

## Eligibility and Enrollment

This Summary Plan Description (SPD) contains information about your participation in the Wayne Services Legacy, Inc. Health Benefits Plan in effect as of July 1, 2019 including eligibility for each of the plans as well as how to enroll. This SPD is designed to meet your information needs and the disclosure requirements of the Employee Retirement Income Security Act of 1974 (ERISA).

If there are any discrepancies between the information contained in this SPD and the official written Plan documents, the Plan documents will govern.

Please note that nothing in this SPD is meant to imply a contract or guarantee of employment. Participation in the Wayne Services Legacy, Inc. Health Benefits Plan does not preclude the Company from terminating your employment at any time, whether or not for cause, with or without notice.

Please read this document carefully and share the information with your family. If you have any questions, please contact your Human Resources Representatives.

This Summary Plan Description supersedes and replaces any previous SPDs you have received describing Eligibility and Enrollment.

## Contents

Your Wayne Services Legacy, Inc. Benefit Program at a Glance .....	3
Eligibility and Enrollment .....	3
Employer Shared Responsibility.....	3
Dependent Eligibility.....	8
Health Care Coverage Levels.....	8
Your Cost for Coverage .....	9
How to Enroll.....	10
Enrolling If You Are Newly Eligible .....	10
Annual Enrollment .....	10
When Coverage Begins .....	11
Changing Your Enrollment Elections During the Year .....	11
Special Enrollment Rights for Group Health Plans .....	11
Coverage During Approved Leaves of Absence.....	12
Paying For Coverage If You Are on a Paid Leave of Absence.....	13
Paying For Coverage If You Are on an Unpaid Leave of Absence .....	13
If Your Pay is Reduced .....	13
Glossary of Key Terms.....	13



As you read the eligibility provisions below, you may want to refer to **Section VI**, “Glossary of Key Terms,” at the end of this SPD for the definition of the capitalized terms.

## **I. ELIGIBILITY**

- A. Non-variable Hour Team Members\* – are in a benefits eligible class as of date of hire. Benefits begin after 30 days of service. See **Section II - Enrollment** for enrollment rules.

*\* Generally, you are a Non-Variable Hour Team Member if you are a non-exempt management team member (including Level IV 3+ and M14 and M15) or a full-time hourly team member.*

- B. Variable Hour Team Members\* – Variable Hour Team Members are eligible if they average 30 or more Hours of Service during the applicable measurement period below:

- (1) Newly Hired Team Members – the applicable measurement period is your Initial Measurement Period; and
- (2) Ongoing Team Members – the applicable measurement period is the most recent Standard Measurement Period.

*\* Generally, you are a Variable Hour Team Member if you are a part-time hourly or seasonal team member.*

See **Section II.C** for eligibility rules when you are transitioning between the Initial Stability Period and the Standard Stability Period.

## **II. ENROLLMENT**

### **A. NEWLY HIRED TEAM MEMBERS**

- (1) Non-variable Hour Team Members – Non-variable Hour Team Members must enroll by the end of their 30-day waiting period.
- (2) Variable Hour Team Members – Variable Hour Team Members are not eligible for coverage until their initial measurement period ends. If they are deemed to be eligible during the Administrative Period following their Initial Measurement Period, they may enroll within 30 days of the first day of the Initial Stability Period.

- B. Ongoing Team Members – Ongoing Team Members will have an opportunity to enroll at the beginning of the plan year and will have 30 days to enroll. Coverage will become effective as of the first day of the next following Standard Stability Period (*i.e.*, July 1). Ongoing Team Members who fail to average 30 or more Hours of Service per week during the Standard Measurement Period are not eligible to enroll and will not be offered coverage during the Standard Stability Period. If such Ongoing Team Members were eligible for benefit coverage during the Standard Stability Period that includes the Annual Enrollment period, they will be offered continuation coverage under COBRA beginning as of the first day of the next Standard Stability Period.

- C. Transitioning Team Members – The following rules apply when your Initial Stability Period and your Standard Stability Period overlap:

- (1) Coverage During Initial Stability Period - If you averaged 30 or more Hours of Service per week during your Initial Measurement Period and elected benefit coverage, your benefit coverage will continue through the end of your Initial Stability Period, provided you pay timely and otherwise remain eligible.
  - (a) If you average 30 or more Hours of Service per week during your first Standard Measurement Period, benefit coverage will begin on the first day after the end of your Initial Stability Period and will continue through the end of the Standard Stability Period.
  - (b) If you do not average 30 or more Hours of Service per week during your first Standard Measurement Period, your benefit coverage will end on the last day of your Initial Stability Period and you will not be offered coverage for the remainder of the Standard Stability Period. You will not be eligible

to enroll in benefit coverage unless you average 30 or more Hours of Service per week during a subsequent Standard Measurement Period. If you are enrolled in benefit coverage at the end of your Initial Stability Period, you will be offered continuation coverage under COBRA beginning as of the first day of the Standard Stability Period.

- (2) No Coverage During Initial Stability Period - If you did not average 30 or more Hours of Service per week during your Initial Measurement Period, you will not be eligible to enroll in benefit coverage during your Initial Stability Period.
- (a) If you average 30 or more Hours of Service per week during your first Standard Measurement Period, you will be eligible to enroll in benefit coverage effective as of the first day of your Standard Stability Period, even if that falls within your Initial Stability Period.
- (b) If you do not average 30 or more Hours of Service per week during your first Standard Measurement Period, you will not be eligible to enroll in benefit coverage unless you average 30 or more Hours of Service per week during a subsequent Standard Measurement Period.

### III. CHANGES IN EMPLOYMENT STATUS

- A. Variable Hour Team Member to Non-Variable Hour Team Member – If you change employment status from a Variable Hour Team Member to a Non-variable Hour Team Member *during your Initial Measurement Period*, you will be eligible to enroll as of the earlier of:
- (1) The first day of your Initial Stability Period, if you satisfy **Section II.C(1)**; or
- (2) The date of your change in employment status (but not earlier than your 31<sup>st</sup> day of employment).
- B. Non-variable Hour Team Member to Variable Hour Team Member – If you change employment status from a Non-Variable Hour Team Member to a Variable Hour Team Member *before you begin your first Standard Stability Period*, you will remain eligible for benefit coverage until the beginning of your first Standard Stability Period, at which time your status as a Full-Time Team Member will be determined based on Hours of Service during the Standard Measurement Period.
- C. Change in Employment Status During a Stability Period. If you change employment status *during your Initial or Standard Stability Period*, your benefits (or lack of benefits) will not change as a result.

Here are the same rules shown more simply:

If your status changes :	You will be eligible for benefits:	You will:
<b>During your Initial Measurement Period:</b> PT hourly/Seasonal (Variable Hour Employee) to FT hourly or Management (Non-variable Hour Employee)	On the earlier of: The date your employment status changes; or The first day of the Initial Measurement Period.	Remain eligible for the entire Stability Period. Hours will be re-measured during the Standard Measurement Period
<b>Before start of first of first Standard Stability Period:</b> FT hourly or Management (Non-variable Hour) to PT hourly/Seasonal (Variable Hour)	Benefits do not drop	Remain eligible through the start of the first Standard Stability Period. Hours will be re-measured during the Standard Measurement Period.
<b>During a Stability Period:</b> PT to FT; or FT to PT.	Without any change.	Be re-measured during the Standard Measurement Period.

### IV. LEAVES OF ABSENCE

While you are on an approved leave of absence, you will remain eligible for benefit coverage as long as you remain employed and you make timely contributions, assuming you are otherwise eligible for, and enrolled in, such coverage.

## V. REHIRE AND RETURNS FROM LEAVE OF ABSENCE

When you are rehired following termination of employment or when you return from an unpaid leave of absence, you will be treated as a New Team Member (e.g., subject to a new Initial Measurement Period or new 30-day waiting period, as applicable) if your period of no service lasted 13 weeks or longer.

If your period of no service was less than 31 days, you will be treated as a continuing team member, that is, as if you had not been gone. You will be automatically enrolled in all benefits that you had prior to your last termination date including life insurance benefits in which you were already approved.

If your period of no service was greater than 31 days but less than 13 weeks, you will be treated as a continuing team member, that is, as if you had not been gone. If you do not make changes to your benefits within 30 days of your rehire date, you will be automatically enrolled in all benefits that you had prior to your last termination date, excluding life insurance benefits in which you were approved prior to your last termination date. Any changes to Basic (\$50,000 to 1x Salary), Supplemental and Spouse Life Insurance may be subject to Evidence of Insurability. Any newly added dependents will be subject to verification requirements.

Hours of Service may not be awarded for the period of no service when averaging your Hours of Service for the Initial or Standard Measurement Period that includes the date you return to active service.

## VI. GLOSSARY OF KEY TERMS

- A. Administrative Period – the period running from May 1 through June 30, or with respect to a New Team Member, the period running from the day after the Initial Measurement Period through the last day of the month following the month in which the Team Member's anniversary of employment occurs. This time is used to determine full-time status and to offer team members the opportunity to enroll in benefits.
- B. Hour of Service – each hour for which a team member is paid, or entitled to payment, for the performance of duties for the employer; and each hour for which an Team Member is paid, or entitled to payment by the employer for a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence.
- C. Initial Measurement Period – the 12-month period beginning on a team member's date of hire over which hours will be averaged for Newly Hired Team Members who are Variable Hour Team Members.
- D. Initial Stability Period – the 12-month period beginning on the first day of the month following the Administrative Period associated with the Initial Measurement Period.
- E. Newly Hired Team Member – a team member who has been employed less than one complete Standard Measurement Period or who has experienced a period of no service equaling or exceeding 13 weeks in accordance with **Section V**.
- F. Non-variable Hour Team Member (Also referred to as a *Full-time Team Member*) – a team member who is reasonably expected at the time of hire to work 30 or more hours per week, unless the Team Member is a Seasonal Team Member. A *Non-Variable Hour Team Member* includes a *non-exempt management team member (including Level IV 3+ and M14 and M15)* or a *full-time hourly team member*.
- G. Ongoing Team Member – a team member who has been employed at least one complete Standard Measurement Period.

- H. Standard Measurement Period – the period beginning on May 1 and ending on April 30 of the following year during which Hours of Service will be averaged for Ongoing Team Members.
- I. Standard Stability Period – the 12-month period beginning each July 1 and ending the following June 30.
- J. Seasonal Team Member – a team member who performs services on a seasonal basis, as determined by the Plan Administrator in its sole discretion in accordance with applicable guidance.
- K. Variable Hour Team Member (Also referred to as a part-time or seasonal Team Member) – a team member who is not reasonably expected as of the team member’s start date to be employed on average at least 30 Hours of Service per week during the Initial Measurement Period because the Team Member’s Hours of Service are variable or otherwise uncertain. A Seasonal Team Member may also be treated as a Variable Hour Team Member, even if reasonably expected to work 30 or more hours per week.

You are eligible for:	If you are a(n):
<b>Medical (including prescription drug coverage) and Dental</b>	Management or <u>full-time hourly team member</u> with at least 30 days of service <ul style="list-style-type: none"> <li>• Part-time hourly team members with an average of 30+ hours of service per week over a specific measurement period</li> <li>• Any other team members who meet the eligibility criteria above</li> </ul> <i>*See above for more detailed rules</i>

You are **not** eligible for the benefits described in this Summary Plan Description if you are:

- Covered by a collective bargaining unit, unless the collective bargaining unit agreement provides for participation in the Plan (see Union Agreement in the [Legal and Administrative Information SPD](#))
- Covered under a welfare plan maintained by a foreign affiliate
- An independent contractor
- A nonresident alien, unless your transfer agreement provides for participation in the Plan.

## Dependent Eligibility

Your dependents are also eligible for coverage under the Company's Benefit Program, as shown in the following table.

Plan(s)	Eligible Dependents
<b>Medical (including prescription drug coverage) and Dental</b>	<ul style="list-style-type: none"> <li>• Your spouse or domestic partner</li> <li>• A dependent child (must be under 26 years of age for medical and under 23 years of age for dental and vision) include:               <ul style="list-style-type: none"> <li>• Your biological children;</li> <li>• Your stepchildren;</li> <li>• Your legally adopted children;</li> <li>• Your foster children, including any children placed with you for adoption;</li> <li>• Your domestic partner's children;</li> <li>• Your grandchildren in your court-ordered custody;</li> <li>• Any children for whom you are responsible under court order;</li> </ul> </li> <li>• Incapacitated Dependents - forms should be submitted to medical carrier at least 60 days prior to the child turning age 26, this will allow time for the review and processing of the application without interruption of benefits. The member has to submit proof that the child is fully handicapped no later than 31 days after the date. (Please be advised once the child reaches age 26, coverage will end even during the review process until a decision is reached.)</li> </ul>

**If you and your spouse (or domestic partner) are both employed by the Company, you can each be covered as a team member or as a dependent, but not as both. Either you or your spouse/domestic partner may elect to cover your eligible dependent children.**

## Health Care Coverage Levels

When you enroll for Medical and/or Dental coverage, you select an option and then choose the dependents you want to enroll, which determines your coverage level. You may choose different coverage levels for each benefit plan you elect; however, you must choose the same plan option for you and any dependents you elect to cover. You select from one of the following coverage levels for each benefit plan:

- Team member only
- Team member + 1
- Team member + Family.



## Your Cost for Coverage

The Company's Benefit Program costs and options are reviewed periodically and may change at any time and for any reason.

The following table shows each of the plans in your Benefit Program and whether you contribute toward the cost of coverage. You can find information about the benefits available to you as well as your pay period cost for each option on RUsBenefits.com.

Available Benefits	Who Pays the Cost
<ul style="list-style-type: none"><li>Medical (including prescription drug coverage)</li></ul>	The Company pays the administration fee. There is no individual payroll contribution for this plan.
<ul style="list-style-type: none"><li>Dental</li></ul>	The Company pays the administration fee. There is no individual payroll contribution for this plan.

**Note:** Due to current tax laws, if you elect medical or dental coverage for your domestic partner or domestic partner's dependent children, the premium cost associated with your domestic partner's coverage – including the Company's share of the cost – will be reported on your W-2 as taxable income. There are some exceptions that may enable your domestic partner and your domestic's partner's child to qualify as your tax dependents for purposes of medical and dental coverage. Because tax rules are complex, you should consult with your tax advisor.

## How to Enroll

When you are hired or become newly eligible (and each year during Annual Enrollment) the Company will make available the information you will need to make your elections for the Company's benefits\*.

Before you enroll, go to [RUsBenefits.com](https://RUsBenefits.com) (Username: RUS; Password: benefits) to review all of the plan options available to you. [RUsBenefits.com](https://RUsBenefits.com) is where you can review complete plan details, compare your options and rates and find out about benefits you may be overlooking.

Review [RUsBenefits.com](https://RUsBenefits.com) carefully and consider which benefit options make the most sense for you. When you are ready to enroll (within your enrollment timeframe):

- Contact your Human Resources Representative

## Enrolling If You Are Newly Eligible

You must enroll for the Company's health and welfare benefits within 30 days of becoming eligible. If you do not enroll within 30 days of the date you first become eligible for benefits, you will not have any benefits for which you are eligible for the remainder of the plan year, unless you have a [qualifying life event](#).

## Annual Enrollment

One of the many advantages of the Company's health and welfare Benefit Program is the Annual Enrollment that takes place each spring. At that time, the Company will make available the information you need on [RUsBenefits.com](https://RUsBenefits.com) to make your elections. The decisions you make during the Annual Enrollment period will take effect the following July 1 and will stay in effect until you make a change during a subsequent Annual Enrollment period (with coverage changing the following July 1) or if you have a qualifying life event.

## When Coverage Begins

Plans	Coverage Begins on
<b>Medical (including prescription drug) and Dental</b>	The date you become eligible for benefits, provided you have enrolled within 30 days of that date*
*If you are absent on the day your coverage would begin, coverage (other than medical) begins on the first day you return to work.	

Coverage for your enrolled dependents begins when your coverage begins, provided you have enrolled them by the deadline.

Benefit elections made during Annual Enrollment generally become effective on the following July 1.

## Changing Your Enrollment Elections During the Year

The IRS does not permit you to make changes or cancel your coverage during the plan year *unless* you have a qualifying life event. A qualifying life event includes, but is not limited to:

- A change in your legal marital status or domestic partner status
- The birth or adoption of a child
- A dependent's loss of eligibility (because he/she reaches the age limit for coverage, for example)
- Death of a dependent
- A change in your spouse's/domestic partner's eligibility for coverage
- A change in your employment status that affects your eligibility for coverage (for example, if you are a part-time hourly team member and you become a full-time team member)
- A change in your address or work location that affects the plans that are available to you.

If you experience a qualifying life event, you can modify your coverage provided the change is consistent with the qualifying life event and you notify your Human Resources Representative *within 30 days following the qualifying event*. Otherwise, you must wait until the next Annual Enrollment to modify your coverage and/or add newly [eligible dependents](#).

## Special Enrollment Rights for Group Health Plans

If you, your spouse, domestic partner and/or dependent are entitled to [special enrollment rights](#) under the Medical or Dental benefit plans, an election change to correspond with the special enrollment right is permitted. Thus, for example, if an otherwise eligible employee declined enrollment in medical coverage for the employee or the employee's eligible dependents because of outside medical coverage and eligibility for such coverage is subsequently lost due to certain reasons (i.e., due to legal separation, divorce, death, termination of employment, reduction in hours, exhaustion of COBRA period, moving out of or no longer working in an HMO service area, or employer contributions for the coverage were terminated), the employee may be able to elect medical coverage under the Plan for the employee and his or her eligible dependents who lost such coverage.

Furthermore, if an otherwise eligible employee gains a new dependent as a result of marriage, birth, adoption, or placement for adoption, the employee may also be able to enroll the employee, the employee's spouse,

and the employee's newly acquired dependent, provided that a request for enrollment is made within **30 days from the date of the event**; however, in cases where the special enrollment right is triggered by a loss of eligibility for Medicaid or the state's Children's Health Insurance Program (CHIP) or becoming eligible for premium assistance subsidy under Medicaid or CHIP, such request must be made within **60 days after such event**. An election change that corresponds with a special enrollment must be prospective, unless the special enrollment is attributable to the birth, adoption, or placement for adoption of a child, which may be retroactive up to 30 days.

Also note that you are eligible to enroll in the medical (including the Limited Purpose FSA), dental, and/or vision benefit option outside of the open enrollment period if you or your eligible dependent: (i) is enrolled in Medicaid or CHIP and coverage is terminated due to a loss of eligibility for coverage under Medicaid or CHIP; or (ii) becomes eligible for a premium assistance subsidy under Medicaid or CHIP. However, you must request enrollment within **60 days** after your Medicaid or CHIP coverage is terminated due to a loss of eligibility or you become eligible for premium assistance subsidy, as applicable.

## Coverage During Approved Leaves of Absence

If you request and are approved for a leave of absence, and your job is protected under the Family and Medical Leave Act (FMLA) or the Uniformed Services Employment and Reemployment Rights Act (USERRA), you will be entitled to continue your health care coverage in accordance with the leave policies. Leave of Absence policies can be found on [RUsBenefits.com](http://RUsBenefits.com).

## Paying For Coverage If You Are on a Paid Leave of Absence

*(Family Leave may be protected under FMLA)*

Your health and welfare benefits will continue, there is no employee contribution.

## Paying For Coverage If You Are on an Unpaid Leave of Absence

If you are on an unpaid leave of absence, your coverage will continue. There is no employee contribution.

## If Your Pay is Reduced

If your pay is reduced for any reason, your coverage will continue. There is no employee contribution.

## Glossary of Key Terms

To help you understand how the Wayne Services Legacy, Inc. Benefit Program works, you should familiarize yourself with the following key terms.

**Administrative Period** – Period between the end of the Standard Measurement Period or Initial Measurement Period and the Stability Period. This time is used to determine full-time status and to offer team members the opportunity to enroll in benefits.

**Anniversary year** – The 12-month period beginning on your date of hire.

**Company** – Wayne Services Legacy, Inc.

**Deductible** – For the:

- Health plans – the amount you must pay each Plan Year before the Plan pays any benefits.
- Dental plans – the amount you must pay each Plan Year before the Plan pays any benefits.

**Domestic partner** – An individual of the same or opposite sex with whom you reside, provided you and that individual:

- Are not so closely related that marriage would otherwise be prohibited
  - Are not legally married to each other or any other person and are the sole partners of each other
  - Have lived together for at least one year in the same residence with the intention of residing together permanently
  - Are both at least 18 years old and mentally competent to enter into a contract
  - Are in a committed and mutually exclusive relationship, jointly responsible for each other's welfare and financial obligations
- and*
- Are registered as domestic partners pursuant to a domestic partnership ordinance or law of a state or local government, *or* you have filed an Affidavit of Domestic Partnership with the Company.

**Eligible dependents** – See [Dependent Eligibility](#) section.

**Employer Shared Responsibility** - is a component of the Patient Protection and Affordable Care Act (ACA) that requires employers to offer affordable and **minimum essential health care coverage** to all full-time team members that average 30+ hours of service per week.

**Full-time hourly team member** – A team member who generally works a schedule of at least 30 hours a week (excluding any unpaid meal periods), and who is coded as a full-time non-exempt team member in Workday.

**Initial Measurement Period** – A 12-month period used to ascertain whether a newly hired team member is considered full-time and is eligible for health care coverage.

**In-network provider (preferred provider)** – A state licensed health care provider who has a written agreement with the claims administrator/insurance company (e.g., Aetna) to perform services and receive payment at a discounted rate.

**Management team member** – A team member who generally works a schedule of at least 40 hours a week, and who is:

- Salaried (exempt) – paid an annual salary and is not eligible for overtime pay, regardless of hours worked
- or
- Hourly (non-exempt) classified as a manager – paid on an hourly basis and eligible for overtime pay for hours worked in excess of 40 a week (excluding vacation, holiday, sick or other non-work hours in accordance with applicable federal legislation).

**Minimum Essential Health Care Coverage (MEC)** – The actuarial value of the benefits provided in the plan must equal or exceed 60% of the plan costs.

**Out-of-network provider (non-preferred provider)** – A state licensed health care provider who does not have a contract or agreement with the claims administrator/insurance company (e.g., Aetna) to offer services. Benefits for out-of-network care may be lower than benefits paid for in-network care.

**Part-time hourly team member** – A team member who generally works at least five (5), but less than 30 hours a week. If a part-time hourly team member volunteers to work additional hours during busy seasons, these additional hours will not affect the team member's part-time status.

**Plan Year** – The 12-month period beginning on July 1 and ending on June 30 of the following year, for which benefit elections are effective for Medical (including prescription drugs) and Dental.

**Qualifying life event** – Circumstances under which the IRS permits you to make changes to your pre-tax benefit elections during the course of the Plan Year, including but not limited to:

- A change in your legal marital status or domestic partner status\*
- The birth or adoption of a child
- A dependent's loss of eligibility (because he/she reaches the age limit for coverage, for example)
- Death of a dependent
- A change in your spouse's or domestic partner's eligibility for coverage
- A change in your employment status that affects your eligibility for coverage (part-time to full-time or full-time to part-time)
- A change in your address or work location that affects the plans that are available to you.

**RUsBenefits.com** - Benefits website where you can review complete plan details, compare your options and rates and find out about benefits you may be overlooking.

**Reasonable and customary (R&C)** – The usual, customary and reasonable fee that is typically charged for a service by a similar provider in your geographic area. In general, R&C applies to services received out-of-network, and the plan will not consider charges in excess of R&C when determining plan benefits.

**Special Enrollment Rights for Group Health Plans** – Circumstances under which the IRS permits you to request a special enrollment in such situations as a loss of eligibility for Medicaid or the state’s Children’s Health Insurance Program (CHIP) or becoming eligible for premium assistance subsidy under Medicaid or CHIP.

**Spouse** – The individual to whom you are legally married according to civil law in the jurisdiction in which the ceremony took place or a common-law spouse if recognized by state law in your state of residence).

**Stability Period** – A 12-month period during which a team member’s status as full-time is fixed based on the results from the average hours worked during the Standard Measurement Period or Initial Measurement Period.

**Standard Measurement Period** – A 12-month period used to ascertain whether an ongoing team member is considered full-time and is eligible for health care coverage.

**Team member** – An individual who is considered an employee of the Company for purposes of federal income tax withholding.