

Reference Guide

Benefit	Contact	Website	Phone	Information
Medical	FirstCare	www.firstcare.com	800-884-4901	HMO: SFA000 POS: SFVA00
Prescription Drug	Script Care	www.scriptcare.com	800-880-9988	Rx Card: 9060
Dental	Assurant	www.assurantemployeebenefits.com	800-442-7742	Dental: 5223186
Vision	Vision Service Plan	www.vsp.com	800-852-7600	Vision: 1109154
Life, AD&D, Disability, Long-Term Care	UNUM Provident	www.unumprovident.com	800-421-0344	Life/LTD: 0115658 STD: 0115657 Vol. Life/AD&D: 0115659 LTC: 511830
Human Resources	HR Frontline	www.acu.edu/hr	325-674-2359	For any benefit-related questions or concerns.

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If you or your dependents have Medicare or will become eligible for Medicare in the next 12 months, a new Federal law gives you more choices about your prescription drug coverage, which started in 2006. Please see page 16 for more details.

THE FINE PRINT

The information contained in this summary should in no way be construed as a promise or guarantee of employment or benefits. ACU reserves the right to modify, amend, suspend, or terminate any plan at any time for any reason. If there is a conflict between the information in this guide and the actual plan documents or policies, the documents or policies will always govern. Complete details about the benefits can be obtained by reviewing current plan descriptions, contracts, certificates, policies and plan documents available from Human Resources.

Membership Guidelines

WHICH ACU EMPLOYEES AND DEPENDENTS ARE ELIGIBLE FOR COVERAGE?

All full-time faculty and staff and their qualified dependents are eligible to participate in health insurance and other benefits offered by ACU.

Half-time faculty and staff and their qualified dependents are eligible to participate in all benefits offered by ACU except health insurance.

MAKING ENROLLMENT CHANGES DURING THE YEAR

In most cases your pre-tax benefit elections are irrevocable and remain the same for the entire year (January 1 – December 31). During each annual enrollment period, you will have the opportunity to review your benefit elections and make changes for the coming year.

Certain coverages allow limited changes to elections during the year. These benefits include the medical, prescription drug, FLEX medical, vision and dental plans. Under these benefits you may only make changes to your elections during the year if you have a status change. Status Changes include:

- **Marriage, divorce, or legal separation**
- **Gain or loss of an eligible dependent for reason such as birth, adoption, court order, disability, death, marriage, or reaching the dependent child age limit**
- **Changes in your spouse's employment affecting benefit eligibility**
- **Changes in dependent's benefit eligibility**

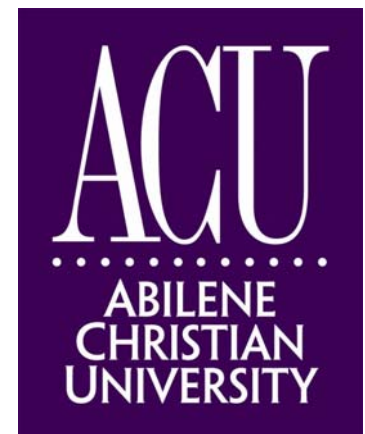
The change to your benefit elections must be consistent with the status change. ***You have 30 days from the date of a status change to complete the enrollment change form and return it to Human Resources.*** In most cases your election will become effective the first day of the month following your request. Otherwise, you must wait until the next annual enrollment period to make a change to your elections.

PRE-TAX PAYROLL DEDUCTIONS

To help offset your contributions for the Medical, Dental and Vision Plans, we offer these benefits on a pre-tax basis through the IRC Section 125. By making your contributions for these benefits on a pre-tax basis, the premium is withheld from your pay before federal income and FICA taxes are calculated. This can reduce the amount of taxes you pay per paycheck.

HIPAA PRIVACY NOTICE UPDATE

HIPAA requires ACU to notify its employees that a privacy notice is available from the Human Resources Department. To request a copy of Abilene Christian University's Privacy Notice or for additional information, please contact Human Resources at 325-674-2359 or at humanresources@acu.edu.



Medical Coverage

We understand that, for many people, satisfying your family's health care needs is the first thing you look for in your benefits package. ACU is pleased to provide you with a choice of comprehensive medical plans. For 2007, ACU will offer two medical plan options. These plans are the same as those offered in 2006, with the exception of changes in coinsurance, emergency room copay and premiums.

Regardless of which option you choose, you pay the cost of your coverage through pre-tax payroll deductions. By paying on a pre-tax basis, your cost for coverage is lower, because the earnings you use to pay premiums are not subject to federal income tax withholding or Social Security (FICA) taxes.

Please review each option and consider how it will benefit you and your family members. You may choose from the following medical plans:

FIRSTCARE HEALTH MAINTENANCE ORGANIZATION (HMO)

When selecting the HMO option, you and each covered family member will be required to select a Primary Care Physician (PCP). This doctor will help coordinate your medical needs within the FirstCare network. The physician of your choice can perform medical services in one of these four areas: Family Practice, General Practice, Internal Medicine, and Pediatrics. A list of these providers can be found by visiting the FirstCare web site at www.firstcare.com. Whenever you get sick or injured, and it is not an emergency, contact your PCP for an appointment. If you visit a doctor outside of the network, there is no benefit and you will be responsible for all charges. However, please note that if you have a life threatening emergency, you will have coverage outside of FirstCare. In the case of an emergency, please go to the nearest emergency room as soon as possible. **FirstCare must be contacted within 24 hours of the emergency.**

FIRSTCARE POINT-OF-SERVICE (POS)

This benefit option gives participants the choice to seek service outside the FirstCare HMO network. As a member of the Point of Service (POS) Plan, you are eligible to receive the HMO benefit level by accessing your care through your Primary Care Physician (PCP).

The important aspect of your Point of Service Plan is that you may visit FirstCare Network health care providers without a referral from a PCP. An additional highlight of the POS Plan is that you may access providers who are considered "non-participating" or not contracted with FirstCare. Please note that services rendered by non-participating providers will be covered at a lower benefit than if you were to use a participating provider. Your Benefit Level, Deductibles, Coinsurance, and Out-of-Pocket Maximums are affected by whether you access a participating provider or a non-participating provider under your POS Plan.

COMMON FEATURES BETWEEN THE HMO AND POS

Participants do not need a referral from a Primary Care Physician to see a FirstCare Network specialist. After you visit a specialist (cardiologist, dermatologist, etc.), it will be your responsibility to notify your PCP in order to coordinate care between doctors.



HMO - Medical Schedule of Benefits

Effective Date of Benefits: January 1, 2007

Plan Features	In-Network
Plan Year Deductible Individual Family	N/A N/A
Coinsurance*	10%
Out-of-Pocket Maximum Individual Family	\$1,000 \$1,000 per Family Member
Primary Care Physician Office Visit (includes associated lab & x-ray)	\$20 Copay
Specialist Office Visit (includes associated lab & x-ray)	\$20 Copay
Preventive Care	\$20 Copay
Hospital Inpatient Outpatient	\$300 per Admission, plus 10% up to \$1,000 \$150 per Admission
Outpatient Services MRI and CT Scan Procedures performed in Physician's office	\$100 per Procedure \$50 per Procedure
Urgent Care	\$25 Copay
Hospital Emergency Room Emergency Care Non-Emergency Care	\$100 Copay \$100 Copay
Outpatient Rehabilitation (physical, speech, and occupational therapy) (up to 30 visits per year)	\$20 Copay Subject to Medical Necessity
Skilled Nursing Facility (up to 60 days per year)	\$300 per Admission
Hospice (\$20,000 lifetime maximum)	Covered at 100%
Home Health Care (up to 40 visits per year)	Covered at 100%
Mental Health Short Term Mental Illness (up to 20 visits per year) Serious Mental Illness (up to 60 visits per year)	\$25 per Visit \$20 per Visit
Alcohol/Drug Abuse Rehabilitation Outpatient (3 treatments per lifetime)	\$20 per Outpatient Visit
Durable Medical Equipment	20% of Covered Expenses

***Coinsurance** is a percentage of each claim above the copay paid by the employee. For a 10 percent health insurance coinsurance clause, the employee pays for the copay plus 10 percent of covered expenses. After paying up to your Out-of-Pocket Maximum, the Plan will pay 100 percent of covered expenses.

This is a summary of benefits. For more information, please refer to the Plan Document.

POS - Medical Schedule of Benefits

Effective Date of Benefits: January 1, 2007

Plan Features	In-Network	Out-of-Network
Plan Year Deductible Individual Family	N/A N/A	\$750 \$1,500
Coinsurance*	10%	30%
Out-of-Pocket Maximum Individual Family	\$1,000 \$1,000 per member	\$4,000 \$8,000
Primary Care Physician Office Visit (includes associated lab & x-ray)	\$20 Copay	30% after Deductible
Specialist Office Visit (includes associated lab & x-ray)	\$20 Copay	30% after Deductible
Preventive Care	\$20 Copay	30% after Deductible
Hospital Inpatient Outpatient	\$300 per admission, then 10% up to \$1,000 \$150 per Admission	30% after Deductible 30% after Deductible
Outpatient Services MRI and CT Scan Procedures performed in Physician's office	\$100 per Procedure \$50 per Procedure	30% after Deductible 30% after Deductible
Urgent Care	\$25 Copay	\$25 Copay
Hospital Emergency Room Emergency Care Non-Emergency Care	\$100 Copay \$100 Copay	\$100 Copay 30% after Deductible
Outpatient Rehabilitation (physical, speech, and occupational therapy) (up to 30 visits per year)	\$20 Copay Subject to Medical Necessity	30% after Deductible Subject to Medical Necessity
Skilled Nursing Facility (up to 60 days per year)	\$300 per Admission	30% after Deductible
Hospice (\$20,000 lifetime maximum)	Covered at 100%	Covered ONLY In-Network
Home Health Care (up to 40 visits per year)	Covered at 100%	Covered ONLY In-Network
Mental Health Short Term Mental Illness (up to 20 visits per year) Serious Mental Illness (up to 60 visits per year)	\$25 per Visit \$20 per Visit	Covered ONLY In-Network 30% after Deductible
Alcohol/Drug Abuse Rehabilitation Benefit Limitations (3 treatments per lifetime)	\$20 per Outpatient Visit	30% after Deductible
Durable Medical Equipment	20% of Covered Expenses	30% after Deductible

***Coinsurance** is a percentage of each claim above the copay paid by the employee. For a 10 percent health insurance coinsurance clause, the employee pays for the copay plus 10 percent of covered expenses. After paying up to your Out-of-Pocket Maximum, the Plan will pay 100 percent of covered expenses.

This is a summary of benefits. For more information, please refer to the Plan Document.

Prescription Drug Program

ACU PRESCRIPTION DRUG PROGRAM

ACU has recognized that the cost of prescription drugs continues to escalate at a rate of 15%-18% annually with no digression in sight. We have evaluated the prescription drug benefit, and in an effort to maintain a comprehensive but financially feasible program for our employees, we have made the following change. ACU will implement a \$2,500 individual Out-of-Pocket Maximum for prescription drugs in 2007. After paying up to your Out-of-Pocket Maximum, the plan will pay 100% of covered prescription drugs for the remainder of the plan year.

The current three-tier copay structure will remain the same. The "3-tiered" benefit means that you pay lower drug costs when you use generic drugs, or preferred brand name drugs. The highest-level drug cost is for non-preferred brand name drugs that are NOT part of the Preferred Drug List (See www.acu.edu/hr). You pay the following amounts for each 30 day supply:

Drug Tier	Drug Cost
Generic	\$5 + 10% of the total cost of the drug
Preferred Brand Drugs	\$5 + 30% of the total cost of the drug
Non-Preferred Brand Drugs	\$5 + 50% of the total cost of the drug

The drug list is updated periodically to ensure that newer, more effective drugs are listed. Drugs are automatically removed from the Preferred Drug List when generic alternatives become available. To get the most updated list, please visit www.scriptcare.com.

When utilizing this benefit, simply present your Script Care member card to any participating pharmacy. There will be no need to file claims.

MAIL ORDER PRESCRIPTION DRUGS

If you use prescription drugs on a maintenance basis, you can save money by using the mail order program. ACU has increased the mail order copay to obtain a more consistent cost share between the Plan and participant in light of increasing medical costs. You pay a fixed amount for a 90-day supply of maintenance medications, resulting in the following cost:

Drug Tier	Drug Cost
Generic	\$15 Copay
Preferred Brand Drugs	\$60 Copay
Non-Preferred Brand Drugs	\$100 Copay

Compare this to purchasing drugs at the retail pharmacy. There you must pay the copay plus a percentage of the drug's cost for each 30-day supply you receive. Plus, you will enjoy the convenience of having your medications shipped directly to your home.

Dental Coverage

Dental coverage at ACU is an **optional plan in which you may choose to participate at your expense**. The **Assurant Indemnity Dental Plan** helps you with the cost of many dental services, **including orthodontia for your eligible child(ren) up to age 19**. Preventive care, such as routine checkups and cleanings, is covered at 100% with no deductible. Some services are subject to age and frequency limitations – see Plan for more details.

You must first meet a plan year deductible of \$50 for basic and major services, then the Plan pays a percentage of the cost (within the Plan's reasonable and customary limits) for your dental care. It's always a good idea to ask for a pre-determination of benefits for any services expected to exceed \$300.

Benefits	Service Cost
Plan Year Deductible Per Covered Person	\$50
Annual Maximum Benefit	\$1,000
Preventive Services <ul style="list-style-type: none"> • Oral Exams and Evaluation • Cleaning • Fluoride Treatment • Bitewing X-rays • Full Mouth X-rays • Space Maintainers 	100% (not subject to deductible)
Basic Services <ul style="list-style-type: none"> • Amalgams • Composite Filings • Stainless Steel Crowns • Scaling and Root Planing • Uncomplicated Extractions 	80% (after deductible)
Major Services <ul style="list-style-type: none"> • Osseous Surgery • Crowns • Inlays / Onlays • Dentures 	50% (after deductible)
Orthodontia Services (Child(ren) up to age 19) Lifetime Maximum Benefit	50% \$1,000
Endodontics/Periodontics	Covered Under Major Services

If this is your first year to participate in the Dental program, you and your dependents will be subject to a 12-month waiting period for Major and Orthodontia services.

This is a summary of benefits. For more information, please refer to the Plan Document.

For additional information, please visit the Assurant website at www.assurant.com.



Vision Coverage

Vision coverage at ACU is an **optional benefit in which you may choose to participate at your expense.**

You can receive services from one of Vision Service Plan's thousands of eye care professionals or choose to receive care outside of the Vision Service Plan network at a higher cost. To find a Vision Service Plan provider, call **1-800-852-7600** or visit Vision Service Plan's web site at www.vsp.com.

You have a 12-month waiting period between each type of service and a 24-month waiting period between frames. For example, if you receive an eye exam on April 15th, you will have to wait until the next April 15th before you may receive another exam.

Following is a brief outline of the Vision Service Plan benefits:

Type of Service	Vision Service Plan Provider	Non-Participating Provider
Examination: (Once every 12 months)	A comprehensive vision examination is provided by a network optometrist or ophthalmologist after a <u>\$10 copay</u>	Member Reimbursed up to \$40
Frames: (Once every 24 months)	After a <u>\$10 copay</u> , you choose from a selection of frames. If you select a frame outside of Vision Service Plan's covered-in-full selection, you will receive a \$50 wholesale frame allowance at private practice providers, or a minimum \$130 retail frame allowance at a retail chain provider.	Member Reimbursed up to \$45
Lenses: (Once every 12 months)	If prescribed, a pair of single vision or standard lined multifocal lenses is covered for a <u>\$20 copay</u> (<i>combined with Frames copay</i>).	Member Reimbursed up to: Single Vision: \$40 Bifocal: \$60 Trifocal: \$80 Lenticular: \$80
Contacts: (Once every 12 months)	In lieu of lenses and a frame, you may select contact lenses. Vision Service Plan covers a wide variety of contact lenses from many leading manufacturers. Four boxes (12 pairs) of covered disposables are included when obtained from a network provider. A \$120 credit will be applied toward the evaluation, fitting and purchase of non-covered contact lenses.	Member Reimbursed up to: Medically Necessary Contacts: \$210 Elective Contacts: \$105

OTHER OPTIONS

Should you choose other options not covered by the program, such as tints, progressive lenses, UV and anti-reflective coatings, you will be able to purchase these options at a significant discount if you use a network provider. This additional benefit may save you 20% to 40% off retail on additional lens options and lens upgrades.

LASER EYE SURGERY

Vision Service Plan participants receive access to discounted refractive eye surgery benefits from numerous provider locations throughout the United States. To find a participating Laser Eye Surgeon in your area, visit the Vision Service Plan website at www.vsp.com.



Basic Life and AD&D Coverage

Your family will be protected by Basic Life Insurance and Accidental Death & Dismemberment (AD&D) coverage, provided at no cost to all eligible employees by **Abilene Christian University**. Life Insurance is an important part of your benefits package and of your family's financial security. **ACU provides employer-paid Basic Life and AD&D coverage to all eligible faculty and staff at one times your annual salary.** You may purchase additional coverage by electing Optional Life Insurance or Optional AD&D Insurance.

After your death, your beneficiary will receive the amount of your Basic Life Insurance. If you have Basic AD&D coverage and suffer a covered injury, such as the loss of a limb or an eye, you would receive a portion of your Basic AD&D benefits. AD&D also pays a benefit if you die as a result of an accidental injury.

Who Is Your Life/AD&D Insurance Beneficiary? – Your designated beneficiary is the person(s) to whom you have assigned your Life and AD&D benefits. If you are not sure whom you selected as your beneficiary, you need to verify your beneficiary with the Human Resources Department. Be sure to check and update this information as necessary.

OPTIONAL LIFE & AD&D INSURANCE CHOICES FOR YOU

You can choose the following Optional Life and AD&D coverage for yourself:

- **Optional Life** - You may purchase additional group life insurance in \$10,000 increments. Your coverage amount may not exceed five times your annual earnings, up to a maximum of \$500,000. Coverage amounts over \$200,000 require evidence of insurability. This coverage is portable, meaning you can take the coverage with you if you leave Abilene Christian University.
- **Optional AD&D** - You may purchase additional group AD&D insurance in increments of \$10,000, up to \$500,000 or five times your annual earnings.

OPTIONAL LIFE & AD&D INSURANCE CHOICES FOR YOUR FAMILY

You may also choose Optional Life Insurance and Accidental Death & Dismemberment Insurance coverage for your spouse and children. This coverage would pay a benefit to you in the event that your covered spouse or children passes away. You pay the full cost of this coverage from your paycheck with after-tax dollars. **You must** select Optional Life for yourself in order to elect coverage for your spouse and/or children.

If you are not actively at work on the optional coverage effective date, your coverage will be delayed until you return to work. Similarly, if you request optional coverage for an eligible dependent and that dependent is confined to a hospital on the effective date, coverage may be delayed. Exception: Infants are insured from live birth.

Here are your choices for family life insurance:

- **Spouse Life Insurance** - You may elect coverage for your spouse, in increments of \$5,000, up to 50% of your optional life coverage, to a maximum of \$250,000.
- **Child Life Insurance** - You may elect coverage for your eligible children up to \$10,000, in \$2,000 increments.

OPTIONAL AD&D FOR YOUR FAMILY

You may also elect voluntary AD&D coverage for your family. If your covered family members suffer a covered injury, AD&D pays benefits to you. The amount of AD&D coverage for your spouse may be elected in \$10,000 increments, up to 50% of the optional AD&D coverage amount you elect for yourself. In addition you may elect coverage for your child(ren) in \$10,000 increments, up to 10% of the optional AD&D coverage amount you elect for yourself.

Disability Coverage

VOLUNTARY SHORT TERM DISABILITY (STD)

The University wants to ensure that every employee is empowered to take care of their family if they become ill or injured. What happens if you have an unexpected injury or illness that leaves you unable to work or earn a paycheck? Few people believe it will happen to them, but the truth is, your risk of becoming disabled is far greater than you may think.

If you are disabled according to your policy's definition of disability, you will be eligible to receive a weekly benefit based on a percentage of your weekly income. Your benefits will begin after 7 days of injury or 7 days of sickness and are paid as long as you meet the definition of disability for a maximum period of 25 weeks. Your benefit is paid based upon 60% of your weekly earnings to a maximum payment of \$1,750 a week. The Plan will not cover any disability caused by, or resulting from a pre-existing condition. A pre-existing condition means a condition for which you received medical treatment, consultation, care or services, or took prescribed medicines in the 3 months prior to your effective date of coverage, and the disability begins in the first 12 months after your effective date of coverage. The table below will assist you to calculate your monthly rate for coverage.

Short Term Disability Cost Calculation								
NOTE: <i>If your weekly salary exceeds \$2,917.00, use \$2,917.00 as your weekly salary in the calculation.</i>								
_____	÷	52	=	_____	X	_____	=	_____
Annual Salary				Weekly Salary		Benefit %		Your Weekly Benefit
_____	÷	10	=	_____	X	_____	=	_____
Your Weekly Benefit				Your Rate		Your Rate		Your Monthly Cost

EMPLOYER-PAID LONG TERM DISABILITY

ACU pays for Long Term Disability (LTD) coverage for all eligible faculty and staff. The LTD benefit pays 60% of your total monthly earnings (less other income benefits) if you can't work due to a total disability. The maximum monthly benefit is \$7,500. The minimum monthly benefit is \$100. Benefits become payable on a monthly basis once you have been disabled for 180 days (when your Short Term Disability coverage ends, if any). Benefits may continue while you are disabled up to age 65. In some cases, benefit payments may extend past age 65 depending on the age you become disabled. Benefits for disability due to mental health and substance abuse are limited to 24 months. The Plan will not cover any disability caused by, or resulting from a pre-existing condition. A pre-existing condition means a condition for which you received medical treatment, consultation, care or services, or took prescribed medicines in the 3 months prior to your effective date of coverage, and the disability begins in the first 12 months after your effective date of coverage. Reduced benefits may be available for partial disability.



Long Term Care/Flexible Spending Accounts (FSA)

LONG TERM CARE (LTC) - UNUMProvident

The need for assisted care can affect people at any age. For this reason, ACU has provided you the option of purchasing Long Term Care insurance for yourself and your parents. This program helps pay for expenses associated with nursing home and home health care. Some plan features of this benefit are:

- **Guaranteed standard issue**
- **Extended eligibility**
- **Guaranteed Renewable**
- **Choice of indemnity or reimbursement plans**
- **Total Choice Home Care Option** (covers professional and informal care, provided by the immediate family)
- **Free access to LTC connect** - an information and referral service for LTC concerns

WHAT ARE FLEX-MEDICAL & FLEX-DEPENDENT CARE SPENDING ACCOUNTS?

All ACU employees may contribute to Flex-Medical and Flex-Dependent Care Spending Accounts. Contributions are made through payroll deductions with before-tax dollars. When you contribute before-tax dollars, you decrease your taxable income and, thereby, increase your take-home pay. **Effective January 2006, the IRS approved a 2 ½ Month Extension for Flexible Spending Plans to give you a longer period of time to use money in your flexible spending accounts.** If you are a participant in the Flex-Medical or Flex-Dependent Care program and you have a remaining account balance at the end of the year, you will be given an additional 2 ½ month extension in which to incur qualified expenses. After the 2 ½ month extension, there will be an additional 45 day run-off period to submit expenses incurred during the previous plan year.

ACU offers two types of Flex Spending Accounts:

- **Flex-Medical** – reimburses for the uncovered or unreimbursed portions of qualified medical expenses.
- **Flex-Dependent Care** - reimburses for eligible expenses for dependent care with before-tax dollars.

HOW CAN FLEX-MEDICAL OR FLEX-DEPENDENT CARE SPENDING ACCOUNTS HELP ME?

Your Flex Spending Accounts offer tax savings by allowing you to pay for qualified out-of-pocket expenses with before-tax dollars. Without a Flex Spending Account, you would still pay for these expenses, but you would do so using money remaining in your paycheck after taxes are deducted. For example:

Tax Savings Example

<i>Actual savings will vary, based on your individual tax situation</i>	With Flex Account	Without Flex Account
Gross Salary	\$40,000	\$40,000
Health / Day Care Expenses (before-tax)	\$5,600	N/A
Taxable Income	\$34,400	\$40,000
Tax (17.65%)	\$6,072	\$7,060
Net Salary	\$28,328	\$32,940
Health / Day Care (after-tax)	N/A	\$5,600
Take-Home Pay	\$28,328	\$27,340
Your Tax Savings	\$988	N/A

Flexible Spending Accounts (continued)

FLEX-MEDICAL SPENDING ACCOUNT

Using pre-tax payroll contributions, you can receive reimbursement from your Flex-Medical Spending Account for eligible medical, dental, vision and hearing expenses incurred by you or an eligible dependent, as long as the expenses are not covered or reimbursed by other plans.

The minimum amount you may contribute to your Flex-Medical Spending Account is \$260, and the maximum amount that you may contribute to your Flex-Medical Spending Account is \$8,000. You can use the account to receive reimbursement for health care related expenses such as:

- Deductibles, coinsurance, and copays;
- Cost of eligible services above the reasonable and customary limits or above other plan limits; and
- Over-the-Counter medicines.

FLEX-DEPENDENT CARE SPENDING ACCOUNT

ACU offers an opportunity for you to save money on day care for eligible dependents through the Flex-Dependent Care Spending Account. You decide how much to contribute, up to \$5,000 per year if married and filing together. If you are married and filing separately, the maximum you can contribute is \$2,500. To be eligible to use the account, you (and your spouse, if married) must both work outside the home.

WHO IS COVERED?

You may claim dependent care expenses for a dependent that lives with you and relies on you for more than half of his or her financial support. You must claim the person as a dependent on your federal income tax return. Eligible dependents include:

- Child(ren) under the age of 13
- Disabled dependents of any age (such as your disabled spouse, older child, or parents)

WHAT CARE IS COVERED?

You may be reimbursed only for day care that enables you to work, not occasional baby sitters. If you are married, your spouse must also work, be a full-time student or be disabled. Eligible care includes care provided in:

- Your home,
- Someone else's home, or
- A licensed daycare facility.

You may be reimbursed for care provided by a relative, as long as the person is not your spouse, child under age 19, or someone you claim as a dependent on your federal income tax return. Complete the handout provided with this Benefits Guide to estimate the amount of before-tax money you wish to contribute to your Flex-Dependent Care Spending Account.

Other Benefits

CHIROPRACTIC SERVICES

ACU has partnered with a local practitioner, West Texas Back Clinic, to offer full-time faculty and staff discounted chiropractic services at a rate of \$30 per session. These services include:

- Examination
- Acupuncture
- Electrical Muscle Stimulation
- Heat/Cold Therapy
- Manual Traction
- Neuromuscular Massage Therapy
- Spinal Manipulation Therapeutic Procedures
- Trigger Point Therapy

Services excluded include x-rays and other radiological services, lumbar, cervical and Carpal Tunnel tractions (DRX 9000 and the Triton DTS).

RETIREMENT PLANS

401(a)

Employees make a 2% mandatory contribution into a 401(a) money purchase pension plan. In turn, the University will contribute 4% of an employee's base pay into the plan. Faculty and staff become eligible for participation after 6 months of continuous service and having reached the age of 21. This retirement option gives participants the freedom of allocation changes and a three-year cliff vesting.

401(k)

Employees have the option of contributing 1% or 2% into a 401(k) plan. Abilene Christian University will contribute a corresponding 2% or 4% of an employee's base pay into the plan. Faculty and staff become eligible for participation after 6 months of continuous service and having reached the age of 21. This retirement option gives participants the freedom of allocation changes and a three-year cliff vesting.

Overtime, teaching overload or special assignments do not count toward the calculation of the contributions.

Supplemental Retirement Annuity

Employees may also choose to pay additional funds into a tax sheltered Supplemental Retirement Annuity (SRA). However, these funds are not matched by the University. SRA's may be elected at the participant's discretion; changes to the pre-tax deduction may be made at any time during the year. Contact Human Resources for more information.

Other Benefits (continued)

DEATH BENEFITS

This is an additional benefit that is extended to an employee's family in the unfortunate situation in which an employee passes away while employed by the University.

Years of Continuous Service	Salary Continuance
Less than 1 year	0 months
1-2 years	1 month
3-4 years	2 months
5-6 years	3 months
7-8 years	4 months
9-10 years	5 months
11+ years	6 months

HOLIDAYS

All full and half-time staff employees are eligible for paid university holidays which are posted on the HR website at www.acu.edu/hr. The purpose of the policy is to provide competitive paid-time-off benefits and to recognize traditional holidays. Half-time employees will receive the holiday only if it falls during designated work hours.

Holiday
New Year's Day
Martin Luther King Jr.'s Birthday
Spring Break (one day)
Good Friday
Memorial Day
Independence Day
Labor Day*
Thanksgiving (2 ½ days)
Christmas (Christmas Eve and the week between Christmas and New Year's)

*Offices will be open on Labor Day, since classes are in session. At the supervisor's discretion, an employee may use Labor Day as his/her holiday; however offices must be sufficiently staffed since classes are in session. If an employee does not use this day as a holiday, it may be taken any time prior to the end of the fiscal year, May 31.

SICK LEAVE

Sick leave accrues at the rate of 12 hours per month for all full-time faculty and staff. The maximum time an employee may accrue is 1,040 hours. Sick leave may be granted for the employee or the care of an immediate family member. Sick leave may also be used by an employee due to a death in the immediate family of the employee or the employee's spouse.

Half-time staff employees working 20-39 hours per week accrue their vacation allowance on the same basis as full-time staff employees, except it is pro-rated according to the number of hours worked.

Other Benefits (continued)

VACATION

Full and half-time staff employees earn vacation based on years of service. Vacation leave is earned from your first day of employment and may be taken after 6 months. Vacation accrues according to the schedule below. The next level of vacation is awarded on the employee's annual anniversary date.

Half-time staff employees working 20-39 hours per week accrue their vacation allowance on the same basis as full-time staff employees, except it is pro-rated according to the number of hours worked.

Years of Service	Amount of Vacation
0 to 4	80 hours (6.67 hrs/month)
5 to 9	120 hours (10 hrs/month)
10 to 14	140 hours (11.67 hrs/month)
15 to 24	160 hours (13.33 hrs/month)

ACU TUITION DISCOUNT

In order to assist faculty and staff in receiving additional education or training, ACU offers the following tuition discounts for which employees may apply:

- **Employee***- Eligible for 6 hours during each regular semester, 3 hours for each summer term. After five years of continuous employment, the employee is eligible to apply for a discount for up to 18 hours each regular semester and 6 hours per summer term.
- **Spouse***- Eligible for 3 hours during each semester. After five years of continuous employment, the employee's spouse is eligible to apply for a discount for up to 18 hours each regular semester and 6 hours per summer term.
- **Child(ren)***- Eligible to apply for a discount for up to 18 hours each regular semester and 6 hours per summer term. This benefit continues through the semester following a child's 28th birthday.

*Go to The Depot in the Campus Center at the beginning of each semester to apply for the tuition discount for yourself or family members.

Tuition discounts will be given as follows for all full-time, non-exempt (hourly paid) employees:

1 st year of employment.....	25% discount
2 nd year of employment (upon anniversary date).....	50% discount
3 rd year of employment and thereafter.....	75% discount

Tuition discounts will be given as follows for all full-time faculty and exempt (monthly paid) staff:

1 st year of employment.....	50% discount
2 nd year of employment and thereafter (upon anniversary date).....	75% discount

- Half-time employees are eligible after five years of continuous employment for pro-rated scholarship based on their university full-time equivalency.
- Retired employees and their eligible dependents will continue to be eligible for the tuition discount.

ABILENE CHRISTIAN SCHOOLS (ACS) TUITION BENEFIT

Tuition grant of up to 80% for child(ren) of ACU employees. Employees may file an application at the time of enrollment each year with the ACS office.

Legal Update

WHAT IS A "PRE-EXISTING CONDITION?"

The term Pre-Existing Condition means a condition (except pregnancy) for which medical advice, diagnosis, care or treatment was recommended or received within the 6 month period ending on the Participant's Enrollment Date. For these purposes, Genetic Information is not a condition. Treatment includes receiving services and supplies, consultations, diagnostic tests, or prescribed medicines. In order to be taken into account, the medical advice, diagnosis, care, or treatment must have been recommended by or received from a Physician.

Expenses for treatment of a pre-existing condition will not be covered for twelve (12) months following an individual's enrollment date. Once this exclusion period has been satisfied, normal benefits will be payable.

The pre-existing condition exclusion period will not apply to pregnancy (regardless of whether the woman had previous coverage) or to a newborn or adopted child under age eighteen (18) or child placed for adoption under age eighteen (18) provided the child became covered under the Plan or other creditable coverage within thirty (30) days of birth or adoption (or adoptive placement) and provided they have not incurred a subsequent break in coverage of sixty-three (63) consecutive days or more.

The Plan's pre-existing condition exclusion period may be reduced by an equal period of any prior aggregate continuous health coverage (creditable coverage) as long as there is no break in coverage of sixty-three (63) consecutive days or more. Individuals have a right to demonstrate prior health coverage to reduce the Plan's pre-existing condition exclusion period by providing Certificates of Creditable Coverage. If there was a break in coverage that exceeded 63 consecutive days without coverage, that participant would be subject to a pre-existing condition period of five months.

THE WOMEN'S HEALTH AND CANCER RIGHTS ACT

The Women's Health and Cancer Rights Act requires group health plans that provide coverage for mastectomy to provide coverage for certain reconstructive services. This law also requires that written notice of the availability of the coverage be delivered to all plan participants upon enrollment and annually thereafter. This language serves to fulfill that requirement for this year. These services include:

- Reconstruction of the breast upon which the mastectomy has been performed;
- Surgery/reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment for physical complications during all stages of mastectomy, including lymphedemas.

In addition, the Plan may not:

- Interfere with a participant's rights under the plan to avoid these requirements; or
- Offer inducements to the healthcare provider, or assess penalties against the provider, in an attempt to interfere with the requirements of the law.

However, the plan may apply deductibles, coinsurance, and copays consistent with other coverage provided by the Plan.

HIPAA SPECIAL ENROLLMENT RIGHTS

If you are declining enrollment for yourself and/or your dependents (including your spouse) because of other health insurance coverage or group health plan coverage, you may be able to enroll yourself and/or your dependents in this Plan if you or your dependents lose eligibility for that other coverage or if the employer stops contributing towards your or your dependent's coverage. However, you must request enrollment **within 30 days** after your other coverage ends or after the employer stops contributing towards the other coverage.

In addition, if you have a new dependent as a result of marriage, birth, adoption or placement for adoption, you may be able to enroll yourself and/or your dependent(s). However, you must request enrollment within 30 days after the marriage, birth, adoption or placement for adoption.

Important Notice from Abilene Christian University about Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Abilene Christian University and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**
- 2. Abilene Christian University has determined that the prescription drug coverage offered by the Abilene Christian University Health and Dental Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.**

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st. Beneficiaries leaving the employer's coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

If you do decide to enroll in a Medicare prescription drug plan and drop your Abilene Christian University prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

Please contact Human Resources for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

Your current coverage pays for other health expenses in addition to prescription drugs. If you enroll in a Medicare prescription drug plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription drug benefits.

You should also know that if you drop or lose your coverage with Abilene Christian University and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

For more information about this notice or your current prescription drug coverage...

Contact our office for further information at **325.674.2359**. NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through Abilene Christian University changes. You also may request a copy.

For more information about your options under Medicare prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov

Call your State Health Insurance Assistance Program (see your copy of the "Medicare & You" handbook for their telephone number) for personalized help,

- Call **1-800-MEDICARE (1.800.633.4227)**. TTY users should call **1.877.486.2048**.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you can call them at **1.800.772.1213 (TTY 1.800.325.0778)**.

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offers prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Date:	November 6, 2006
Name of Entity/Sender:	Abilene Christian University
Contact:	Suzanne Allmon, PHR – Director of Human Resources
Position/Office Address	213 Hardin Administration Building, ACU Box 29106 Abilene, TX 79699-9106
Phone:	325.674.2359

2007 Benefit Monthly Rates

Medical	FirstCare HMO	FirstCare POS
Employee Only	\$15.00	\$25.00
Employee + Spouse	\$165.00	\$185.00
Employee + Child(ren)	\$110.00	\$125.00
Employee + Family	\$260.00	\$300.00

Dental	Assurant
Employee Only	\$28.88
Employee + Spouse	\$56.73
Employee + Child(ren)	\$68.28
Employee + Family	\$106.79

Vision	VSP
Employee Only	\$10.35
Employee + Family	\$22.25

Optional Employee & Spouse Life Rates (Per \$1,000)	
Age	Employee & Spouse
0 – 24	\$0.057
25 – 29	\$0.057
30 – 34	\$0.072
35 – 39	\$0.102
40 – 44	\$0.146
45 – 49	\$0.232
50 – 54	\$0.369
55 – 59	\$0.568
60 – 64	\$0.887
65 – 69	\$1.541
70 – 74	\$2.750
75 – 79	\$2.750
80+	\$2.750
Child Rate	\$0.20 per \$1,000

Voluntary Short Term Disability	
Age	Rate
0 – 24	\$0.51
25 – 29	\$0.53
30 – 34	\$0.50
35 – 39	\$0.43
40 – 44	\$0.48
45 – 49	\$0.52
50 – 54	\$0.59
55 – 59	\$0.82
60 – 64	\$1.10
65 – 69	\$1.19
70 – 74	\$1.19
75+	\$1.19

Optional AD&D Coverage (Per \$1,000)	
Single	\$0.020
Family	\$0.040

This benefit guide book is an outline of the coverages proposed by the carrier(s), based on information provided by your employer. It does not include all of the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.