

DAV T UNIVERSITY



A FLEXIBLE BENEFITS PROGRAM UNIQUE TO U 2022-2023

A Health Care Program for You



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A HEALTH CARE PROGRAM FOR YOU

Health care and other insurance benefits are a significant portion of your compensation, as well as a special benefit that acknowledges your contributions to the success of Davenport University. Davenport strives to provide employee benefits that are competitive in our industry and fit the needs of unique individuals.

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As the name implies, the Benefits U program is just that - a program designed with each of you and your different needs in mind. We believe a health care plan should meet the individual needs of employees. The best way to achieve that goal is with a flexible program that allows you to make choices.

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Each year, the University benchmarks the benefits offered by other higher education institutions, reviewing national and state data to ensure our benefits program is competitive. When comparing Davenport University's benefit package to other institutions, our Benefits U program has high quality benefits offered to employees at very reasonable rates.

The Davenport Benefits U program is a comprehensive package of benefits that goes beyond medical insurance to cover a range of concerns - dental, vision, life, disability, tuition and retirement.

Please carefully review the information in this guide to aid your enrollment decision-making.

Additional Resources:

- Davenport University Benefits U website
- Summary Plan Descriptions
- Plan Descriptions
- Summary Benefits of Coverage

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In considering the cost of any program, we must take seriously our responsibility to be good stewards of our students' tuition dollars. We have taken the opportunity to create a competitive benefits package and at the same time stem the rate of cost increases without sacrificing quality.

Insurance is a benefit for each employee, and each of you can play a role in ensuring we continue to contain costs and provide the highest-quality benefits possible. You can play a significant role by caring for your health, maintaining timely preventive medical care, and being informed consumers. The choices you make have an impact on costs to the University and to you.

YOUR ROLE

This booklet provides you with the information and tools you need for enrollment You play an important role to ensure a successful enrollment process. The main portion of the booklet covers each plan option in detail, as well as any cost-related information.

Review Benefits U Guide – After reviewing this booklet, enroll online on the Benefits U website during your initial 30 days from hire or during open enrollment.

Open Enrollment – This is the time to review your health plan choices and life insurance amounts as well as update your dependents for the medical, dental, vision and optional life insurance plans. This is also a good time to make sure your beneficiary information is up to date.



BENEFITS U – FLEXIBLE BENEFIT PLANS

The Davenport University Benefits U program allows you to have a role in decisions that affect your health and financial wellbeing.

Along with compensation and other related benefits, the Benefits U program helps in meeting your unique needs.

Benefit needs can vary depending on your age, your personal situation, marital status, or if you have dependents. Benefits U lets you customize your benefits to best suit the needs of you and your family.

The Benefits U program is designed to offer the types of benefits you need while giving you the opportunity to choose the level of coverage and combination of plans that you want. Benefits under these plans include the following:

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In addition to the many benefits offered under the Benefits U plan, the University also provides you with the following benefits depending on your employee classification:

- Basic Life Insurance 1x Annual Salary (Prorated after age 70)
- Basic AD&D Insurance 1x Annual Salary (Prorated after age 70)
- Long Term Disability
- Personal Contribution to 403(b) and Roth
- Employer Retirement Contribution
- Tuition Remission
- Tuition Assistance
- Paid Time Off (Does not apply to 10 month Faculty)
- Holiday Pay
- Volunteer Time Off
- Salary Continuation Coverage
- Employee Assistance Program (EAP)
- Adoption Assistance
- Bereavement Leave
- Tobacco Cessation Coaching Program
- Healthy Guidance Coaching Program

- Tuition Remission*
- Personal Contribution to 403(b) and Roth
- Employer Retirement Contribution
- Employee Assistance Program (EAP)
- Healthy Guidance Coaching Program
- Paid Time Off
- Holiday Pay
- Volunteer Time Off

- Personal Contribution to 403(b) and Roth
- Tuition Remission* (when teaching)
- Employee Assistance Program (EAP)
- Healthy Guidance Coaching Program

for questions: BenefitsU@davenport.edu 5

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Preventive health benefits such as physicals, well child visits and immunizations are covered under this plan. When using a BCBS provider, a physician's office and medical center visits are covered with a simple co-payment without having to first satisfy your deductible. You do not have to choose a primary care physician, and there is no need for a referral prior to visiting a specialist. Other medical needs provided by BCBS providers (x-ray, lab, etc.) are covered at 80% after satisfying the annual deductible (see Comparison Chart on page 12).

• Providers in the network are screened to ensure they meet strict quality guidelines.

Because your provider cannot bill you more than your deductible or co-insurance, your portion of the total charges and your out-of-pocket costs may be lower.

You have less paperwork because your provider submits your claims for you. You also maintain the freedom to receive care outside the BCBS network of providers. If you choose to visit a non-BCBS provider, expenses will be covered at 60% after satisfying the annual deductible (see Comparison Chart on page 12).

Preventive care, just as with the PPO plan, is covered at 100% with no deductibles or other cost to you or your dependents. Under this plan you will be required to first meet a deductible (see Comparison Chart on page 14). The deductible is the amount that you will pay before the plan begins to pay benefits.

After the deductible is met, an 80% co-insurance will apply to expenses such as office visits and lab work. Co-payments will apply for prescription drugs. The out-ofpocket maximum includes the deductible, co-insurance and prescription co-payments that you pay for covered services throughout the year. Once the total out- of-pocket maximum has been paid the plan will pay 100% for covered services and prescriptions. It is important to understand that if you have a family contract, the deductible you will need to reach before the plan begins to pay 80% is for any one family member or a combination of your family members. This is different than the PPO plan that has a per person deductible for family coverage.

Both the PPO plan and the HDHP utilize the BCBS Community Blue PPO network of providers.

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- Have coverage under an HSA-qualified "high deductible health plan" (HDHP). This plan meets that qualification.
- Have no other first-dollar medical coverage (other types of insurance like specific injury insurance or accident, disability, dental care, vision care, or long-term care insurance are permitted)
- Are not enrolled in Medicare
- Cannot be claimed as a dependent on someone else's tax return
- Cannot be enrolled in a General Purpose Healthcare Flexible Spending Account Plan.

Enrolling in the HDHP medical plan and meeting the other criteria above, allows you the opportunity to open a Health Savings Account. Contributions to your HSA can be made by you, your employer or both. Contributions you make from your pay will be pre-tax and any contributions from your employer are tax-free. If you make other after-tax contributions (e.g. a deposit from your current savings), you can deduct the amounts on your taxes.

If you enroll in the HDHP you are eligible to contribute, on a pretax basis to the HSA to help cover the deductible and any eligible medical expenses. For the current plan year, Davenport University will contribute \$400 for single coverage, \$600 for 2-person or \$800 for family coverage to the HSA on your behalf to assist in paying for your qualifie expenses. (New enrollees to the plan after January 1, each year will receive \$200 for single coverage, \$300 for 2-persor or \$400 for family coverage.) Employer contributions will b spread over 26 pays.

The HSA is a bank account, similar to an interest bearing checking account that will allow you a unique way to pay for your health care expenses. Contributions to the account are made on a pre-tax basis, they earn interest and payments you make from the account (including spending interest earned) are tax free as long as they are used for qualified health care expenses. Funds from the account can be used to pay for eligible medical, dental, and vision expense not covered by insurance. In addition, unused money rolls over each year; unlike the healthcare FSA where remaining account balances are forfeited at the end of the plan year.

The maximum calendar year contribution for 2022 (including the Davenport University contribution to the account) is \$3,650 for single coverage or \$7,300 for 2-person or family coverage. Individuals age 55 and older can also make additional "catchup" contributions. The maximum annual catch-up contribution is \$1.000.

Contributions to the account must stop once you are enrolled in Medicare. However, you can keep the money in your accour and use it to pay for medical expenses tax-free.

Your eligibility to contribute to an HSA for each month is generally determined by whether you have HDHP coverage on the first day of the month. Your maximum contribution for the year is the greater of: (1) the full contribution, or (2) the prorated amount. The full contribution is the maximum annucontribution for the type of coverage you have on December 1. The prorated amount is 1/12 of the maximum annual contribution for the type of HDHP coverage you have times the number of months you have that type of coverage. If your contribution is greater than the prorated amount, and you fail to remain covered by an HDHP for the entire following year, the extra contribution above the prorated amount is included in income and subject to an additional 20 percent tax.

	Example: If you first have family HDHP coverage on July 1, 2022, and keep HDHP coverage through December 31, 2022, you are allowed the full \$7,300 family contribution to an HSA for 2022. If you fail to remain covered by a HDHP for all of 2023, \$3,650 would be included income and subject to an additional 20 percent tax.
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n De	You are not required to contribute your own money to the account, but you are eligible to receive the University contribution whether you contribute money to the account or not. An account will be opened on your behalf with Health Equity. If you are ineligible to contribute to an HSA, please email benefitsu@davenport.edu immediately.
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l	Did you know the price of a medical procedure from one facility to another can be vary by hundreds or even thousands of dollars? The BCBS Cost Estimation tool is offered to help employees understand the cost impact of various procedures and ratings of providers.
	This tool allows employees to have more control and influence in healthcare spending decisions to see these
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Both plans provide prescription drug coverage and associated co-pays for the prescriptions. There is a five-tier cost structure for the prescription drugs. Below is an explanation of each tier.

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Generic drugs are made with the same active ingredient(s), available in the same strength and dosage form, and administered in the same way as their equivalent brand name drugs. Generic drugs have a proven record of effectiveness. They also require the lowest co-payment, making them the most cost-effective option for treatment.

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Formulary drugs are brand name medications on a custom Blue Cross Blue Shield formulary listing. The formulary drugs represent the clinical judgment of physicians, pharmacists and other experts in the diagnosis and treatment of disease and promotion of health. Formulary drugs are often purchased at a discount. Formulary options are also safe and effective, but require a higher co-payment than generic drugs.

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Non-preferred Brand name or non-preferred drugs are the most expensive. You will have the highest co-payment for these drugs. However, generic equivalents and similar drugs with generic equivalents or formulary drugs are alternatives

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Generic specialty drugs and preferred brand-name prescription specialty drugs. Require the lowest copay for specialty drugs.

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Nonpreferred brand-name prescription specialty drugs. May not have a proven record for safety or as high of a clinical value therefore these drugs will require the highest copay for specialty drugs. If your physician does not specify a brand name drug, the pharmacy will automatically fill your prescription with a generic version if available. Your physician may request a brand name drug, however the prescription will be subject to the higher co-pay.

Brand name drugs simply cost more, thus the need for a higher co-payment. Generic drugs are a good alternative as they have the same active ingredients and dosage. Purchasing a generic drug can save you money.

Formulary information may be found on the BCBS website.

A mail order program is available for maintenance medication. The mail order plan allows you to receive a 90-day (three-month) supply of a prescription at a lesser cost, equal to two monthly co-pays that you would normally pay at the pharmacy for the PPO plan or after the deductible in the HDHP plan. The mail order program gives you the

COMPARISON OF DU BENEFITS U MEDICAL PLANS

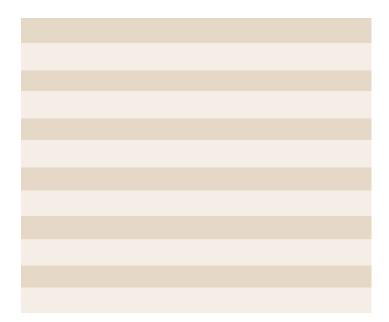
This comparison chart is not a complete list of plan details and does not modify the plan as written. In any case of conflict, the Plan Document will govern. Eligible services and supplies are subject to the Usual and Customary or U&C charges.

UNIVERSITY PROVIDED BENEFITS AND ADDITIONAL OPTIONAL BENEFITS BENEFITS U PROGRAM

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Salary continuation is designed to provide salary protection for absences in excess of five working days, caused by the medical condition of an employee that prevents the employee from working. This benefit is provided to all full-time employees at no cost. If approved, the benefit begins after 5 missed work days and would be exhausted before Short Term Disability or PTO days need to be used. All full-time employees are eligible for salary continuation based on the schedule below. Once approved, the employee will be paid at their normal rate of pay for up to 4 weeks. After four weeks, salary continuation will be paid to the employee at 90% of the employee's normal rate of pay until the employee's eligible benefit is exhausted based on the employee's years of servl

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If you are a participant in the HDHP with HSA the University offers a Limited Purpose Healthcare Flexible Spending Account that eligible to participate in the Health Care Flexible Spending Account. The maximum contribution to the Limited Flexible Spending Account will be \$2,850 for the current calendar year.

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Many families require dependent care services for their children or a disabled adult to enable the employee (and spouse, if married, or if the spouse is disabled) to work, or so the spouse can attend school full time. Because this type of care can be expensive, the University offers the Dependent Care Spending Account. Eligible dependents for this account include:

- Your children under age 13 whom you include as exemptions for tax purposes.
- Adult dependents who spend at least eight hours in your home each day and who are unable to care for themselves because of a mental or physical disability.

You can deposit up to \$5,000 a year to reimburse yourself for the cost of dependent care services (\$2,500 if you are married and file separate tax returns). This amount is taken evenly from each paycheck. In order to use this account, you and your spouse must be at work or school at the time your dependents are receiving care. This account requires that the amount be taken from your paycheck before it may be used for reimbursement.

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Expenses for the following types of dependent care services can be reimbursed through this account:

- Services provided inside or outside your home by anyone other than your spouse or your dependent for income tax purposes
- Services in a day care center that complies with all state and local regulations

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It is important that you plan carefully so that you get the most out of your Spending Accounts. Contribute only as much as you think you will need for the year. You may wish to:

- Review your health care claims and checkbook for the last two years.
- Consider your health status and that of your family.
- Check with your dependent caregivers and summer camps for any price increases.
- Consider any time where you will not need dependent care services (e.g., vacations, leaves of absence, etc.).

To help better estimate your expenses, complete the worksheets on the following page.

Please remember that because of IRS regulations, any money you set aside and don't use by the end of the year cannot be carried over into the next year. So, if you do not use all the money in your accounts for expenses you incur during the year, you forfeit the unused balance. This can be avoided by carefully estimating your expenses in advance.

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If you choose to pay eligible health care and dependent care expenses on a pre-tax basis, a separate account will be set up for each type of expense. The University will deposit the amount you request from each of your paychecks into the accounts. These accounts must be maintained separately; money cannot be transferred from one account to the other.

After you incur eligible expenses and submit proper documentation, you will be reimbursed from your accounts. If you file a claim that exceeds the amount currently in your Health Care Spending Account, you can be reimbursed up to the annual amount you have elected. This is called advance reimbursement and only applies to the Health Care Spending Account. If you file a claim that exceeds the amount currently in your Dependent Care Spending Account, you will be reimbursed only for the amount in your account and will be reimbursed for the rest of the claim as money accumulates in your account. You also will have the ability to use a debit card for purchases at retail pharmacies or physicians offices, for ease of use. You will not have to provide receipts when you use your debit card for prescription co-pays or physician office co-pays that fall under the Davenport University plan. You will have to submit receipts for all other purchases after using your debit card.

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One issue to consider is whether you should claim the Child Care Tax Credit on your federal income tax return or use this account. You cannot claim the same expenses in both places. Keep in mind that you cannot take a Child Care Tax Credit if your spouse does not earn any income unless he/she is a full-time student or disabled and unable to care for your children.

You will have to decide which option is best for your situation. A tax advisor can help you determine the most advantageous approach.

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Full-time employees may receive from one-half day to five days of paid bereavement leave for the death of an immediate family member. The amount of time allowed will be left to the discretion of the supervisor and the specific circumstances of the leave Bereavement leave may be taken in full or half day increments. For additional details please see the Bereavement Leave Policy.

The Employee Assistance Program, or EAP, provides , 1 . access to counseling services and services to assist with everyday challenges.

University holidays include New Year's Day, Dr. Martin Luther King Jr. Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and the Friday following Thanksgiving, Christmas Eve and Christmas Day and two floating holidays as approved. Holidays are communicated on the Benefits U Calendar each year.

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All full-time employees (and their eligible dependents), part-time employees (and their eligible dependents), limited-part-time employees, coaches and adjuncts qualify for the tuition remission benefit for those who wish to take courses at Davenport University, subject to Financial Aid Guidelines. Eligibility begins the first semester after the first day of employment in an eligible classification. The benefits provided for each classification are defined in the Tuition Remission Policy. Tuition remission does not include fees or course materials. To apply for tuition remission, a Tuition Remission Application must be completed each semester prior to the start of the semester being requested.

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Davenport University wants to build a rewarding employment relationship with you and continue to improve our staff and faculty credentials where necessary for enhanced student success. Employees wishing to continue their education by pursuing an advanced degree in a program not offered at Davenport may apply for Tuition Assistance. Under this benefit, staff faculty are eligible to receive a loan for some of the tuition costs for completing a job-related graduate degree. Upon completion of the degree, and after three additional years of service to the University, the loan will be waived. The application deadline to apply for tuition assistance is April 30 for the next fiscal year.

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The University provides a 403(b) tax-deferred annuity plan for eligible employees. All Davenport Faculty and staff, including Adjunct, Part Time and Contract employees are eligible to contribute to a supplemental retirement annuity through payroll deduction on a pre-tax basis, reducing taxable salary and current federal and state taxes. Eligible Davenport employees may also elect to invest after-tax dollars into their 403(b) through a Roth option.

Davenport contributes a discretionary 5% of an eligible employee's base compensation to their 403(b) account and up to an additional 3% matching contribution based on an employee's personal contributions. To receive the max 8% contribution, employees need to contribute a minimum of 3%. Full and Part Time employees are eligible for this benefit the first day of the payroll period following the completion of one year of service.

Years of service with an institution of higher education that meets the eligibility requirements of Code Section 403(b) (1) during the three year period preceding the employee's date of employment with Davenport University may also be counted for years of service eligibility purposes. For additional information on eligibility please contact Human Resources at BenefitsU@davenport.edu.

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Adoption Assistance is designed to provide financial support to full time employees that have completed a year of service and who are adopting a child. The University will reimburse the employee up to \$5,000 of qualified expenses for the adoption of an eligible child. Qualified expenses include court costs, attorney fees, traveling costs and other expenses directly related to the legal adoption of an eligible child. There is a limit of up to two adoptions per household for the lifetime of employment with the University.

FIGURING OUT YOUR HEALTH CARE FLEXIBLE SPENDING ACCOUNTD()] JEMC /P /L01BDC 0 -

Below is a chart showing the tax advantage of using a Health Care Flexible Spending Account. In this example, a person receives a \$312 tax savings by using the Health Care Flexible Spending Account.

Gross Annual Income	\$ 25,000	\$ 25,000
Payments for expenses using pre-tax dollars (deposit in HCSA)	<u>-\$ 1,250</u>	\$0
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Amount of tax to pay	<u>-\$ 5,938</u>	<u>-\$ 6,250</u>
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Payment for expenses using after-tax dollars	-\$ 0	<u>-\$ 1,250</u>
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Additional disposable income from tax savings	\$ 312	\$ 0

FIGURING OUT YOUR HEALTHCARE SAVINGS ACCOUNT (HSA) DEPOSIT

1. Your share of medical, dental, and prescription drug expenses (deductibles and co-payments)	\$
2. Dental and medical expenses greater than the maximum plan benefit (for example, the cost of braces greater than \$1,500)	+ \$
3. Eyeglasses, contacts, and hearing aids not covered by insurance	+ \$
4. Other health care expenses not covered by the Medical or Dental Plans (for example, costs in excess of R&C)	+ \$
5. DU contribution to the HSA (\$400 single/\$600 2-person/\$800 family)	- \$
- ,	\$
* \$ 55 \$. \$	00

ENROLLMENT WORKSHEET



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Single		\$ 63.61	\$ 137.81		\$1,653
Two-Person		\$ 171.50	\$ 371.58		\$4,458
Family		\$ 226.14	\$ 489.96		\$5,879
Working spouse su	ırcharge	\$ 46.15	\$ 100.00		\$1,200
Nicotine Surcharg	e (employee)	\$ 13.84	\$ 30.00		\$ 360
Nicotine Surcharg	e (spouse)	\$ 13.84	\$ 30.00		\$ 360
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		5.			
Single		\$ 20.76	\$ 44.97		\$ 539
Two-Person		\$ 41.02	\$ 88.89		\$1,066
Family		\$ 61.79	\$ 133.88		\$1,606
Working spouse su		\$ 46.15	\$ 100.00		\$1,200
Nicotine Surcharg	e (employee)	\$ 13.84	\$ 30.00		\$ 360
Nicotine Surcharg	e (spouse)	\$ 13.84	\$ 30.00		\$ 360
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