appointment date. If eligible dependents are not enrolled during this initial thirty-one day period, coverage can only be requested during the annual open enrollment period in the month of November effective January 1 of the following year. Dependents acquired after the employee's appointment date may be enrolled with immediate coverage if done so within thirty-one days of the marriage, birth or adoption. The Employee Benefits Division must be notified when dependent coverage is to be changed.

Coordination With Other Plans

If a faculty or staff member or a dependent participates in another group health plan, payments are coordinated with the other group coverage to ensure that no more than 100% of covered medical expenses will be paid.

Termination of Coverage

The coverage for a faculty or staff member and dependents will terminate when they cease to be an eligible employee as defined by University policy or if the Benefit Plan is discontinued. In addition, dependent coverage ceases when the dependent no longer is an eligible dependent as defined by University policy.

In certain cases, such as the death of the faculty/staff member, termination, divorce or when dependent children are no longer eligible for coverage, benefits may be continued. Further details may be obtained from the Employee Benefits Division.

HIGHMARK BLUE SHIELD PPOBLUE

The Highmark Blue Shield PPOBlue plan allows you the freedom of choice of health care providers both in and out of the network. If you live or use providers outside of Pennsylvania you also have the services of the Blue Cross Blue Shield Association's worldwide Blue Card network to prevent additional out-of-network expenses.

Highmark Blue Shield PPOBlue protects against large out-of-pocket expenses with the use of annual maximums for both medical and drug charges. No deductibles for in network services.

The following are examples of benefits available under Highmark Blue Shield PPOBlue in and out of network:

Penn State PPOBlue Benefit Summary



PAYMENT LEVEL	IN-NETWORK DEDUCTIBLE	OFFICE VISITS	EMERGENCY ROOM SERVICES
100%/80%	\$0/\$0	\$10/\$15 COPAY	\$50 COPAY

With your PPO, or Preferred Provider Organization, if you receive services from a provider who is in the PPO network, you'll receive the highest level of benefits, 100% of the Provider's Reasonable Charge. If you receive services from a provider who is not in the PPO network, you'll receive the lower level of benefits. You will be responsible for paying the difference between the out-of-network payment and the out-of-network provider's charge. In either case, you coordinate your care. There is no requirement to select a Primary Care Physician (PCP) to coordinate your care. Below are specific benefit levels that apply during your benefit period.

BENEFITS	IN-NETWORK	OUT-OF-NETWORK
Benefit Period	Contract Year <i>Twelve consecutive months beginning on the contract date</i>	
Deductible Per Benefit Period	None	\$500 Individual \$1,000 Family Aggregate
Payment Level <i>Based on Provider's Reasonable Charge (PRC)</i>	100% PRC	80% PRC after deductible until out-of-pocket limit is met; then 100% PRC
Out-of-Pocket Limit <i>Includes Coinsurance, certain exclusions may apply</i>	Not Applicable	\$2,000 Individual \$4,000 Family Aggregate
Lifetime Maximum	Unlimited	\$500,000/person
Ambulance	100% PRC	80% PRC after deductible
Assisted Fertilization Procedures (Artificial Insemination Only)	100% PRC	80% PRC after deductible
	----- \$2,500 maximum per lifetime	
Dental Services Related to an Accidental Injury	100% PRC	80% PRC after deductible
	----- Limited to surgery within 24 hours of accident	
Diabetes Treatment	100% PRC	80% PRC after deductible
Diagnostic Services Lab, X-ray, and Medical Tests	100% PRC	80% PRC after deductible
Durable Medical Equipment, Orthotics and Prosthetics	100% PRC	80% PRC after deductible
Emergency Room Services	100% PRC after \$50 Copay – waived if admitted	
Hearing Care Services	100% PRC	
	----- Limited to \$700 per 36 months for the purchase of a hearing aid device and audiometric testing	
Home Health Care <i>Excludes Respite Care</i>	100% PRC	80% PRC after deductible
	----- 120 visits/benefit period	
Hospice <i>Includes Respite Care</i>	100% PRC	80% PRC after deductible
Hospital Expenses <i>Inpatient and Outpatient</i>	100% PRC	80% PRC after deductible
Infertility Counseling, Testing and Treatment <i>Treatment includes coverage for the correction of a physical or medical problem associated with infertility.</i>	100% PRC	80% PRC after deductible
Maternity <i>Includes Dependent Daughters</i>	100% PRC	80% PRC after deductible
Medical Care <i>Includes Inpatient Visits and Consultations</i>	100% PRC	80% PRC after deductible
Mental Health Inpatient Ⓞ	100% PRC	80% PRC after deductible
	----- 30 days/benefit period (up to 30 for serious mental illness)	
Mental Health Outpatient Ⓞ <i>Includes services provided by licensed social workers and licensed professional counselors</i>	100% PRC after \$15 Copay	50% PRC after deductible
	----- 30 visits/benefit period (up to 60 for serious mental illness)	
Occupational Therapy <i>Outpatient</i>	100% PRC after \$15 Copay	80% PRC after deductible
	----- 24 visits/benefit period	
Office Visits <i>Primary Care Physician</i>	100% PRC after \$10 Copay	80% PRC after deductible
<i>Specialty Care Physician</i>	100% PRC after \$15 Copay	80% PRC after deductible

PAYMENT LEVEL	IN-NETWORK DEDUCTIBLE	OFFICE VISITS	EMERGENCY ROOM SERVICES
100%/80%	\$0/\$0	\$10/\$15 COPAY	\$50 COPAY
BENEFITS		IN-NETWORK	OUT-OF-NETWORK
Oral Surgery		100% PRC	80% PRC after deductible
Physical Medicine		100% PRC after \$15 Copay	80% PRC after deductible
<i>Outpatient</i>		24 visits/benefit period	
Preventive Care			
<i>Adult Preventive Care Schedule includes:</i>			
<i>Routine Physical Exam</i>		100% PRC after \$10 Copay	80% PRC after deductible
<i>Immunizations</i>		100% PRC	80% PRC after deductible
<i>Routine Diagnostic Screening</i>		100% PRC	80% PRC after deductible
<i>Screening Mammography</i>		100% PRC	80% PRC after deductible
<i>Routine Gynecological Exam & Pap Test</i>		100% PRC after \$15 Copay	80% PRC no deductible/lifetime maximum
<i>Pediatric Preventive Care Schedule includes:</i>			
<i>Routine Physical Exams</i>		100% PRC after \$10 Copay	80% PRC after deductible
<i>Pediatric Immunizations</i>		100% PRC	80% PRC no deductible/lifetime maximum
<i>Routine Diagnostic Screening</i>		100% PRC	80% PRC after deductible
<i>Highmark's preventive care schedule is updated periodically based on changes in clinical practice guidelines.</i>			
Private Duty Nursing		100% PRC	80% PRC after deductible
		240 hours/benefit period	
Skilled Nursing Facility Care		100% PRC	80% PRC after deductible
		100 days/benefit period	
Speech Therapy		100% PRC after \$15 Copay	80% PRC after deductible
<i>Outpatient</i>		24 visits/benefit period	
Spinal Manipulations		100% PRC after \$15 Copay	80% PRC after deductible
<i>Outpatient</i>		24 visits/benefit period	
Substance Abuse Detoxification		100% PRC	80% PRC after deductible
		7 days/admission; 4 admissions/lifetime	
Substance Abuse Inpatient Rehabilitation		100% PRC	80% PRC after deductible
		30 days/benefit period; 90 days/lifetime	
Substance Abuse Outpatient		100% PRC after \$15 Copay	80% PRC after deductible
		60 visits/benefit period; 120 visits/lifetime	
Surgical Expenses		100% PRC	80% PRC after deductible
<i>Includes Assistant Surgery, Anesthesia, Sterilization and Reversal Procedures, and Neonatal Circumcision</i>			
Gastric Bypass/Bariatric Surgery		100% PRC	Not Covered
Therapy and Rehabilitation Services		100% PRC	80% PRC after deductible
<i>Chemotherapy, Radiation Therapy, Dialysis, Infusion Therapy, Respiratory Therapy</i>			
Transplant Services		100% PRC	Not Covered
Wigs		100% PRC after deductible	
<i>Cancer diagnosis only</i>		\$300 maximum per lifetime	
Precertification Requirements for Inpatient Admissions		Performed by Network Provider	Performed by Member
<i>No Penalty for Non-compliance. If Highmark Blue Shield is not contacted prior to a non-emergency out-of-network inpatient admission and it is later determined that all or part of the inpatient stay was not medically necessary or appropriate, the member will be responsible for any costs not covered.</i>			
Condition Management		Case Management, Blues on Call, and Disease State Management	

① State mandated benefits (30 inpatient days and 60 outpatient visits annually) **may** apply for serious diagnosis. Serious diagnosis includes schizophrenia, schizoaffective disorder, major depressive disorder, bipolar disorder, obsessive-compulsive disorder, panic disorder, anorexia nervosa, bulimia nervosa and delusional disorder.



Penn State
Prescription Drug Card Program
Incentive Option - Summary of Benefits

PRESCRIPTION DRUG	RETAIL PHARMACY Including University Health Services Pharmacy	MAIL SERVICE PHARMACY Including University Health Services Pharmacy
Deductible	None	None
Prescription Drug - Prescription Drug Card <i>Retail 31 day supply; Mail Order 90 day supply</i>	Member pays: 50% Coinsurance for Generic/50% Coinsurance for Brand Formulary/70% Coinsurance for Non-Formulary	Member pays: 20% Coinsurance for Generic/20% Coinsurance for Brand Formulary/70% Coinsurance for Brand Non- Formulary
<i>Specialty Medications-Will use Highmark's Specialty Tier for cost share assignment. Will require the use of Medmark exclusive.</i>	Member pays: 50% Coinsurance with a maximum copayment of \$50 per prescription for Specialty Rx on the formulary - 70% with a maximum copayment of \$100 per prescription for Specialty Rx not on the formulary.	Not covered, Medmark only.
Formulary	Three tier	
Generic Substitution	When you purchase a brand drug that has a generic equivalent you will be responsible for the brand drug copayment plus the difference in cost between the brand and generic drugs, unless medically necessary	
Out-of-Pocket Maximum	\$1,000 per member	
Claim Submission	Pharmacy Files at Point-of-Sale	
Non-Network Pharmacy	Not Covered	
PRESCRIPTION DRUG CATEGORIES		
Contraceptives (oral and injectable)	Covered	
Fertility Agents	Not Covered	
Fluoride Products	Covered	
Weight Loss Drugs	Covered	
Insulin and Diabetic Supplies	Covered	
Tobacco Deterrents <i>(prescription and over the counter)</i>	Covered Covers gum, inhalers, patches, nasal spray and oral drugs specifically targeted at tobacco cessation \$300 maximum per person/benefit period	
CARE MANAGEMENT PROGRAMS		
Exclusive Pharmacy Provider-Medmark <i>30 day supply</i>	Selected high cost prescription drugs are covered only when they are dispensed through an exclusive pharmacy provider.	
Quantity Level Limits on select prescription drugs	The quantity dispensed under your plan per new or refill prescription may be limited per recommended guidelines.	
Managed Rx Coverage on certain drug therapies	Certain drug therapies may be monitored for appropriate usage and subject to case evaluation if recommended guidelines are exceeded.	
Managed Prior Authorizations	Select drugs may need prior authorization.	

HIGHMARK MEMBER SERVICES
1-800-914-4384
www.highmarkblueshield.com

HEALTHCARE RATES FOR 2009

Health Plan	Employee Monthly	Employee Biweekly	Employer Monthly	Total Cost
<i>Medical Plan: PPOBlue</i>				
Employee	\$ 72.32	\$ 33.38	\$ 329.84	\$ 402.16
Family	\$ 247.62	\$ 114.29	\$ 810.05	\$ 1,057.67
<i>Dental Plan</i>				
Employee	\$ 5.70	\$ 2.63	\$ 22.79	\$ 28.49
Family	\$ 19.46	\$ 8.98	\$ 55.38	\$ 74.84
<i>Vision Plan</i>				
Employee	\$.78	\$.36	\$3.13	\$3.92
Employee and Spouse or Child(ren)	\$2.04	\$.94	\$5.80	\$7.83
Family	\$3.06	\$1.41	\$8.72	\$11.78

Dental Plan

Benefit Category	Plan Pays *
Class I - Diagnostic/Preventive Services (excluded from annual program maximum)	
Exams - two in any calendar year	100%
Cleanings - two in any calendar year	
Bitewing X-rays - twice in any calendar year	
Fluoride Treatments (to age 19)	
Sealants - thru age 10 - 1st molars/age 15 - 2nd molars	
Class II - Basic Services	
Full mouth X-rays-once in any 36 consecutive months	80%
Palliative Emergency Treatment	
Space Maintainers	
Basic Restorative	
Endodontics	
Repair of Broken Dentures	
Simple Extractions	
Oral Surgery	
General Anesthesia	
Periodontics	
Class III - Major Services	
Inlays, Onlays, Crowns	60%
Prosthetics (Bridges, Dentures)	
Implant related Services (limited to subscribers age 18 and over)	
Implant prosthetic (crown)	60%
Inclusive of \$1,000 annual program maximum	
Orthodontics (All subscribers to any age; lifetime annual maximum)	
Diagnostic, Active, Retention Treatment	60%
Orthodontic Lifetime Maximum	\$1,500
Maximums/Deductibles	
Annual Program Maximum (per covered member)	\$1,000
Program Deductible (per member/per family)	\$25.00/\$50.00

* - Percentages are based on United Concordia Companies Maximum Allowable Charges (MAC). The Maximum Allowable Charge is an amount that UCCI has contracted with providers to accept as payment in full, less any deductibles and co-insurances. You can maximize your benefits by obtaining services through a participating United Concordia Provider (Advantage Network, or Nittany Dental Network provider in Centre County).

** - There is no program deductible when services are performed by an In-Network provider. Unmarried Dependent Children covered to age 19/Unmarried Dependent Students covered to age 24.

This listing is a representative listing of covered services—please refer to your Certificate of Coverage and Implant Rider for a detailed description of benefits. Exclusions and limitations may apply.

Predetermination of Benefits

Predetermination of benefits permits a review of a proposed treatment in advance and allows for resolution of any questions before, rather than after, the work has been done. Additionally, both you and the dentist will know in advance, rather than after, the coverage and estimated benefit. A predetermination should be requested when the total charges will be \$300 or more.

VISION CARE COVERAGE

Highmark is a preferred provider organization and is the administrator of the vision plan. Highmark has a network of participating ophthalmologists, optometrists and opticians. Use of participating providers will maximize the vision benefit.

If a faculty or staff member uses a Highmark provider, there will be no out-of-pocket charge for the annual eye exam. Charges for eyewear (lenses and frames are covered every other year) that exceed the plan allowances

will be at a reduced cost.

If a nonparticipating provider is chosen, Highmark will reimburse the participant up to the plan allowance according to the following guidelines. Also available is mail order contact service.

Summary of Covered Charges

For additional information please see our website: www.ohr.psu.edu/benefits



Fashion Advantage Vision Program

Questions? Call 800-914-4384

BENEFIT	NETWORK	OUT-OF-NETWORK REIMBURSEMENT ⁽¹⁾
FREQUENCY⁽²⁾		
Eye examination (including dilation, as professionally indicated)	Once every calendar year	
Eyeglass lenses	Once every calendar year under age 19/Once every two calendar years 19 or older	
Frames	Once every two calendar years	
Contact lenses (in lieu of eyeglass lenses)	Once every calendar year under age 19/Once every two calendar years 19 or older	
EYE EXAMINATION		
including dilation as professionally indicated	\$15 copayment	Up to \$40 allowance
FRAMES		
Fashion level frames from "The Collection"	Covered In Full	
Designer level frames from "The Collection"	\$20 copayment	
Premier level frames from "The Collection"	\$40 copayment	
Retail allowance towards a provider's frame	Up to \$60 allowance	Up to \$30 allowance
STANDARD EYEGLASS LENSES⁽³⁾ (per pair)		
Single vision	Covered In Full	Up to \$35 allowance
Bifocal	Covered In Full	Up to \$40 allowance
Trifocal	Covered In Full	Up to \$50 allowance
Lenticular	Covered In Full	Up to \$72 allowance
CONTACT LENSES⁽⁶⁾ (in lieu of eyeglass lenses – per pair or initial supply of disposable contact lenses)		
Contact lens evaluation and fitting	Not Covered	
<i>Daily wear</i>	Covered in full when formulary contact lenses are prescribed	
<i>Extended wear</i>	Covered in full when formulary contact lenses are prescribed	
Formulary⁽⁷⁾/Nonformulary		
Standard daily wear contact lenses	Covered In Full/ Up to \$90 allowance ⁽⁸⁾	Up to \$90 allowance
Specialty contact lenses	Covered In Full/ Up to \$90 allowance ⁽⁸⁾	Up to \$90 allowance
Disposable contact lenses	Covered In Full/ Up to \$90 allowance ⁽⁸⁾	Up to \$90 allowance
Medically necessary contact lenses (prior approval required)	Covered In Full	Up to \$225 allowance

- (1) If you choose an out-of-network provider, you must pay the provider directly for all charges and then submit a claim for reimbursement.
- (2) Eligibility will be determined from the date of the last similar service paid under this program, or any other Highmark Blue Shield vision program for this group.
- (3) Includes glass, plastic or oversized lenses.
- (4) Progressive multifocals can be worn by most people. Conventional bifocals will be supplied at no additional charge for anyone who is unable to adapt to progressive lenses, however, the discounted price will not be refunded.
- (5) Discounted member price waived for monocular patients and patients with prescriptions +/- 6.00 diopters or greater.
- (6) Contact lenses can be worn by most people. Once the contact lens option is selected and the lenses fitted, they may not be exchanged for eyeglasses.
- (7) Disposable contact lens wearers will receive four multi-packs of lenses. Planned replacement contact lens wearers will receive two multi-packs of lenses.
- (8) Reimbursement amount is applied towards cost of contact lenses. The allowance may or may not apply to the evaluation/fitting.

*This is a summary of vision benefits. Please refer to the group contract for complete benefit information. Should the information in this summary differ from the information contained in the group contract, the terms of the group contract shall govern.

GROUP LIFE INSURANCE

Each regular, full-time faculty or staff member is covered by a basic group term life insurance policy effective with the date of appointment. An individual will have the basic amount of \$5,000 of life insurance provided by the University at no cost to the individual.

In addition, a faculty or staff member may, without providing proof of good health, elect an amount of coverage equal to one, two, or three times base salary (rounded to the nearest \$1,000 of salary) to a maximum benefit of \$150,000. The amount may be increased each year by one times salary up to the lesser of five times salary or \$500,000. Contributions for the additional coverage are based on age as follows:

Ages:	Less than 25	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70 & above
Contributions (per \$1,000 of coverage):											
Monthly	\$.05	.06	.08	.09	.12	.20	.31	.51	.80	1.43	2.55
Biweekly	\$.02	.03	.04	.04	.06	.09	.14	.24	.37	.66	1.18

Rates increase as an individual's age changes from one five-year band to the next. The increase is effective the first full payroll period following the birthday. The amount of insurance will be reduced at age 65 and cannot be increased thereafter.

Following termination of employment, protection under the group life plan is continued for 31 days. During this 31-day period of extended coverage, the terminated faculty or staff member has the right to convert to an individual life policy by contacting any agent of the Prudential Insurance Company within 31 days of termination of the Group Life Insurance. Proof of insurability is not required.

FLEXIBLE BENEFITS

The University offers a program of tax-saving flexible benefits. There are three options.

Option I: Contribution Conversion (automatic) allows all faculty and staff to avoid federal taxes on the portion of their salary that they contribute to their University provided health/dental/vision benefits and the first \$50,000 of group life insurance.

In addition, faculty and staff may voluntarily participate in either or both of the following two options.

Option II: Healthcare Reimbursement Account allows a faculty or staff member to set aside funds on a pretax basis from which reimbursements may be

obtained for out-of-pocket medical, dental, and vision care expenses.

Option III: Dependent Care Reimbursement Account creates a similar fund with pretax salary dollars to reimburse work-related expenses incurred for the care of dependents.

The amounts contributed under the flexible benefit Options I and II are not subject to, Federal, Pennsylvania State Income Tax, Social Security and local wage taxes. Option III flexible benefit, is not subject to Federal and Social Security taxes. Option II and III must be elected the first 31 days of employment or in November each year with an effective date of the following January 1.

LONG-TERM DISABILITY (LTD) AND ANNUITY PREMIUM BENEFIT (APB)

A long-term disability program is available to all full-time employees.

The LTD plan, which is voluntary, is underwritten by The Standard Insurance Company. Coverage begins on the first day of employment or on the date the enrollment card is signed, whichever is later. If coverage is not elected immediately at the time of employment, it may be elected later, however, proof of insurability must be provided to Standard.

Benefits begin six months after disability occurs from sickness or injury and continue for the period of disability or until age 65. (Benefits are payable to individuals beyond age 65 if coverage commenced after they became age 65.)

Disability benefits are equal to 60% of salary with total benefits (including those available from Social Security, Workers' Compensation, etc.) not to exceed \$5,000 a month.

The cost of the LTD plan is \$0.249 per \$100 of covered salary. Premiums are paid by faculty and staff members through payroll deductions.

The optional Annuity Premium Benefit (APB) provides for continuing deposits to a retirement annuity, if you are disabled. Standard will contribute an amount equal to 14.29% of your predisability salary to a TIAA contract for both TIAA and SERS members. The cost of the optional coverage, if selected, is an additional \$0.116 per \$100 of covered salary. APB is only available to full-time employees enrolled in a retirement plan.

Upon termination of employment from Penn State, an individual may request to convert his or her Long-Term Disability coverage to an individual policy, as long as the request is made within 31 days following the date of termination and you were insured for twelve continuous months under the policy. An employee should contact the Employee Benefits Division for the necessary LTD conversion form.

SICKNESS AND ACCIDENT SUPPLEMENT (SAS) Staff Only

The Sickness and Accident Supplement program is designed to provide for continuation of salary, at a reduced level, following the use of or in conjunction with accumulated sick leave and vacation for disabilities of 180 calendar days or less in duration.

To qualify for the benefit, the employee must have at least five years of regular, full-time service and have been off

work more than 60 calendar days due to sickness or injury. The benefit of one-third pay may continue through the 180th day of absence, however, it is not available for any day for which the employee elects to receive full pay. An employee may elect to receive the SAS benefit and charge 1/3 of a day accrued sick leave and vacation (if available) and receive 2/3 pay for the day.

OPTIONAL TAX-DEFERRED ANNUITY PLAN

In addition to the basic retirement plans, a faculty or staff member may participate in an optional salary savings plan. These 403(b) tax-deferred annuity plans are available with TIAA-CREF, Equitable Life Assurance Society, Variable Annuity Life Insurance Company (VALIC),

Vanguard, and Fidelity and provide the option of purchasing additional retirement income benefits with dollars not subject to current income tax. Also, 457(b) Deferred Compensation Plans are available.

EDUCATIONAL PRIVILEGES

Educational privileges are available to regular, full-time faculty or staff members, their spouses, same-sex domestic partner, and their unmarried children. The grant-in-aid is for 75% of the tuition charge and applies only to Penn State resident instruction and continuing education credit courses. (See University policies HR-36 and HR-37 for a more definitive statement.) The following limitations apply:

A faculty or staff member is eligible the semester which begins with or next follows the effective date of full-time employment. The grant-in-aid is provided for a maximum 16 credits per academic year for a person on a 12-month appointment and 12 credits during the two semesters of service for a person appointed for just the Fall and Spring semesters. For purposes of this policy, the academic year begins with the summer session.

A spouse, same-sex domestic partner, except one receiving educational assistance from the University, such as a graduate assistantship, is eligible for the grant-in-aid beginning two years or later from the employee's date of regular employment.

There is no limitation on the number of credits that may be taken. All levels of degrees may be earned.

Unmarried children are eligible beginning with the semester coincident with or next following the faculty or staff member's effective date of full-time employment. The grant-in-aid for children does not apply for graduate studies. To qualify for the grant-in-aid toward Penn State undergraduate tuition, the dependent child of full-time faculty or staff (a) must be unmarried and (b) cannot have a Bachelor's Degree from Penn State or from any other institution.

Faculty or staff exempt personnel who are permanently assigned to locations away from University Park may apply during periods of regular employment for financial aid to pursue graduate study at other institutions within reasonable commuting distance of their locations. To be eligible for this privilege, the person must have prior approval, be enrolled or enrolling as an advanced degree candidate, and not be able to pursue a similar graduate program through The Pennsylvania State University. When approved, the University will reimburse the faculty or staff member for one-half of that institution's tuition or academic charges. The total reimbursement during any one academic year (Summer, Fall, Spring) shall not exceed the value of 75% of 16 Penn State credits. (See University policy HR-65 for a more definitive statement.)

SOCIAL SECURITY

All faculty or staff members at the University (except federal retirement system participants) participate in federal social security. Both the employee and the University contribute at the appropriate rate as determined by federal legislation. Effective January 1, 2009, this rate is 6.20% of

the first \$106,800 of earnings and an additional 1.45% of all earnings. Both the rate and taxable wage base are subject to change as determined by present or future legislation.

ON-THE-JOB INJURY OR ILLNESS

All employees are covered with Workers' Compensation Insurance as a protection for injuries or illness compensable under the Workers' Compensation and Occupational Disease Act. The carrier for this insurance is the Pennsylvania Manufacturer's Association Insurance Company.

This insurance covers medical expenses related to on-the-job injuries and occupational illnesses, and financial

compensation when off work without pay as a result of the injury or illness. It also provides a death benefit, and monthly support for surviving spouse and dependent children under age 18.

Coverage begins with the first day of employment.

TRAVEL ASSISTANCE

When an accident occurs or sudden illness strikes during business or vacation travel, unfamiliar surroundings and medical facilities often present additional pressures. When we travel abroad, language differences, foreign customs and laws, and inadequate medical facilities can make dangerous situations even worse. Fortunately, your Accidental Death and Dismemberment Insurance from the Hartford and the Standard Insurance Long-Term Disability both include travel assistance for employees and their family including spouse, same-sex domestic partner and unmarried children to age 19 or age 24 if they are a full-time student.

Faculty and Staff who participate in the Accidental Death and Dismemberment Insurance have an additional security benefit under the Hartford Travel Assistance program, provided by Europ Assistance, USA. Faculty and Staff who participate in the Standard Life Insurance Long Term

Disability have MedEX travel assistance.

Their professionals are available to provide help when employees need it most, 24 hours a day, 365 days a year. The program provides three kinds of services for business or vacation travels - Pre-Trip Information, Emergency Medical Assistance, and Emergency Personal Services.

ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE (ADD)

Hartford AD&D coverage may also be elected for spouse, same sex domestic partner and dependent children. This program is with the Hartford and is paid by participants through payroll deductions.

The coverage is provided 24 hours a day, 365 days per year for death or loss of sight, limbs, speech, and hearing from accidents occurring on or off the job anywhere in the

world. A permanent disability benefit is provided for insured employees (but not dependents).

In addition, while traveling at home or abroad, employees and covered family members are eligible for various types of travel assistance services.

Following is a list of available coverage and employee costs:

Principal Sum	Employee Only		Employee and Dependents*	
	Monthly	Biweekly	Monthly	Biweekly
\$ 10,000	\$.25	\$.12	\$.39	\$.18
25,000	.63	.29	.98	.45
50,000	1.25	.58	1.95	.90
100,000	2.50	1.15	3.90	1.80
150,000	3.75	1.73	5.85	2.70
200,000	5.00	2.31	7.80	3.60
250,000	6.25	2.88	9.75	4.50
300,000	7.50	3.46	11.70	5.40

*The Family Plan provides additional coverage under which an eligible spouse and dependent children automatically become insured. The amount of insurance applicable to members of the family is expressed as a percentage of the principal sum amount the employee selects as follows:

Spouse60%
Each Child (in the event of dismemberment)50%
Each Child (in the event of death)20%

Enrollment

A new eligible faculty or staff member may enroll during the first 31 days of employment. Coverage is effective the date the enrollment form is signed or the date of employment which ever is later. An eligible faculty or staff member who does not enroll during the initial 31-day period may do so during the month of November with coverage effective January 1.

Changes

During November of each year, changes to be effective the following January may be made in the amount and type of coverage. Changes in the beneficiaries and those resulting from change in marital status may be made at any time.

Termination of Coverage

Coverage ends the last day of the pay period in which the person terminates.

During the month of November a participant may voluntarily terminate his or her coverage in the program effective January 1.

A faculty or staff member has the right to convert to an individual policy by contacting Hartford within 31 days after termination of AD&D coverage.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

The EAP is a confidential program designed to help resolve personal problems. Information, consultation and assistance are provided by professionally trained counselors associated with a private professional organization.

The program encourages early use, when you first notice a problem or when your own efforts to resolve it have not been satisfactory:

- EAP fees for employees and eligible members of the household are paid by Penn State.
- Five visits, per problem, are paid by Penn State.
- Services are confidential.
- Use of EAP is voluntary.

For additional information, all employees should contact Value Options Behavioral Health toll free: 866-749-1735

RETIREMENT

University faculty and staff members participate in one of four different retirement programs: the State Employees' Retirement System (SERS); the Teachers Insurance and Annuity Association – College Retirement Equity Fund (TIAA-CREF); the Federal Civil Service Retirement; or the Public School Employees' Retirement System.

Over 95% of the faculty and staff belong to either SERS or TIAA-CREF. The employee contribution rate for SERS is 6.25% and TIAA-CREF 5.00% of gross salary.

The SERS plan is available to faculty and staff members of the University. It provides a fixed dollar annuity with benefits determined by length of service and average salary for the three highest years of earnings.

TIAA-CREF are nonprofit insurance and annuity companies whose membership is limited exclusively to employees of colleges and universities and related institutions. TIAA is a legal reserve life insurance and annuity company and returns a fixed annuity. Its companion CREF was established to provide benefits based on: money market, bond market, common stock, global equities, growth account, equity index account, social choice, CREF Inflation-Linked Bond, and TIAA Real Estate. Retirement income from membership in TIAA-CREF is determined by

the amount of money that has been contributed to the account by the employee and the University, the age at retirement and the performance of the TIAA-CREF investments. Therefore, there is no rule of thumb for calculating too far in advance the amount of TIAA-CREF benefit that an individual might receive at time of retirement.

However, since the SERS retirement is calculated on a formula basis, a member of the SERS plan who retires at age 60 or older, or with 35 or more years of service, can estimate the amount of his or her basic annual SERS retirement benefit by using the general formula: 2.5% x the number of years and months of retirement credit x the average of the highest three years of earnings.

Both SERS and TIAA-CREF have distinct features which may appeal to an individual faculty or staff member. The following chart compares SERS with TIAA-CREF on several major provisions.

BASIC PROVISION	SERS	TIAA-CREF
1. Type of annuity	Fixed only. Once retirement amount is determined it will not change except by legislative action.	Both fixed (TIAA) and variable (CREF) are available. TIAA annuities remain fixed except for special dividends. CREF annuities vary depending on the performance of the stock account, bond fund or money market, global equities, growth account, equity index account, social choice, CREF Inflation-Linked Bond, and TIAA Real Estate.
2. Contribution rate	Employee: 6.25% of gross earnings, on the first \$245,000. University contributions are determined by State Retirement Board as prescribed by state law.	Employee: 5.00% of gross earnings, on the first \$245,000. University contributions: 9.29% as prescribed by state law.
3. Income tax on employee contributions	Contributions are not subject to federal income tax. Contributions are considered taxable income when returned to the employee.	Contributions are not subject to federal income tax. Contributions are considered taxable income when returned to the employee.
4. Administrative charges	None	None

5. Interest paid on contributions	4.00% annually.	TIAA adjusted annually; 5.25% in 2009.
6. Requirements to qualify for retirement income	a. Full retirement income at age 60 or with 35 years of service. b. Reduced retirement income with 5 or more years service and under age 60.	Retirement income may commence at any age. No minimum length of membership is required.
7. Amount of retirement income	a. Full retirement = 2.5% x number years service x average earnings for 3 highest years. b. Reduced retirement = same as (a) above times actuarial age reduction factor.	Retirement income depends on age at retirement, the total member and University contributions, and the earnings experience of the TIAA-CREF fund.
8. Adjustments in retirement income	May be provided by legislation.	TIAA annuities may be increased by dividends. CREF annuities are adjusted annually (may decrease).
9. Vesting rights	5 years of credited service, or age 60 or over with 3 or more years of credited service.	Available immediately.
10. Disability benefit	Annuity payable after 5 years of service based on years of service, age and earnings for highest 3 years.	No disability as such. Annuity payable immediately or at a later date as determined in #7 above. (See Long-Term Disability section).
11. Death benefit to a beneficiary	Less than 5 years of service; member's contributions plus accumulated interest. More than 5 years of service; amount determined by formula.	Full current value of account based on employee and University contributions. A lump sum refund or various payment options are available.
12. Purchase of additional credit	The following credit may be purchased: (a) service with any PA state agency, (b) up to five years of military, (c) up to ten years out-of-state teaching service.	A member may make additional contributions directly to TIAA-CREF at any time.
13. Refund provision at termination	Refund of employee's contributions plus accumulated interest if member has less than five years of service.	Refund of member's TIAA account (contributions plus interest) only if the member has less than \$2,000 in TIAA. CREF will refund all contributions and interest. A member may leave all TIAA-CREF vested funds on deposit.
14. Portability or transferability	May be transferred if employed by a state agency participating in SERS.	Transferable if employed by another participating TIAA institution.

The Pennsylvania State University is committed to the policy that all persons shall have equal access to programs, facilities, admission, and employment without regard to personal characteristics not related to ability, performance or qualifications as determined by University policy or by state or federal authorities. It is the policy of the University to maintain an academic and work environment free of discrimination, including harassment. The Pennsylvania State University prohibits discrimination and harassment against any person because of age, ancestry, color, disability or handicap, national origin, race, religious creed, sex, sexual orientation, gender identity or veteran status. Discrimination or harassment against faculty, staff, or students will not be tolerated at The Pennsylvania State University. Direct all inquiries regarding the nondiscrimination policy to the Affirmative Action Director, The Pennsylvania State University, 328 Boucke Building, University Park, PA 16802-5901; tel. 814-865-4700/V, 814-863-1150/TTY.

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