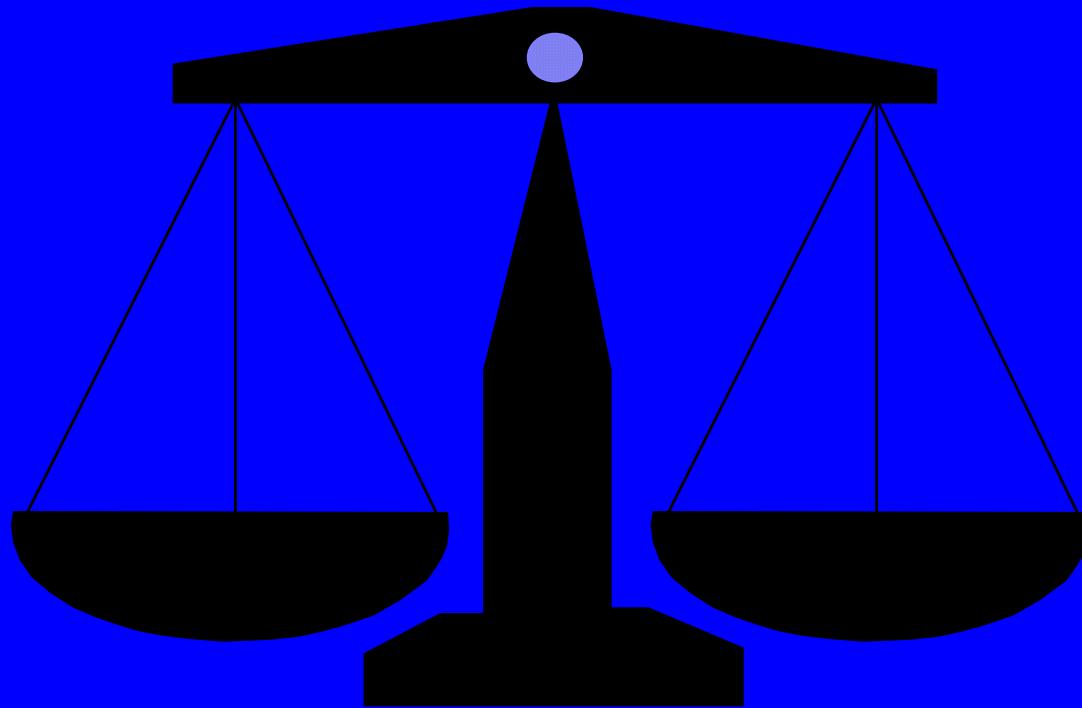


Judicial Employee Benefits Overview

As Of October 1, 2008





Benefits Overview

Main Issues

- ◆ Health Insurance
- ◆ North Carolina Flex Program
- ◆ Teachers' and State Employees' Retirement System
- ◆ Miscellaneous Benefits



Health Insurance

NC State Health Plan Options

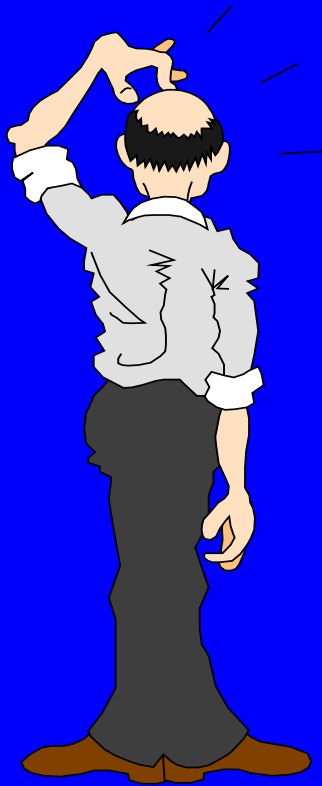
The NC State Health Plan has 3 PPO options available to employee's and their families. All 3 options are administered by Blue Cross and Blue Shield of North Carolina.

- ◆ NC Smart Choice Basic Plan 70/30
- ◆ NC Smart Choice Standard Plan 80/20
- ◆ NC Smart Choice Plus Plan 90/10

Health Insurance Eligibility

- ◆ Health insurance is a tax-free benefit for employees in permanent positions who work at least 30 hours per week.
- ◆ Employees in permanent positions who work at least 20 hours per week may purchase health insurance by paying the full cost.

Health Insurance Effective Dates of Coverage



Employees can choose:

- ◆ 1st of the month following the date of hire, or
- ◆ 1st of the second month following the date of hire

Health Insurance Enrollment Periods



- ◆ Newly Hired Employees must enroll within 30 days.
- ◆ The annual enrollment period will be in the spring for a July 1 effective date.

Health Insurance Option Overview

◆ **SmartChoice Basic (70/30)**

- ◆ You have higher co-pays, coinsurance and deductibles
- ◆ No cost for employee-only coverage; reduced premiums for family coverage

◆ **SmartChoice (80/20)**

- ◆ Coverage at levels between basic and plus plans
- ◆ No cost for employee-only coverage; premiums for all other tiers are less than CMM Plan Rates

◆ **SmartChoice Plus (90/10)**

- ◆ You have lower copays, coinsurance and deductibles
- ◆ Members pay out-of-pocket for employee only coverage and higher premiums for family coverage

Health Insurance

What is a PPO?

- ◆ **PPO = Preferred Provider Organization**
- ◆ **PPO is a health care plan that has:**
 - ◆ An arrangement where providers are under contract to provide medical services at lower than usual fees in return for prompt payment and a volume of patients
- ◆ **Freedom of choice to go in or out-of-network**
- ◆ **Using in-network providers:**
 - ◆ Lowers out-of-pocket expenses
 - ◆ No member submitted claim forms
- ◆ **An emphasis on wellness and prevention**

Health Insurance In-Network Includes

- ◆ Participating providers in all 100 counties
- ◆ More than **22,000** health care providers
(including physicians, specialists, hospitals and other providers)
- ◆ **90%** of the primary care physicians in the state
- ◆ **85%** of the specialists in the state
- ◆ **97%** of the hospitals in the state

Go to www.shpnc.org to find the most current listing on in-network providers.

Health Insurance

In-Network vs. Out-of-Network Providers

Members choose where to receive care

In-Network Providers

- Highest level of coverage
- No referrals needed
- Provider files claims for you
- Provider responsible for obtaining pre-certification

Out-of-Network Providers

- Share more of cost of care
- No referrals needed
- May be required to submit claim form
- Member responsible for obtaining pre-certification



Important Notes on Out-of-Network Services:

- ◆ Some services are not covered out-of-network.
- ◆ You may be required to pay for charges over the allowed amount, in addition to your co-pay or coinsurance.
- ◆ If your physician leaves the network, you have the option of continuing care with your provider using the out-of-network benefits.
- ◆ You may have to pay the provider and file a claim for reimbursement.
- ◆ **Emergencies are always covered as in-network.**
- ◆ **Anesthesiology and radiology are covered as in-network when received as an inpatient at a participating hospital and when admitted by a participating physician.**

Health Insurance

PPO Smart Choice Plans

| | <i>SmartChoice Basic</i> 70/30 | <i>SmartChoice</i> 80/20 | <i>SmartChoice Plus</i> 90/10 |
|--|-----------------------------------|-----------------------------|----------------------------------|
| Lifetime | | | |
| Maximum: | Unlimited | Unlimited | Unlimited |
| Deductible: | \$600 / \$1,800* | \$300 / \$900* | \$150 / \$450* |
| *(Applies to per family) | | | |
| Coinsurance: | \$2,500 / \$7,500 | \$1,750 / \$5,250 | \$1,000 / \$3,000 |
| <u>**All above rates are based on IN-NETWORK services</u> | | | |

Health Insurance Co-payments

| | <i>SmartChoice Basic</i> 70/30 | <i>SmartChoice</i> 80/20 | <i>SmartChoice Plus</i> 90/10 |
|--------------------|-----------------------------------|-----------------------------|----------------------------------|
| Primary Care: | \$25 | \$20 | \$15 |
| Specialist: | \$50 | \$40 | \$30 |
| Urgent Care: | \$75 | \$50 | \$50 |
| Emergency Room: | \$250* | \$200* | \$150* |

*(Deductible and Co-insurance are paid after co-pay)

****All above rates are based on IN-NETWORK Services**

Health Insurance Prescription Drugs

The prescription drug plan is administered by Medco.

Co-payments are the same for all PPO plans.

- ◆ Generic = **\$10**
- ◆ Preferred Brand Without Generic Available = **\$30**
- ◆ Preferred Brand With Generic Available = **\$40**
- ◆ Non-Preferred Brand = **\$50**

Health Insurance Rates

| | <i>SmartChoice Basic</i> 70/30 | <i>SmartChoice</i> 80/20 | <i>SmartChoice Plus</i> 90/10 |
|-------------------------|-----------------------------------|-----------------------------|----------------------------------|
| Employee Only: | \$0 | \$0 | \$43.98 |
| Employee + Children: | \$150.66 | \$200.36 | \$269.78 |
| Employee + Spouse: | \$388.18 | \$461.64 | \$564.22 |
| Employee + Family: | \$413.46 | \$489.44 | \$595.52 |

Health Insurance

Blue Extras

◆ **Alt Med Blue** (SM)

- ◆ Discounts on alternative medicine services

◆ **Audio Blue**

- ◆ Hearing aid discount program

◆ **Blue Points**

- ◆ Physical activity incentive program

◆ **Blue Points for kids**

- ◆ Physical activity incentive

◆ **Cosmetic Dentistry Blue**

- ◆ Discounts on cosmetic dentistry

◆ **Cosmetic Surgery Blue**

- ◆ Discounts on cosmetic surgery

◆ **Optic Blue**

- ◆ Discounts on laser eye surgery

◆ **Vita Blue**

- ◆ Discounts on Vitamins & supplements

Military TRICARE

- ◆ **Government agencies may offer the AMRA TRICARE Supplement health insurance to TRICARE-eligible active or retired (under age 65) state employees and teachers.**
- ◆ **Employees that enroll in the TRICARE Supplement will drop their SHP coverage. TRICARE becomes the primary coverage and the TRICARE Supplement provides secondary coverage.**
- ◆ **Due to federal legislation which becomes effective on January 1, 2008, employers can no longer pay for the monthly supplement premium.**

Military TRICARE

Monthly Premiums

| | |
|----------------------|----------|
| Employee Only | \$60.00 |
| Employee & Child/ren | \$119.00 |
| Employee & Spouse | \$119.00 |
| Employee & Family | \$160.00 |



Military TRICARE

- ◆ The AMRA TRICARE Supplement covers deductibles, copays, and prescription copays.
- ◆ AMRA TRICARE Supplement covers 100% of your out of pocket costs.
- ◆ For more information, contact Walt Markovsky, AMRA TRICARE Supplement Specialist, at 866-919-6572 (toll free).

Qualifying Family or Employment Changes

- ◆ **Marriage**
- ◆ **Divorce or legal separation**
- ◆ **Death of a spouse or eligible, covered dependent**
- ◆ **A dependent loses eligibility**
- ◆ **Birth or adoption of a child**
- ◆ **An incapacitated adult becomes your dependent**
- ◆ **Spouse becomes employed/unemployed**
- ◆ **You or your spouse change from part-time to full-time employment (or vice versa)**
- ◆ **You or your spouse take an unpaid leave of absence**
- ◆ **Other changes permitted by the IRS and approved by the State**



North Carolina Flex Program

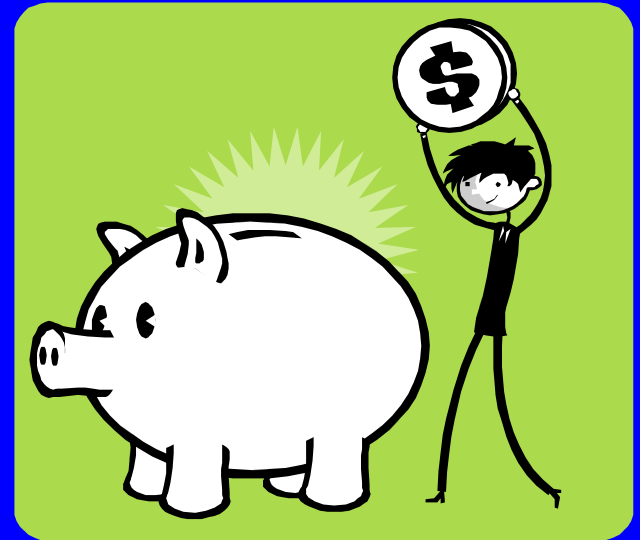
- ◆ Provides a variety of plans to meet the needs of you and your family.
- ◆ You may enroll in any or all of the benefits.
- ◆ All NCFlex benefits are pre-tax deductions directly from your paycheck.

NCFlex Program

- ◆ Health Care Flexible Spending Account (FSA)
- ◆ Dependent Day Care Flexible Spending Account
- ◆ Dental Plans
- ◆ Vision Care Plans
- ◆ Critical Illness Plan (NEW for 2009)
- ◆ Cancer Insurance
- ◆ Accidental Death and Dismemberment Insurance
- ◆ Group Term Life Insurance

NCFlex Saves You Money

- ◆ All plan options are on a Pre-tax basis
- ◆ Payroll deductions make payments easy





NCFlex

Enrollment Periods

- ◆ Newly hired employees need to enroll within 30 days.
- ◆ Annual enrollment is during October through early November each year for a January 1 effective date.



Health Care Flexible Spending Account

ANNUAL CONTRIBUTIONS

\$120.00 Minimum (\$10/month)

\$4,200.00 Maximum (\$350/month)

ELIGIBLE HEALTH CARE EXPENSES

- ◆ Deductible amounts
- ◆ Co-payments for medical, dental, or vision
- ◆ Required payments after the maximum benefit of a medical, dental, or vision plan has been paid
- ◆ Health care expenses not covered by a health plan

Dependent Day Care Flexible Spending Account

ANNUAL CONTRIBUTIONS

\$120.00 Minimum amount

\$5,000.00* Maximum amount

**If you are single or married and file a joint tax return*

\$2,500.00** Maximum amount

***If you are married and file separate tax return*

ELIGIBLE DEPENDENT DAY CARE EXPENSES

- ◆ Child Day Care Through Age 12
- ◆ Before/After School Care Through Age 12
- ◆ Dependent Adult Care (Dependent must live in your household at least 8 hours per day)

Flexible Spending Accounts

REMINDERS

- ◆ Incur expenses January 1 - December 31
- ◆ Unspent money will not be returned to you

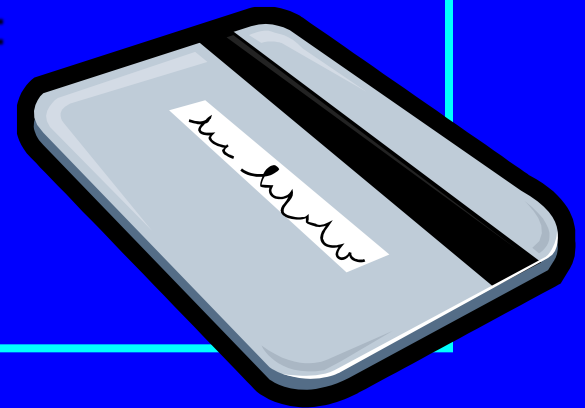


NCFlex Convenience Card

You can pay health care or day care providers directly from the NC Flex Convenience Card. When you incur an eligible expense with a vendor that accepts Visa, you can pay for the expense using the NC Flex Convenience Card. You pay a small annual fee of \$6 for this service. The enrollment form will be included with the FSA Claims Kit.

Some ways to use the Convenience Card:

- ◆ Doctor visits
- ◆ Medical, dental, or vision co-payments
- ◆ Prescriptions
- ◆ Day care providers





NCFlex Convenience Card

Documentation

- ◆ Proper documentation and/or receipts are needed for all convenience card transactions.
- ◆ If you are purchasing ineligible items at the same time you wish to purchase eligible items, it is suggested to make two separate transactions. This will save you from having to repay the account and fill out additional paperwork.

Dental Plan Options

- ◆ High Option Plan
- ◆ Low Option Plan
- ◆ Health Care Flexible Spending Account



Dental Plan Benefits Overview

- ◆ **Both options are administered by United Concordia and underwritten by United Concordia Life and Health Insurance Company.**
- ◆ **You may select the dentist of your choice.**
- ◆ **You or your dentist can file claims.**
- ◆ **Participants will receive an ID card.**
- ◆ **All services are subject to usual and customary charges.**

Dental Plan Rates

| | <u>High Option</u> | <u>Low Option</u> |
|---------------------------------|--------------------|-------------------|
| ◆ Employee Only | \$33.26 | \$18.98 |
| ◆ Employee & Spouse | \$66.74 | \$38.28 |
| ◆ Employee & 1 Child | \$64.02 | \$36.74 |
| ◆ Employee & 2 or More Children | \$80.92 | \$46.82 |
| ◆ Family | \$117.82 | \$65.54 |

Dental Plan Comparisons

| | <u>High</u> | <u>Low</u> |
|--|-------------|-------------|
| Type I Diagnostic/Preventative | 100% | 100% |
| Type II Basic Services | | |
| -Fillings, Simple extractions | 80% | 80% |
| -Root Canals, Oral Surgery, General Anesthesia, Recement Crowns, Repair Dentures, etc. | 80 % | 50% |
| -Periodontic Services | 50% | 50% |

Dental Plan Comparisons

| | <u>High</u> | <u>Low</u> |
|--|-------------|-------------|
| Type III Major Services -Crowns, Dentures, Bridges, etc. | 50% | Not Covered |
| Type IV Orthodontics Dependent Children under 19 | 50% | Not Covered |
| Calendar Year Deductible | | |
| | <u>High</u> | <u>Low</u> |
| Type I | None | \$25/\$75* |
| Type II | \$50/\$150* | \$25/\$75* |
| Type III | \$50/\$150* | Not Covered |

**Per person / per family*

Dental Plan Maximum Benefits

| <u>Lifetime</u> | <u>High</u> | <u>Low</u> |
|--------------------------|-------------|------------|
| Type IV (orthodontics) * | \$1,500 | ----- |
| <u>Calendar Year</u> | | |
| Type I, II, III | \$1,250 | \$1,000 |

**Not applicable to the Low Option Plan.*

Dental Plan Waiting Periods

- ◆ **New Hires (enrolling within 30 days)**

High Option Plan = 12-month waiting period for orthodontia
Low Option Plan = None

- ◆ **Late Enrollees**

High Option = 12-month waiting period for Type II, Type III and Type IV
Low Option = 12-month waiting period for Type II

- ◆ **Current NC Flex Dental Plan Participant-Low Option Plan**

If you switch to the High Option during annual enrollment, you will have a 12-month waiting period for Type III and Type IV.

- ◆ **Current NC Flex Dental Plan Participant-High Option**

If you switch to the Low Option during annual enrollment, you will have no waiting period for any covered services.

Vision Care Benefits Overview

- ◆ Administered by Superior Vision Services.
- ◆ All 3 options offer in and out-of-network benefits.
- ◆ Contact lens exam & fitting copays
- ◆ Frame and contact lens allowance from \$100 to \$150 depending on the plan option you choose.
- ◆ \$20 copay for vision exam with plan 1 or 3 only.

Vision Care Rates

| | <u>Employee Only</u> | <u>Employee Family</u> |
|---|----------------------|------------------------|
| ◆ Plan 1 <i>(Exam & Materials)</i> | \$6.84 | \$17.37 |
| ◆ Plan 2 <i>(Materials Only)</i> | \$5.14 | \$12.72 |
| ◆ *Plan 3 <i>(Enhanced Exam & Materials)</i> | \$9.98 | \$25.10 |

***NEW FOR 2009**

Critical Illness Benefits Overview

- ◆ New for 2009
- ◆ Administered by MetLife
- ◆ Employee only; Employee + Spouse; Employee + Child(ren); or Employee + Family coverage levels available.
- ◆ Monthly rates based on 5 year age bands and will increase when a covered person reaches a new age band.
- ◆ Pays a lump-sum payment when the covered person experiences a covered condition.
- ◆ YOU choose how you want to use the lump-sum payment.

Critical Illness

Categories of Covered Conditions

- ◆ *Category 1: Cancer – related conditions

Cancer; Bone marrow transplant

- ◆ *Category 2: Heart – related conditions

Heart Attack; Stroke; Coronary artery bypass graft; Heart transplant

- ◆ *Category 3: Other – certain conditions

Major organ transplant (other than bone marrow and heart); Kidney failure

**please refer to your NCFlex booklet or www.ncflex.org for further details on covered conditions.*

Critical Illness

How Your Benefits Are Paid

- ◆ If you are diagnosed with a covered condition in ANY of the three categories (cancer, heart, or other) and meet the policy/certificate requirements you can receive a lump sum payment up to \$15,000.
- ◆ The maximum you can receive in any one category is \$15,000.
- ◆ The maximum you can receive across all three categories is \$45,000.

| Diagnosed Covered Condition & Category Impacted: | Payment: | Category 1: Remaining Benefit | Category 2: Remaining Benefit | Category 3: Remaining Benefit |
|---|-----------------|----------------------------------|----------------------------------|----------------------------------|
| You are diagnosed as having lung cancer – Category 1 | \$15,000 | \$0 | \$15,000 | \$15,000 |
| 2 yrs later, you have a coronary artery bypass graft – Category 2 | \$3,750 | \$0 | \$11,250 | \$15,000 |
| 1 year later you suffer a debilitating stroke – Category 2 | \$11,250 | \$0 | \$0 | \$15,000 |
| Three years later, you have kidney failure – Category 3 | \$15,000 | \$0 | \$0 | \$0 |
| <u>Total Benefits Paid:</u> | \$45,000 | | | |

Critical Illness Rates

| Employee and Spouse age as of 1/1/09 | Monthly Rates for \$15,000 of Category Coverage |
|--------------------------------------|---|
| <25 | \$1.65 |
| 25 – 29 | \$1.95 |
| 30 – 34 | \$3.30 |
| 35 – 39 | \$5.70 |
| 40 – 44 | \$10.05 |
| 45 – 49 | \$17.85 |
| 50 – 54 | \$28.65 |
| 55 – 59 | \$44.85 |
| 60 – 64 | \$68.10 |
| 65 – 69 | \$103.50 |
| 70 – 74 | \$149.85 |
| 75 – 79 | \$212.25 |
| 80 + | \$266.40 |

- ◆ Eligible dependent children are covered for a category benefit of \$15,000.
- ◆ One flat rate no matter how many dependent child(ren) the employee has.
- ◆ Monthly dependent rate is \$1.04

Critical Illness Rates

Calculating your monthly cost

EXAMPLE:

For Employee + Family Coverage

(Ages as of 1/1/09)

- * You are 43 years old = \$10.05/mo
- * Your spouse is 39 years old = \$5.70/mo
- * Your 5 children (all various ages) = \$1.04/mo

TOTAL MONTHLY PREMIUM = \$16.79

Cancer Insurance Benefits Overview

- ◆ Provided through Allstate Workplace Division (AWD).
- ◆ 3 Plan options: Low, High, Premium
- ◆ 2 Coverage Levels: Employee Only or Employee + Family.
- ◆ Insurance pays benefits for 29 other specified diseases.
- ◆ **PAYS YOU CASH!! Not the insurance company...YOU!**
- ◆ Evidence of Insurability is required if you are an existing employee enrolling for the first time.
- ◆ AWD does not pay for any loss due to a pre-existing condition during the 12-month period beginning on the date that person became a covered person.

Cancer Insurance Rates

| | Employee <u>Only</u> | Employee <u>Family</u> |
|------------------|-------------------------|---------------------------|
| ◆ Low Option | \$6.78 | \$11.26 |
| ◆ High Option | \$15.68 | \$26.06 |
| ◆ Premium Option | \$21.64 | \$35.96 |

Cancer Insurance Benefits Overview

| Benefits: | Low Option: | High Option: | Premium Option: |
|--|--|---------------------|------------------------|
| Cancer Screening | \$25 | \$75 | \$100 |
| Anesthesia* | Up to \$200 | Up to \$400 | Up to \$600 |
| Family Member Lodging* | Up to \$50 per day, maximum 60 days | | |
| Extended Care Facility* (per day) | Up to \$100 | Up to \$200 | Up to \$300 |
| New or Experimental Treatment* | Up to \$5000 per 12 month period | | |

****These benefits are payable based on actual charges up to the maximum amount listed.***

Cancer Insurance Benefits Overview

- ◆ Other benefits covered: (Including but not limited to...)
 - ◆ Second Surgical Opinion
 - ◆ Ambulatory Surgical Center
 - ◆ Inpatient Drugs and Medicine
 - ◆ At Home Nursing
 - ◆ Prosthesis
 - ◆ Ambulance
 - ◆ Non-local Transportation
 - ◆ Physical or Speech Therapy
 - ◆ Bone Marrow or Stem Cell Transplant

For more details go to www.ncflex.org or call your Benefits Specialist.

Accidental Death & Dismemberment Benefits Overview

- ◆ Underwritten by A.C. Newman and Company on behalf of Gerber Life Insurance Company.
- ◆ Pays a benefit if you suffer a loss or certain disabling injuries as the result of a covered accident.
- ◆ **NEW FOR 2009:**
 - ◆ Rehabilitation Benefit
 - ◆ Accidental In-Hospital Indemnity Benefit
 - ◆ Spouse Training Benefit
 - ◆ Air Bag Benefits
 - ◆ Criminal Assault Benefit
 - ◆ Accidental Permanent Disfigurement Benefits
 - ◆ Accidental HIV Benefit
 - ◆ Adaptive Home and Vehicle Benefit
 - ◆ Funeral Expense Benefit
 - ◆ Surgical Reattachment Benefit

Accidental Death & Dismemberment Benefits Overview

| Loss Of: | Percent of Principal Sum: |
|-----------------------------------|----------------------------------|
| Life | 100% |
| Speech and Hearing of Both Ears | 100% |
| Both Hands or Feet | 100% |
| One Hand & One Foot | 100% |
| Loss of Use of 4 Limbs | 100% |
| Loss of Use of 3 Limbs | 85% |
| Loss of Use of 2 Limbs | 75% |
| Loss of Use of 1 Limb | 50% |
| Either Hand or Foot | 50% |
| Sight of One Eye | 50% |
| Speech OR Hearing of Both Ears | 50% |
| Hearing of One Ear | 25% |
| Thumb & Index Finger of Same Hand | 25% |

Accidental Death & Dismemberment Benefits Overview

ASSIST AMERICA provides:

- ◆ Direct access to prompt medical emergency assistance when traveling more than 100 miles from home
- ◆ Hospital admission guarantee
- ◆ Emergency evacuation/air ambulance
- ◆ Dispatch of prescribed medication
- ◆ Care/transport of minor children
- ◆ Transport of family member to join patient
- ◆ Legal referrals

Accidental Death and Dismemberment Rates Overview

| Principal Sum | Employee Only | Employee & Family |
|---------------|---------------|-------------------|
| \$50,000 | \$0.96 | \$1.50 |
| \$75,000 | 1.42 | 2.26 |
| \$100,000 | 1.90 | 3.00 |
| \$200,000 | 3.80 | 6.00 |
| \$300,000 | 5.70 | 9.00 |
| \$400,000 | 7.60 | 12.00 |
| \$500,000 | 9.50 | 15.00 |

- ◆ *For other principal sums available go to www.ncflex.org or contact your Benefits Specialist.*

Group Term Life Insurance Benefits Overview

- ◆ Pays a benefit to your beneficiary(ies) if you die while covered under the policy.
- ◆ **If you enroll in this plan the first time it is offered, you may elect coverage up to \$100,000 without providing Evidence of Insurability (EOI).**
- ◆ Late enrollment or increase in coverage will require EOI for approval before coverage can be effective.

Group Term Life Insurance Benefits Overview

Other Features

- ◆ Disability Waiver of Premium
- ◆ Accelerated Death Benefit
- ◆ Portability
- ◆ Conversion
- ◆ Current participants may increase coverage by \$10,000 at each annual enrollment, up to the guaranteed issue amount with **NO** evidence of insurability (EOI) form.

Group Term Life Insurance Benefits Overview

COVERAGE AMOUNTS

Coverage amounts are available in increments of \$10,000.

- ◆ \$20,000 Minimum
- ◆ \$500,000 Maximum

****Coverage amount may not exceed 5 times your base annual salary.***

Group Term Life Insurance Rates

| <u>Your Age</u> | <u>Monthly Rates/ \$1,000 Coverage</u> |
|-----------------|--|
| Under 25 | \$0.049 |
| 25-29 | \$0.059 |
| 30-34 | \$0.079 |
| 35-39 | \$0.089 |
| 40-44 | \$0.139 |
| 45-49 | \$0.198 |
| 50-54 | \$0.337 |
| 55-59 | \$0.564 |
| 60-64 | \$0.84 |
| 65-69 | \$1.73 |
| 70 – 74 | \$2.52 |
| 75+ | \$2.52 |



One Year Obligation

FOR ALL NCFLEX PLANS:

You must remain with the options chosen for the calendar year, unless you have a qualifying employment or family status change.

Important Web Site Addresses

- ◆ State Health Plan
www.shpnc.org
- ◆ Retirement Systems
www.myncretirement.com
- ◆ NC Flex
www.ncflex.org
- ◆ 401(k) Plan
www.nc401k.prudential.com
- ◆ 457 Plan
www.ncdefcomp.com

Additional Information

For Benefits Questions Call:

- ◆ Debbie Perkinson A-F 919-890-1120
 - ◆ Debbie.Perkinson@nccourts.org

- ◆ Sarah Corbett G-M 919-890-1106
 - ◆ Sarah.A.Corbett@nccourts.org

- ◆ Robert McKane N-Z 919-890-1117
 - ◆ Robert.M.Mckane@nccourts.org