your Benefits in Brief

Southern California Employees:
• Non-Union Non-Exempt
• Salaried
• Salaried Patient Care Providers
For Employees of Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc., KP OnCall, LLC, and the Southern California Permanente Medical Group:

• Non-Union Non-Exempt
• Salaried
• Salaried Patient Providers
  - Case Managers Continuing Care/Home Health, RNs
  - Case Managers, RNs
  - Certified Nurse Midwives
  - Discharge Planners, RNs
  - Genetic Counselors
  - Oral Surgeons
  - Podiatrists
  - Utilization Management Coordinators, RNs
  - Utilization Management Continuing Care Case Managers, RNs
Kaiser Permanente is committed to providing its employees with a comprehensive benefits package that is competitive with what is offered in the external market. This package includes health and dental plans, paid time off, retirement plans, as well as other benefits.

**Benefits by Design**

Under the *Benefits by Design* flexible benefits program, you can customize your benefits to meet your individual and/or family needs. The program includes your choice of:

- Medical plans
- Dental plans
- Life insurance
- Disability income
- Flexible Spending accounts

You are eligible for *Benefits by Design* if you are regularly scheduled to work 20 or more hours per week. Coverage becomes effective the first of the month following three months of employment and covers you, your spouse or domestic partner, unmarried dependent children up to age 25, and unmarried, dependent children over age 25 who are incapable of self support due to a mental or physical disability that begins before the child reaches the age limit. You must enroll within 31 days of receiving your enrollment information.

**Note:** During the *Benefits by Design* waiting period, you are provided with the employer-paid 90-Day Plan, which includes medical for yourself and your eligible dependents, and employee life insurance. See page 2 for more information.
**Benefits by Design Credits**

Under *Benefits by Design*, you receive a specific amount of employer-provided credits to purchase benefits. If you are an employee regularly scheduled to work 32 or more hours per week, you will receive $25 for medical and $4 for dental per pay period, plus additional credits based on your annual base salary (credits are applied to the first two pay periods of each month). These credits will assist in purchasing:

- Mid medical plan (including Supplemental Medical) for yourself and your eligible dependents
- Basic dental plan for yourself and your eligible dependents
- Employee Life insurance coverage, approximately one times your annual salary
- Long-Term Disability for yourself at 50% of your base salary

If you are an employee regularly scheduled to work 25 to 31 hours per week, your credits are funded at 80%. If you are an employee regularly scheduled to work 20 to 24 hours per week, your credits are funded at 60%.

The cost of your benefits will depend on the options you choose. The difference between the credits you receive and the cost of your benefits will determine whether or not you will have out-of-pocket expenses, break even, or receive additional after-tax dollars in your paycheck.

**90-Day Plan**

During your first three months of employment you are provided with the 90-Day plan. If you are regularly scheduled to work 20 or more hours per week, Kaiser Permanente pays the full premium costs for you and your dependents. This coverage is effective on the first of the month following your date of hire.

The 90-Day plan provides you with:

- Basic Medical Plan option for yourself and your eligible dependents
- Employee Life insurance coverage for yourself only, equal to approximately one times your salary (not to exceed $50,000)

**Default Coverage**

If you do not enroll in *Benefits by Design* during your initial enrollment period, you will only receive default coverage. This coverage will stay in effect for the rest of the year. Your next opportunity to make changes to your coverage is during the annual open enrollment period, unless you have a qualifying event. When you are in default coverage, you do not receive any *Benefits by Design* credits.

Default coverage includes:

- Medical plan coverage for yourself only
- Employee Life insurance of approximately one times your annual salary (not to exceed $50,000)
Medical Plan Options

The Benefits by Design flexible benefits program offers you a choice of three medical plans. The plans cover many of the same services. However, the costs and coverage levels vary. Determining what type of coverage you need is important. You should also consider your spouse or domestic partner’s medical coverage.

High Option

The High Option is a comprehensive medical plan that covers basic and major medical care, such as hospitalization, surgery, maternity care, X-ray and laboratory expenses, durable medical equipment, as well as emergency care. There is a $10 copayment for office visits. Inpatient hospital services are covered at no charge.

There is a $5 or $10 copayment filled at a Kaiser Permanente pharmacy. Prescriptions must be written by a Kaiser Permanente physician or dentist. Prescriptions filled at non-Kaiser Permanente pharmacies are not covered. In addition, you may purchase over-the-counter drugs at a discount from any Kaiser Permanente pharmacy.

The plan also provides vision care, which includes eye examinations and a $175 benefit every 24 months for standard lenses, frames, and/or contact lenses.

Your coverage also includes inpatient and outpatient mental health services. Mental health office visits are covered at no charge.

You are also automatically enrolled in Supplemental Medical coverage.
Mid Option

The Mid Option is a comprehensive medical plan that covers basic and major medical care, such as hospitalization, surgery, maternity care, X-ray and laboratory expenses, durable medical equipment, as well as emergency care. There is a $20 copayment for office visits and $100 for each hospital admission provided at Kaiser Permanente facilities.

There is a $10 or $15 copayment for each brand name prescription filled at a Kaiser Permanente pharmacy. Prescriptions must be written by a Kaiser Permanente physician or dentist. Prescriptions filled at non-Kaiser Permanente pharmacies are not covered. In addition, you may purchase over-the-counter drugs at a discount from any Kaiser Permanente pharmacy.

The plan also provides vision care, which includes eye examinations and a $175 benefit every 24 months for standard lenses, frames, and/or contact lenses.

Your coverage also includes inpatient and outpatient mental health services. There is a $20 copayment for mental health office visits.

You are also automatically enrolled in Supplemental Medical coverage.

Basic Option

The Basic Option is a comprehensive medical plan that covers basic and major medical care, such as hospitalization, surgery, maternity care, X-ray and laboratory expenses, durable medical equipment, as well as emergency care. There is a $30 copayment for office visits and $250 for each hospital admission provided at Kaiser Permanente facilities.

There is a $10 or $20 copayment for each brand name prescription filled at a Kaiser Permanente pharmacy. Prescriptions must be written by a Kaiser Permanente physician or a dentist. Prescriptions filled at non-Kaiser Permanente pharmacies are not covered. In addition, you may purchase over-the-counter drugs at a discount from any Kaiser Permanente pharmacy.

The plan also provides vision care, which includes eye examinations and a $100 benefit every 24 months for standard lenses, frames, and/or contact lenses.

Your coverage also includes inpatient and outpatient mental health services. There is a $30 copayment for mental health office visits.

You are also automatically enrolled in Supplemental Medical coverage.
Supplemental Medical

You automatically receive Supplemental Medical coverage when you enroll in one of the three medical options above. Supplemental Medical, administered by Harrington Health, reimburses you for medical services not covered, or that exceed the limits, under your medical plan. This is particularly valuable in the event of catastrophic illness or injury. Under this coverage, you and your eligible dependents are covered up to a $1,000,000 lifetime maximum. In most cases, the plan pays 80% of reasonable and customary expenses and covers such medical services as acupuncture and chiropractic care.

Alternate Mental Health

You are automatically eligible for Alternate Mental Health, if you are regularly scheduled to work 20 hours or more per week and enrolled in a Kaiser Permanente-sponsored medical plan. Alternate Mental Health, administered by Harrington Health, provides mental health services outside of your health plan benefit. This coverage is offered outside of the Benefits by Design program, and the premiums for this coverage are employer-paid.

No Coverage

If you are an employee of Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc., or KP OnCall, LLC, you have the option to waive medical coverage provided you have proof of other medical coverage. Employees of Southern California Permanente Medical Group do not have the option to waive medical coverage.

Special Enrollment Rights

If you waive medical coverage and you subsequently lose your other coverage for any reason, you and your eligible dependents may enroll in a Kaiser Permanente-sponsored medical plan within 31 days of losing your other coverage. In addition, if you have new dependents as a result of birth, marriage, adoption, or placement for adoption, you may enroll yourself and your newly eligible dependents within 31 days of the qualifying event.
Dental Care

Benefits by Design offers a choice of two Delta Dental plans. Coverage becomes effective on the first of the month following three months of employment. The plans cover many of the same services, but the costs and coverage levels vary. To receive full benefits, you must visit a participating Delta Dental dentist.

Comprehensive

The Comprehensive dental plan covers 100% of R&C charges for diagnostic and preventive services such as X-rays and semiannual cleanings, 100% for basic services such as fillings, 100% for services such as crowns and restorations, and 60% for prosthodontics. Orthodontia is limited to dependent children under age 19 and is covered at 50%, with a lifetime maximum benefit of $1,000. The Comprehensive plan does not require a deductible. The maximum dental benefit is $1,000 per person each calendar year.

Basic

The Basic dental plan covers 100% of the reasonable and customary (R&C) charges for diagnostic and preventive services such as X-rays and semiannual cleanings, 80% for basic services such as fillings, and 50% of services such as crowns and prosthodontics. Orthodontia is limited to dependent children under age 19 and is covered at 50%, with a lifetime maximum benefit of $1,000. The Basic plan requires a $50 individual or $150 family deductible each calendar year (deductible does not apply to diagnostic and preventive services). The maximum dental benefit is $1,000 per person each calendar year.

You have the option to waive dental coverage.
Life Insurance

Benefits by Design offers life insurance options to provide financial security for you and your dependents in the event of a serious injury or death.

Employee Life Insurance

You have the option to purchase Employee Life insurance coverage at the following levels:

- $10,000–$50,000 (in $10,000 increments)
- $100,000–$750,000 (in $50,000 increments)

You may purchase up to $100,000 of Employee Life insurance when first eligible without providing Evidence of Insurability (EOI), which is proof of your good health. During future open enrollment periods, you may increase your life insurance coverage to the next higher level without providing EOI.

You have the option to waive life insurance coverage. If you waive coverage when first eligible and wish to purchase coverage at a later time, EOI will be required for any coverage level over $10,000.

Dependent Life Insurance

You have the option to purchase Dependent Life insurance coverage at the following levels:

<table>
<thead>
<tr>
<th>Spouse/Domestic Partner</th>
<th>Each Child</th>
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<tbody>
<tr>
<td>$10,000</td>
<td>$2,000</td>
</tr>
<tr>
<td>$20,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>$30,000</td>
<td>$6,000</td>
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<tr>
<td>$40,000</td>
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<tr>
<td>$50,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>No coverage</td>
<td>No coverage</td>
</tr>
</tbody>
</table>

In order to purchase Dependent Life insurance, you must elect Employee Life insurance of at least twice the amount of spouse or domestic partner coverage you choose.

You will not be able to use your Benefits by Design credits to pay for this coverage. Your Dependent Life insurance contribution is deducted from your pay on an after-tax basis.

The Dependent Life insurance coverage levels are bundled together so that if you choose to cover your spouse or domestic partner, you can also cover any eligible children up to age 21 or age 23 if enrolled as a full time student (proof that dependent child is enrolled as a full-time student at an accredited school or university is required to enroll and if a claim is filed). If you’re a single parent, your Dependent Life insurance election should be based on the coverage level you want for each child.
Accidental Death and Dismemberment Insurance

Benefits by Design offers Accidental Death and Dismemberment (AD&D) coverage to you and your eligible dependents. AD&D coverage is not designed to be a substitute for Employee or Dependent Life insurance; it provides additional income protection in case of an injury or death as a result of an accident.

You may choose to cover yourself only or yourself and your family. In order to enroll your dependents in AD&D coverage, you must also elect coverage for yourself. Benefits by Design covers your spouse or domestic partner at 50% of your coverage and each of your children at 10% of your coverage.

Your contribution for Employee AD&D coverage is made on a pre-tax basis, and you’ll be able to use your Benefits by Design credits to purchase this coverage. The IRS requires that Dependent AD&D contributions be deducted on an after-tax basis, so you will not be able to use your Benefits by Design credits to purchase Dependent AD&D coverage.

You have the option to purchase AD&D coverage for yourself at the following levels:

- $10,000–$50,000 (in $10,000 increments)
- $100,000–$350,000 (in $50,000 increments)

Travel Accident Insurance

If you are a Salaried employee regularly scheduled to work 20 hours or more per week, you are automatically enrolled in Travel Accident insurance. Coverage becomes effective on your date of hire. Your beneficiaries will receive a benefit equal to four times your annual salary (with a minimum of $100,000 and a maximum of $250,000—decreases after age 75) if you die as a result of an accident while on company business.

Survivor Assistance

Survivor Assistance provides financial assistance to your beneficiary in the event of your death while you are employed at Kaiser Permanente. This benefit is equal to one month of your base wage (prorated for part-time employees). If you are regularly scheduled to work, you are automatically covered as of your date of hire.

Malpractice

You are provided with employer-paid professional liability protection on your date of hire, subject to the terms and limitations of the coverage, if you provide patient care. All employees of the Southern California Permanente Medical Group, Kaiser Foundation Hospitals, Kaiser Foundation Health Plan, Inc., and KP OnCall, LLC are included in this blanket coverage.
Disability Income

Your disability benefits at Kaiser Permanente provide income replacement in the event of a disability, serious illness, or injury.

Short-Term Disability

Short-Term Disability (STD) is an employer-paid disability plan that is provided to you outside of Benefits by Design. It becomes effective on the first day of the month after three months of employment in a benefits-eligible status. Benefits are payable after you exhaust all hours in your Extended Sick Leave account or any immediately elected Earned Time Off hours. STD provides 50% of your base pay, or up to 60% if combined with other disability income, such as State Disability Insurance or Workers’ Compensation. STD benefits may be paid up to a maximum of six months from the date of disability with continued physician certification.

Long-Term Disability

Benefits by Design offers you Long-Term Disability (LTD) coverage. You have the option to purchase LTD at the following income replacement levels:

- 50% of base pay (60% when integrated with other disability income)
- 60% of base pay (70% when integrated with other disability income)

LTD benefits are payable after six months of disability provided you exhaust STD benefits and all hours in your Extended Sick Leave account or any immediately elected Earned Time Off hours. LTD benefits may be paid up to age 65 from the date of disability with continued physician certification. There is a pre-existing condition clause under LTD that excludes from benefits any disability which occurs during the first 12 months of coverage if it is the result of a condition treated within 90 days prior to coverage becoming effective. If you waive coverage when first eligible and wish to purchase it at a later time, Evidence of Insurability—which is proof of your good health—will be required. You can choose to purchase LTD coverage with pre-tax or after-tax dollars.

You have the option to waive LTD coverage.
Flexible Spending Accounts

Benefits by Design offers you a choice of flexible spending accounts that allow you to set aside pre-tax dollars to pay for certain expenses. Certain IRS restrictions govern these accounts, so you should carefully estimate your spending account needs each year. You must re-enroll in these accounts each year to continue participation.

Health Care Spending Account

The Health Care Spending Account allows you to contribute up to $3,000 annually on a pre-tax basis to pay for eligible health care expenses for yourself and/or your dependents. Examples of such expenses include deductibles and copayments for medical and dental services, or expenses exceeding your medical and dental plan limits. You are eligible to enroll if you are regularly scheduled to work at least 20 hours per week.

Dependent Care Spending Account

The Dependent Care Spending Account allows you to contribute up to $5,000 annually on a pre-tax basis to pay for eligible dependent care expenses. Examples of such expenses include care at a licensed day care center, or practical nursing care for an adult. You are eligible to enroll regardless of your scheduled hours.
Time Off Benefits

Kaiser Permanente offers you a number of programs to help you keep your home and work life in balance. You are eligible for the following benefits on your date of hire if you are regularly scheduled to work:

- Earned Time Off
- Extended Sick Leave
- Observed Holidays

Earned Time Off

You may use Earned Time Off (ETO) hours for any reason such as illness, leisure, hobbies, family matters or other activities of your choice. You are eligible for ETO according to the accrual schedule below:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Hours per Month*</th>
<th>Days per Year*</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1</td>
<td>14.00</td>
<td>21</td>
</tr>
<tr>
<td>2-4</td>
<td>17.33</td>
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<td>5-9</td>
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</tr>
<tr>
<td>10+</td>
<td>24.00</td>
<td>36</td>
</tr>
</tbody>
</table>

*Prorated for part-time employees.

You can accumulate up to 500 hours in your ETO account. However, on an annual basis, any ETO hours above 500 that you accumulate will be paid out to you at 100% of value as part of your regular paycheck.

In-Service Cash-Out

The In-Service Cash-Out program lets you cash out some of the ETO hours you will earn in the following year and receive the money for those hours in your paycheck as taxable income. During the annual open enrollment period, you may elect to cash out a minimum of 24 hours or 40-hour increments up to 160 hours, as long as you do not exceed your expected annual accrual for the following year.

Extended Sick Leave

You accrue nine days of Extended Sick Leave (ESL) per calendar year (prorated if you are a part-time employee). You may use your ESL hours for your own illness or injury after three consecutive days of disability or on the first day of hospitalization. Also, you may use up to 4.5 days of ESL per calendar year to care for an eligible family member who is ill. There is no limit to the ESL hours you may accumulate.
Observed Holidays
You are eligible for the following paid holidays:
• New Year’s Day
• Memorial Day
• Independence Day
• Labor Day
• Thanksgiving Day
• Christmas Day

Other Time Off
In addition to your Earned Time Off program, you may be eligible for:

Bereavement Leave: You may be eligible for paid Bereavement Leave in the event of the death of an eligible family member or domestic partner.

Educational Leave: You may be eligible for Educational Leave to help you maintain your professional license(s) or to upgrade and maintain professional skills.

Family Leave: You are eligible for up to 12 weeks of Family Leave per year (12-month rolling period) after one year of employment and working 1,250 hours to care for a newborn or foster/adopted child, or certain family members who are seriously ill. You may also use Family Leave for your own serious illness.

Jury Duty: Kaiser Permanente provides paid leave when you are called to jury duty.

Kaiser Permanente also provides certain types of paid and unpaid leaves such as Medical, Military, Occupational, and Personal leaves.

For more information, visit My HR at http://insidekp.kp.org/myhr to view time off policies and guidelines.
Retirement

Preparing for a financially secure future during your working years is just as important as funding your lifestyle today. Kaiser Permanente offers retirement programs especially designed to help provide you with financial security down the road.

**Kaiser Permanente Salaried Retirement Plan – Plan A**

You automatically become a participant in the employer-paid Kaiser Permanente Salaried Retirement Plan – Plan A after you complete one year of service during which you are compensated for at least 1,000 hours. This defined-benefit pension plan provides you with retirement income based on your length of service and compensation. If you terminate employment after you have at least five years of service or if you have at least one year of service and earn at least one hour of service at age 65, you are entitled to a benefit from this plan.

**Kaiser Permanente Supplemental Savings and Retirement Plan - Plan B**

You automatically become a participant in the Kaiser Permanente Supplemental Savings and Retirement Plan - Plan B upon completion of two years of employment. Kaiser Permanente contributes a fixed 5% of your annual salary to this plan. You can elect to make after-tax contributions into the plan regardless of your employment status and work schedule. You may invest your contributions in a broad range of investment funds. The amount of salary taken into consideration may not exceed the compensation limits established by the Internal Revenue Code.

**Kaiser Permanente Tax-Sheltered Annuity Plan or Southern California Permanente Medical Group Tax Savings Retirement Plan**

If you are an employee of Kaiser Foundation Health Plan or Kaiser Foundation Hospitals, Inc., you may elect to participate in the Kaiser Permanente Tax-Sheltered Annuity (TSA) plan on your date of hire or anytime thereafter regardless of your employment status and work schedule. If you are an employee of the Southern California Permanente Medical Group, you may elect to participate in the Southern California Permanente Medical Group Tax Savings Retirement (TSR) plan. The TSA and TSR plans are designed to help you save additional money for retirement and reduce your current taxable income. You may contribute a percentage of your pre-tax earnings into the plan. You may invest your contributions in a broad range of investment funds.

**Retiree Benefits**

When you retire, you may be eligible for retiree medical benefits at age 65 if you have 15 or more years of service with Kaiser Permanente. Your dependents may also be covered under your medical benefits. Retiree medical coverage is coordinated with Medicare. You may also be eligible for retiree life insurance.
Other Benefits

Domestic Partner Benefits
You may extend certain benefits, such as medical and dental coverage, to your domestic partner and his or her dependents. In order to extend these benefits, you and your domestic partner must either sign a Kaiser Permanente Affidavit of Domestic Partnership or submit a copy of your certified domestic partner registration filed with a local or state government. Some of the provided benefits may be taxable.

Employee Assistance Program
You are eligible for the Employee Assistance Program on your date of hire regardless of your work schedule. The program offers confidential counseling and referral to professional resources for issues with alcohol or drugs, marital difficulties, family crises, financial or legal questions, or emotional or other concerns.

Child and Elder Care Referral
You are eligible on your date of hire for child and elder care referral services regardless of your work schedule. This program offers help in locating and selecting child and elder care providers by giving you information on the resources available locally. Consultation is available through the Employee Assistance Program.
Tuition Reimbursement Program
You are eligible to participate in the Tuition Reimbursement program after six months of employment, if you are regularly scheduled to work 20 hours or more per week.

The Tuition Reimbursement program helps you to continue your education in subjects that improve your job performance and increase your potential for advancement and employability. You can be reimbursed for preauthorized expenses, which include the cost of tuition and textbooks, up to a maximum of $2,000 per calendar year, depending on the number of hours you are regularly scheduled to work.

Commuter Spending Account
You are eligible to participate in the Commuter Spending Account regardless of your work schedule. This program allows you to set aside pre-tax dollars to pay for your qualified public transportation, vanpooling, and parking expenses to and from work. You can elect to participate on your date of hire or at anytime thereafter.

Parent Medical Coverage
You may cover your eligible parents, stepparents, parents-in-law and parents’ domestic partners under a group health plan. In order for your eligible parent to qualify, you must be an active employee and eligible for, but not necessarily enrolled in, Kaiser Permanente-sponsored medical coverage. Your parent must reside in the same Kaiser Permanente region by which you are employed. Your parent must enroll in Medicare Parts A & B, assign his or her Medicare benefits to Kaiser Permanente, and meet eligibility requirements for Kaiser Permanente Senior Advantage. Your eligible parent will be responsible for the entire amount of the monthly premium, applicable administration fees, and copayments. Your eligible parent may enroll within 31 days of your date of hire, your qualified family or employment status change, when he or she moves into the region by which you are employed, if he or she becomes newly eligible for Medicare during the year or during the annual open enrollment period.

Kaiser Permanente Activity Program
You are invited to take advantage of the Kaiser Permanente Activity Program that offers discounted rates as well as customized packages and other specials on a variety of entertainment venues and events, travel, gifts, products, and services for yourself and your family.
The True Value of Benefits

Kaiser Permanente believes that benefits are an integral and extremely important part of your employment package. Kaiser Permanente provides a comprehensive benefits package to you and your family, including medical, dental, life insurance and disability plans, retirement benefits, and much more. Take the time to know and appreciate your benefits.