

Faculty and Staff Benefits Handbook

**Faculty and Staff** 

Benefits Handbook

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Thus founded, Boston University grew, both reflecting and leading the growth of U.S. higher education. From the date of its charter, it admitted women students to all programs—the first university in the country to do so. In 1872, it opened the nation's first College of Music as well as the School of Law, which would become the first to require three years for a degree. In the following year, it opened the College of Liberal Arts and the School of Medicine; one-quarter of the first medical students were women. The Graduate School, established the following year, had by 1875 arranged for tuition-free study abroad at universities in Athens and Rome.

Schools and Colleges have continued to be established and to evolve. Today they number 16, offering a vast range of programs in education, medicine, dentistry, communication, liberal arts, law, engineering, social work, arts, allied health professions, theology, and management. The College of General Studies offers a two-year program in an interdisciplinary core curriculum, and then students continue working toward a bachelor's degree at one of BU's four-year undergraduate schools and colleges. Metropolitan College provides a wide range of courses and degree programs primarily for those who wish to pursue coursework at night and on weekends.

Boston University is the fourth-largest independent institution of higher education in the country, and one of the world's leading research universities, with over thirty thousand students in Boston on the Charles River Campus and the Medical Campus as well as in a growing number of programs around the world. The University has more than four thousand faculty members who teach, conduct research, and use their professional expertise to serve their worldwide

community. The University's additional staff of more than six thousand employees support the efforts of the University.

Boston University is in itself a community of vast scholarly, academic, and recreational resources. Its members enjoy access to a variety of University health services, recreational facilities, and activities, as well as a state-of-the-art library system. Tuition remission enables many employees and their spouses and dependents to take University courses with full or partial subsidy. Several exhibits are open on campus every day, and a night seldom passes during the academic year without at least one public concert, theatrical or operatic performance, lecture, seminar, or athletic event. Faculty, students, and staff work closely with public schools, social services, and other groups in Boston and beyond.

Enduring commitments to teaching, research, global education, and community engagement are the touchstones of Boston University's proud past and promising future.

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The benefits plans contained in your Faculty and Staff Benefits Handbook are organized into several main sections.

Your benefits plans are designed to provide:

- Protection against the high cost of health and dental care
- Protection of your income in case you become totally and permanently disabled and cannot work
- Financial assistance for your survivors if you die
- An income for your retirement and other future financial needs
- Assistance with educational expenses for you and your family members
- Other benefits and opportunities to help you fulfill personal and professional needs

This handbook explains each benefit plan in detail and will answer questions you may have now or in the future when you need a particular benefit. You and your family members should review the handbook carefully.

As you read the handbook, please keep in mind that we have summarized your benefits; we have not included every detail. If you have questions about any of the information in this handbook, contact the Benefits Section of Human Resources at 617-353-4473 or 4487 or by email at hrben@bu.edu.

For information regarding time off from work and other employment policies, refer to your Employee Handbook, Faculty Handbook, or collective bargaining agreement.

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he Boston University Health Plan offers various options for medical coverage for you and your eligible family members. Each option offers certain benefits to protect you against the medical expenses that would accompany an illness or injury. There are differences in coverage levels and how services are obtained in each option. You should give serious consideration to which option will best meet your needs for health care benefits. The cost of coverage under the Health Plan is shared by you and the University.

The information provided in this section will help you decide which type of coverage under the Boston University Health Plan is best for you and your family.

**Please note**: The descriptions of coverages and benefits in this handbook are based on the provisions of the Health Plan in effect on the date of this handbook. The terms of the Health Plan or the University's contracts with vendors may change. Actual rights and benefits under the Health Plan are based on the terms of the official Health Plan documents in effect at any particular time, and those terms will govern over any inconsistent descriptions in this handbook.

Furthermore, it is common for annual changes to be made in the Health Plan. Such annual changes are usually described in the annual enrollment materials.

### **Eligibility**

If you are classified by Boston University (the "University") as a regular employee, work 75% or more of a full-time schedule, and have an appointment of nine months' or more duration, you and your eligible family members may participate in the Boston University Health Plan. If you are eligible and elect coverage, it will start on the first day of the month coincident with or next following your date of hire (depending on your date of hire).

Your eligible family members include:

- Your legally married spouse
- Under certain circumstances, your former spouse (see "Special Provisions for Former Spouses")
- To the extent required by law, your children up to age 26 who are:
  - o Your biological children
  - Your legally adopted children and children lawfully placed with you for legal adoption
  - o Your step-children
- Your unmarried, dependent children age 26 and over who are mentally or physically handicapped and unable to support themselves as determined by the health insurance carrier. (To continue coverage, your child must have been handicapped before age 26 and you must contact the Benefits Section of Human Resources before your child's 26th birthday.)

General Rule—If you become ineligible, you lose coverage (subject to COBRA). As an exception, if you drop below 75%,

you may be eligible to continue to participate in a health plan option at Boston University. Please confirm your status with the Benefits Section of Human Resources.

### **Coverage Levels**

There are four levels of coverage available under the Health Plan:

- Individual coverage (yourself only)
- Individual plus spouse (you and your spouse)
- Individual plus child(ren) (you and one or more of your children)
- Family coverage (you and your eligible family members)

### Special Provisions for Former Spouses

If you have family coverage including your spouse and you divorce, your spouse may continue to be covered under your family coverage if the divorce order specifically calls for this and if neither you nor your former spouse remarries. If you or your former spouse remarry, your former spouse's eligibility for coverage ends. Once coverage ends, your former spouse may continue coverage on an individual basis under COBRA for the remaining period (if any) until 36 months have gone by since your divorce.

If your divorce order specifically requires coverage for your former spouse to continue beyond the COBRA continuation period, your former spouse may be eligible to continue coverage under an individual plan (if available, under the Health Plan and the various vendors providing benefits). This coverage will continue as long as

you continue to be employed at the University and have made the appropriate payment for coverage or until no longer required by the divorce order or no longer available.

### **Special Tax Considerations**

Under current tax laws, the value of your former spouse's health coverage is subject to federal income, Massachusetts state income, and Social Security taxes. These taxable amounts are based on the full amount of an individual plan (that is, employee contribution plus employer contribution) and are called imputed income. Imputed income for your former spouse's health coverage will be reported as income on each paycheck, and will be included in the taxable earnings shown on your W-2 Form. Coverage for your former spouse is subject to imputed income for tax purposes.

### **Enrollment**

To elect this coverage, new employees must go to Employee Self Service at www.bu.edu/buworkscentral.

Alternatively, you may complete a Benefits Enrollment Form available at www.bu.edu/hr/files/documents/enrollment\_form.pdf. This form will authorize a pre-tax reduction in your pay for your share of the cost under Section 125 of the Internal Revenue Code.

If you choose coverage that includes your spouse or dependent children, coverage is available only for the family members who are listed on your enrollment. If you wish to enroll newly eligible family members (for example, a newborn, an adopted child, or a new spouse), you may do so by obtaining the

necessary forms from the Human Resources website at www.bu.edu/ hr/home/forms/benefit-forms. Alternatively, you may request a paper form from the Benefits Section of Human Resources by email at hrben@bu.edu.

### When Coverage Starts

You have 30 days following your benefit orientation date to enroll. If you enroll, coverage will become effective on the first day of the month coincident with or following the date you become eligible. If you do not enroll during this period, your next opportunity to enroll will be during the next open enrollment period unless you have a qualifying change in family status, as determined by the University.

#### Cost

You and the University share the cost of your coverage under the Health Plan.

Currently, the University pays a portion of the coverage cost as determined by the University. Your share of the cost is the difference between the total cost of coverage and the amount that Boston University pays. Costs are subject to change at the beginning of each plan year. Also, the University may change the percentage of the cost that it will pay.

### How Health Plan Contributions Are Paid

You pay for your portion of the contributions for your Health Plan coverage with tax-free dollars. This is because Boston University automatically reduces your pay by the amount of your payments—before federal income taxes, state income taxes, and Social Security taxes are taken out.

Automatic before-tax premium payments are allowed under the provisions of Section 125 of the Internal Revenue Code. These are explained in more detail in the "Flexible Benefits" section of this handbook.

### Claim and Appeal Time Frames for Group Health Claims

Group health claims will be reviewed and appeals processed by the applicable Plan Vendor within the time periods required by law. You may contact the applicable Plan Vendor for more information about claim procedures relating to health benefits administered by that Vendor under the Plan. Additional information about claim and appeal procedures under a Plan Vendor's coverage may also be available in the Plan Vendor's benefit description.

Under ERISA claims and appeals must be decided within a reasonable time, subject to certain maximum limits summarized as follows:

*Initial Claims* After receipt of the claim, the claim must be decided no later than:

- As soon as possible but no later than 72 hours for urgent care claims
- 15 days for pre-service claims
- 30 days for post-service claims

Claimants have 180 days to appeal a denied claim.

Appeals of Denied Claims After receipt of the request for review, the appeal must be decided no later than:

- As soon as possible but no later than 72 hours for urgent care claims
- 30 days for pre-service claims
- 60 days for post-service claims

Special rules apply for the continuation or extension of approved ben-

efits or services to be provided over time ("concurrent care decisions"). Individuals receiving approved care over a period of time must have an opportunity for review before benefits are reduced or terminated. Also, urgent care requests for an extension of approved benefits must be decided within 24 hours.

### Right to an External Review of Claims

For certain types of denied claims (e.g., a claim denied for a lack of medical necessity), the law provides that a claimant may be entitled to request an independent, external review after the Plan's final internal adverse benefit determination. A claimant may contact the applicable Plan Vendor with any questions on his or her rights to external review by an independent organization. After a final internal adverse benefit determination, the applicable Plan Vendor will advise the claimant of any right the claimant may have to an independent external review and the procedure to request such a review. If the claimant believes his or her situation is urgent (generally one in which the claimant's health may be in serious jeopardy or in the opinion of the claimant's physician, the claimant may experience pain that cannot be adequately controlled while the claimant waits for a decision on the external review of his or her claim), the claimant may request an expedited appeal by contacting the applicable Plan Vendor for more information.

The claimant or someone the claimant names to act for him or her (the claimant's authorized representative) may file a request for external review. A claimant may contact the applicable Plan Vendor for information on how to designate an authorized representative.

### **Your Health Plan Options**

Under Blue Cross Blue Shield, you may choose one of three options:

1. BCBS PPO is a health care program that provides two levels of coverage: in-network and out-of-network. You receive the highest level of benefits under your health care plan when you choose preferred providers. These are called your in-network benefits. You can also choose non-preferred providers, but your out-of-pocket costs are higher. These are called your out-of-network benefits.

In-Network Coverage Generally you have full coverage for most preferred hospital, physician, and other provider covered services. And, for some outpatient services, you pay a \$20 copayment for each visit. No claim forms are required.

Out-of-Network Coverage When you choose non-preferred providers you must pay a calendar-year deductible for most out-of-network services. The calendar-year deductible begins on January 1 and ends on December 31 each year. The deductible is \$500 for each member (or \$1,000 for all family members enrolled under the same coverage). After you have met your deductible, you pay 20% coinsurance for most out-of-network covered services. When the money you paid for the 20% coinsurance equals \$2,000 (this is the out-of-pocket limit) for a member in a calendar year (or \$4,000 for all family members covered under the same membership), covered benefits for that member (or that family) will be provided in full, based on the allowed charge, for the rest of

- that calendar year (but charges in excess of reasonable and customary will not be covered). Bills for covered outpatient services are paid by you and then submitted on claim forms for reimbursement.
- 2. Network Blue New England is similar to a health maintenance organization (HMO). An HMO is a group of affiliated physicians, hospitals, and other health care providers who have agreed to provide services at reduced fees. When you join Network Blue New England, you select a primary care physician (PCP) from the Network Blue New England network. Your PCP will coordinate your care and refer you for specialty treatment as needed. Network Blue New England provides members with a range of network benefits, including routine and preventive services and hospital care. There are no deductibles and no claim forms. Generally, network services coordinated by your PCP are covered in full; copayments apply for doctors' visits, emergency room visits, and other services, as specified by Network Blue New England. If your PCP is affiliated with Boston Medical Center, your copayments will generally be less than if your PCP is a non-Boston Medical Center physician. Care that is not approved by your PCP is generally not covered, except for emergency treatment.
- 3. BU Health Savings Plan The BU Health Savings Plan is a High Deductible Health Plan that combines the coverage features of a PPO with the flexibility and taxeffectiveness of a Health Savings Account (HSA). Premiums are lower, but deductibles and out-of-pocket maximums are higher.

Just like the PPO plan, you are not required to get referrals from a primary care provider. You decide which doctor you want to see. You pay less when you see "Preferred Providers" that are part of our nationwide network, but the choice is always yours.

*In-Network Coverage* When you choose preferred providers you must pay a calendar-year deductible for most in-network services. The calendar-year deductible begins on January 1 and ends on December 31 each year. The deductible is \$1,500 for individual coverage or \$3,000 for any family coverage. After you have met your deductible, you pay 10% coinsurance for most innetwork covered services. When the money you paid for the 10% coinsurance equals \$3,000 for individual coverage or \$6,000 for any family coverage, benefits will be provided in full, based on the allowed charge, for the rest of that calendar year. Bills for covered outpatient services are paid by you and then submitted on claim forms for reimbursement.

Out-of-Network Coverage When you choose non-preferred providers you must pay a calendar-year deductible for most out-of-network services. The calendar year deductible begins on January 1 and ends on December 31 each year. The deductible is \$3,000 for individual coverage or \$6,000 for any family coverage. After you have met your deductible, you pay 30% coinsurance for most out-ofnetwork covered services. When the money you paid for the 30% coinsurance equals \$6,000 for individual coverage or \$12,000 for any family coverage, benefits will be provided in full, based on

the allowed charge, for the rest of that calendar year. Bills for covered outpatient services are paid by you and then submitted on claim forms for reimbursement.

Health Savings Account A Health Savings Account (HSA) is a taxadvantaged account used in conjunction with an HSA-eligible high deductible health plan (HDHP) that eligible individuals may establish to pay for current and future qualified medical expenses for themselves, their spouse, and their qualifying dependents. The BU Health Savings Plan is an HSA-eligible HDHP. In connection with the BU Health Savings Plan, access is provided to an HSA administered by Fidelity Investments if you would like to make your own pre-tax payroll deductions, and/or wish to receive the BU HSA contribution.

### BCBS PPO How the BCBS PPO Works

The BCBS PPO is a preferred provider organization (PPO) that combines the advantages of a national network with the option to use physicians and facilities outside the network, but at a higher cost.

When you join the BCBS PPO, you are not required to choose a primary care physician. There are two levels of coverage. The amount of coverage depends on where you receive treatment.

When you receive care from a BCBS PPO participating provider, you are covered in full, in and out of the hospital. You pay only \$20 for office visits and routine physical exams and \$100 for emergency room care (this fee is waived if you are immediately hospitalized).

The BCBS PPO also gives you the option to use non-participating

physicians, specialists, and health care facilities; your benefits coverage, however, will be lower. If you receive care outside the plan network, you will receive 80% coverage for most services (based on reasonable and customary charges) after you meet an annual deductible of \$500 (individual coverage) or \$1,00 (family coverage). You pay the remaining 20% (your coinsurance) and any charges above reasonable and customary limits. Once your 20% coinsurance reaches the annual out-of-pocket limit of \$2,000 (individual coverage) or \$4,000 (family coverage), the plan will pay 100% of covered expenses for the rest of the calendar year. In some cases for out-of-network benefits, you may also have to pay any balance that is in excess of Blue Cross Blue Shield's allowed charge. Certain expenses do not apply toward your out-of-pocket limit. They include the following:

- Charges in excess of reasonable and customary
- Expenses for services not covered by the plan
- Charges you incur for not following precertification procedures

### **Emergency Care**

Blue Cross Blue Shield provides benefits for emergency medical services whether you are in or outside of Massachusetts. These emergency medical services may include inpatient or outpatient services by providers qualified to furnish emergency medical care and that are needed to evaluate or stabilize your emergency medical condition.

In an emergency, such as a suspected heart attack, stroke, or poisoning, you should go directly to the nearest medical facility or call 911 (or the local emergency phone num-

ber). You pay a \$100 copayment for in-network or out-of-network emergency room services. This copayment is waived if you are admitted to the hospital or for an observation stay. The out-of-network deductible does not apply.

### Within the Enrollment Area

You will receive full coverage after a \$100 copayment per person per visit for hospital emergency room treatment you receive at a hospital in the plan network. This copayment will be waived, however, if you are immediately admitted to the hospital.

#### **Outside the Enrollment Area**

When you are temporarily outside the enrollment area, the BCBS PPO will cover emergency room treatment in full (up to reasonable and customary charges) after a \$100 copayment if the illness or injury is sudden and life-threatening. Emergency treatment received at a physician's office outside the enrollment area will be covered in full after a \$20 copayment per person per visit.

#### **Preventive Care**

Preventive care is covered 100% innetwork; and 80% after the deductible for out-of-network services.

Preventive care includes:

- Well-child care exams, including routine tests, according to agebased schedule as follows:
  - Ten visits during the first year of life
  - o Three visits during the second year of life
  - o One visit per calendar year from age 2 through age 18
- Routine adult physical exams, including related tests, for mem-

- bers age 19 or older (one per calendar year)
- Routine GYN exams, including related lab tests (one per calendar year)
- Routine hearing exams, including routine tests
- Routine vision exams (one every 12 months)
- Family planning services (office visits)

#### **Home Health Care Benefits**

The BCBS PPO pays benefits for medically necessary home care services and supplies, such as intermittent skilled nursing care and physical therapy, at 100% when you use a participating provider, and at 80% (after the deductible) when you use an out-of-network provider.

Coverage is also provided for the following services when determined to be a medically necessary component of the intermittent skilled nursing care or physical therapy:

- Occupational therapy
- Speech therapy
- Medical social work
- Nutritional consultation
- · Home health aide
- Durable medical equipment

### **Out-of-Network Benefits**

You may have to file your claim when you receive a covered service from a non-preferred provider in Massachusetts or a non-preferred provider outside of Massachusetts who does not have a payment agreement with the local Blue Cross Blue Shield Plan. Claims for out-of-network services should be filed, along with Blue Cross Blue

Shield claim form (available online from the Benefits Section of Human Resources), within two years of the date charges for the service were incurred, to:

BCBSMA P.O. Box 986030 Boston, MA 02298

Note: When you receive covered services outside the United States, you must file your claim to the Blue Card Worldwide Service Center. (The Blue Card Worldwide International Claim Form you receive from Blue Cross Blue Shield will include the address to mail your claim.) The service center will prepare your claim, including the conversion to US currency, and forward it to Blue Cross Blue Shield for repayment to you.

### **Utilization Review Requirements**

Utilization Review is an important feature of the out-of-network portion of the BCBS PPO. It helps to ensure that you receive the appropriate medical care in the most cost-efficient setting—whether it be the hospital, a specialty facility, or your own home.

Utilization Review includes:

 Preadmission Review—For all non-emergency and nonmaternity hospital admissions in the United States, you must call 1-800-327-6716 in advance to get your stay approved. Within two working days of receiving all necessary information, Blue Cross Blue Shield will determine if the health care setting is suitable to treat your condition. Failure to follow the preadmission review procedure may result in your having to pay for expenses that otherwise would be covered.

Concurrent Review/Discharge
 Planning—This program automatically monitors your stay in
 the hospital to help ensure that
 you are discharged on time and
 receive necessary services once
 you are discharged.

Be sure to follow Utilization Review provisions. If you do not follow these provisions, plan benefits will be reduced. The BCBS PPO benefits are automatically subject to Utilization Review without any steps on your part.

### **Services Not Covered**

Under the BCBS PPO, no benefits are provided for the following:

- Ambulance services unless necessitated by an emergency or medical necessity or authorized by Blue Cross Blue Shield for transfer from one facility to another
- Any claim submitted more than two years from the date the service was rendered
- Blood and blood products
- Care for military serviceconnected disabilities for which the member is legally entitled to treatment or services
- Charges in excess of the plan maximum amount or other limit
- Commercial diet plans or weightloss programs
- Cosmetic procedures, except when medically necessary and considered medical care under the Internal Revenue Code
- Cost for any services for which the member is entitled to treatment at government expense or under Workers' Compensation or occupational disability
- Court-ordered examinations and services

- Custodial or domiciling care to assist a member in the activities of daily living or provide room and board, training in personal hygiene, and other forms of selfcare; personal care in the home except when medically necessary as part of a treatment plan for a medical condition
- Dental services, including periodontal, restorative, and orthodontic services
- Educational services (including problems of school performance) or testing for developmental, educational, or behavioral problems except as medically necessary under an early intervention program
- Equipment for environmental control or general household use, such as air filters, air conditioners, air purifiers, liquidizers, bath seats, bedpans, dehumidifiers, dentures, elevators, heating pads, hot water bottles, and humidifiers
- Eyeglasses, contact lenses, and fittings. This exclusion does not apply to contact lenses that are required due to cataract surgery, covered corneal transplants, and keratoconus
- Health care services that are not medically necessary
- Health care services that are considered experimental
- Health care services that are considered obsolete and no longer medically justified
- Health care services furnished to someone other than the member
- Hearing aids
- Infertility services for members who are not medically infertile
- Missed appointments
- Nicotine gum

- Non-covered services
- Non-durable medical equipment, unless used as part of the treatment at a medical facility or as part of approved home health care services
- Orthotics
- Osteopathic manipulation, electrolysis, routine foot care, biofeedback, pain management programs, massage therapy, and acupuncture
- Personal comfort items
- Physical examinations for insurance, licensing, or employment
- Private duty nursing
- Private room unless medically necessary
- Refractive eye surgery
- Rest or custodial care; personal comfort or convenience items
- Reversal or attempted reversal of voluntary sterilization (including procedures necessary for conception following voluntary sterilization)
- Sensory integrative praxis test; testing for central auditory processing
- Services for any person who is not covered under the plan when the services are rendered
- Services for which no charges would have been made in the absence of coverage under this plan
- Services incurred after termination of coverage under the plan
- Services incurred prior to the effective date of coverage
- Services not specifically described in this plan document

- Services not within the scope of the physician's, provider's, or hospital's licensure
- Services or supplies given to you by anyone related to you by blood, marriage, or adoption or who ordinarily lives with you
- Surrogate pregnancy (any form of surrogacy)
- Temporomandibular joint dysfunction treatment limited to medical services only
- The portion of the charge for a service or supply in excess of the usual, customary, and reasonable (UCR) charge
- Transsexual surgery, including related procedures and treatments and reversal of such procedures
- Weight-loss programs or charges for weight reduction except when extreme obesity adversely affects another medical condition and treatment is medically necessary as determined by the plan

For a comprehensive list of services and conditions not covered by the BCBS PPO, please refer to the description for the BCBS PPO available from the Benefits Section of Human Resources.

### **Appealing a Denied Claim**

If a claim for benefits is partially or fully denied, you will receive written notification, which will include the reasons for the denial, a description of any information necessary to complete the processing of your claim, and information on how to submit the claim for review.

If you have a question regarding the payment of a claim, you may write or call: Member Grievance Program Blue Cross Blue Shield of Massachusetts One Enterprise Drive Quincy, MA 02171-2126 Phone: 1-800-472-2689

Fax: 617-246-3616

Email: grievances@bcbsma.com

If you write, be sure to include your identification number and your telephone number. Letters will be answered within 30 days or earlier if required by law.

You have a right to request a full and fair review of any claim. If you believe you or a covered family member were wrongly denied all or part of your benefits, you may appeal the decision. You may submit questions and comments in writing and review all pertinent plan documents.

Blue Cross Blue Shield of Massachusetts must review your appeal and make a final decision within a reasonable period of time. The final written decision must state specific reasons and plan provisions on which the review decision was based.

# Network Blue New England How Network Blue New England Works

Network Blue New England is a health plan with a group of affiliated physicians similar to a health maintenance organization. When you join Network Blue, you and each of your enrolled family members must choose a primary care physician (PCP) from the directory of network doctors. Your PCP will coordinate all of your medical care. You may choose a different PCP for each family member (for example, an internist for you and a pediatrician for your children).

### **Your Primary Care Physician (PCP)**

Your copayment for office visits will depend on where your PCP practices.

- If your PCP is affiliated with Boston Medical Center (BMC), your copayments for office visits will be \$15 per visit. Office visits with a specialist to whom you are referred by your BMC PCP will also be \$15 per visit.
- If your PCP is not affiliated with Boston Medical Center, your copayments for office visits will be \$30 per visit. Office visits with a specialist to whom you are referred by your non-BMC affiliated PCP will be \$30 per visit.

When you receive care in the Network Blue New England network, you are covered in full, in and out of the hospital. You pay \$15 BMC PCP/\$30 non-BMC PCP for office visits or \$100 for emergency room care (this fee is waived if you are immediately hospitalized). You receive full coverage for routine physicals after a copayment. Your PCP will be part of a team of specialists affiliated with the health center or hospital where your PCP practices. If your PCP determines that you need to see a specialist, your PCP will refer you to a specialist within the plan network. If you require hospitalization, your PCP (and specialist, if necessary) will coordinate your admission, and you will be covered at 100%.

### **Urgent vs. Emergency Care**

Blue Cross Blue Shield provides benefits for emergency medical services whether you are in or outside of Massachusetts. These emergency medical services may include inpatient or outpatient services by providers qualified to furnish emer-

gency medical care and that are needed to evaluate or stabilize your emergency medical condition. In an emergency, such as a suspected heart attack, stroke, or poisoning, you should go directly to the nearest medical facility or call 911 (or the local emergency phone number). You pay a \$100 copayment for in-network or out-of-network emergency room services. This copayment is waived if you are admitted to the hospital or for an observation stay.

### **Routine Physicals**

Routine physical exams are covered in full.

#### **Home Health Care Benefits**

People often recover more quickly when recuperating at home, provided appropriate care is available. Needed treatment or therapy—such as services from nurses or physical therapists—can be provided in the comfort of your own home as long as services are ordered by your PCP or treating physician and are provided by a participating Coordinated Home Health Care agency and as long as your condition warrants these services. Network Blue New England pays benefits for covered charges made by a participating Coordinated Home Health Care agency or a participating Visiting Nurse Association at 100% when you use a Network Blue network provider.

Medically necessary home health care services and supplies include:

- Part-time home health aide services, consisting primarily of care for the patient
- Part-time nursing care
- Physical therapy

#### **Services Not Covered**

Under Network Blue New England, no benefits are provided for the following:

- Ambulance services unless necessitated by an emergency or medical necessity or authorized in advance by the plan for transfer from one facility to another
- Any claim submitted more than two years from the date the service was rendered
- Blood and blood products
- Care for military serviceconnected disabilities for which the member is legally entitled to treatment or services
- Charges in excess of the plan maximum amount or other limit
- Commercial diet plans or weightloss programs
- Cosmetic procedures, except when medically necessary and considered medical care under the Internal Revenue Code
- Cost for any services for which the member is entitled to treatment at government expense or under Workers' Compensation or occupational disability laws
- Court-ordered examinations and services (unless deemed medically necessary by the plan)
- Custodial or domiciling care to assist a member in the activities of daily living or provide room and board, training in personal hygiene, and other forms of selfcare; personal care in the home except when medically necessary as part of a treatment plan for a medical condition
- Dental services, including periodontal, restorative, and orthodontic services, and dentures

- Educational services (including problems of school performance) or testing for developmental, educational, or behavioral problems except as medically necessary under an early intervention program
- Equipment for environmental control or general household use, such as air filters, air conditioners, air purifiers, liquidizers, bath seats, bedpans, dehumidifiers, elevators, heating pads, hot water bottles, and humidifiers
- Eyeglasses, contact lenses, and fittings. This exclusion does not apply to eyeglasses and contact lenses that are required due to cataract surgery, covered corneal transplants, and keratoconus
- Hearing aids
- Infertility services for members who are not medically infertile
- Missed appointments
- Non-covered services even if precertification was mistakenly given
- Non-dental medical care services only to diagnose and treat temporomandibular joint dysfunction
- Non-durable medical equipment, unless used as part of the treatment at a medical facility or as part of approved home health care services
- Non-prescription smokingcessation aids
- Orthotics
- Osteopathic manipulation, electrolysis, routine foot care, biofeedback, pain management programs, massage therapy, and acupuncture
- Personal comfort or convenience items for rest or custodial care

- Physical examinations for insurance, licensing, or employment
- Private duty nursing
- Private room unless medically necessary
- Refractive eye surgery
- Reversal or attempted reversal of voluntary sterilization (including procedures necessary for conception following voluntary sterilization)
- Sensory integrative praxis test; testing for central auditory processing
- Services incurred prior to the effective date of coverage
- Services incurred after termination of coverage under the plan
- Services for any person who is not covered under the plan when the services are rendered
- Services for which no charges would have been made in the absence of coverage under this plan
- Services or supplies from anyone related to you by blood, marriage, or adoption or who ordinarily lives with you
- Services not within the scope of the physician's, provider's, or hospital's licensure
- Services that require precertification, where the precertification was not obtained or the precertification guidance was not followed
- Services that are not medically necessary
- Services that are considered experimental
- Services that are considered obsolete and no longer medically justified

- Services at a residential treatment center
- Surrogate pregnancy (any form of surrogacy)
- The portion of the charge for a service or supply in excess of the usual, customary, and reasonable (UCR) charge
- Transsexual surgery, including related procedures and treatments and reversal of such procedures
- Weight-loss programs or charges for weight reduction except when extreme obesity adversely affects another medical condition and treatment is medically necessary as determined by the plan

For a comprehensive list of services and conditions not covered by Network Blue New England, please refer to the description for Network Blue New England available from the Benefits Section of Human Resources.

### Appealing a Denied Claim

If a claim for benefits is partially or fully denied, you will receive written notification, which will include the reasons for the denial, a description of any information necessary to complete the processing of your claim, and information on how to submit the claim for review.

If you have a question regarding the payment of a claim, you may write or call:

Member Grievance Program Blue Cross Blue Shield of Massachusetts One Enterprise Drive Quincy, MA 02171-2126 Phone: 1-800-472-2689 Fax: 617-246-3616

Email: grievances@bcbsma.com

If you write, be sure to include

your identification number and your telephone number. Letters will be answered within 30 days.

You have a right to request a full and fair review of any claim. If you believe you or a covered family member were wrongly denied all or part of your benefits, you may appeal the decision. You may submit questions and comments in writing and review all pertinent plan documents.

Blue Cross Blue Shield of Massachusetts must review your appeal and make a final decision within a reasonable period of time. The final written decision must state specific reasons and plan provisions on which the review decision was based.

Additional information about appealing a denial of benefits is included in the "Administrative Information" section of this handbook.

# BU Health Savings Plan How BU Health Savings Plan Works

The BU Health Savings Plan is a high deductible health plan (HDHP) administered by Blue Cross Blue Shield of Massachusetts and Medco/Express Scripts. Participants in this HDHP have access to a Health Savings Account (HSA) administered through Fidelity Investments.

The BU Health Savings Plan offers the same network of doctors and hospitals available under the BCBS PPO, including BMC and its affiliated providers. The BU Health Savings Plan prescription drug benefit is administered through Medco/Express Scripts and covers the same prescription drugs as the other University offerings.

The BU Health Savings Plan provides both in- and out-of-network coverage, just like the preferred provider organization (PPO) plan. However, the BU Health Savings Plan works differently in these key ways:

- Except for certain in-network preventive care services, all covered health expenses are subject to a plan deductible, including prescription drugs.
- Under employee plus child(ren), employee plus spouse, and family coverage, the entire family deductible must be met before benefits are payable for any covered person.
- There are no copays, just coinsurance (once the deductible is met), even for office and emergency room visits, mental health care, and prescription drugs.

#### The Deductible

You must meet the plan-year deductible before you can receive coverage for most services under this plan. Your plan year begins January 1 and ends on December 31 each year.

This table shows the deductibles for in-network and out-of-network services.

ible	In-Network Providers	Out-of-Network Providers
Annual Deductible	\$1,500 for individual coverage, or \$3,000 for any family coverage*	\$3,000 for individual coverage, or \$6,000 for any family coverage*

\*If you have a plan that covers employee plus spouse, or employee plus child(ren), or family, you must meet the higher family deductible before you receive coverage.

### Services Received from an In-Network Provider

Once the deductible is met, most services are covered 90%. You pay 10% coinsurance. When the amount

you have paid in deductible and coinsurance reaches \$3,000 for an individual plan, or \$6,000 for any family plan, covered benefits will be paid in full (i.e., without any additional deductibles or coinsurance, but subject to all plan provisions, limitations, and exclusions) for the remainder of that plan year.

### Services Received from an Out-of-Network Provider

Once the deductible is met, most outof-network services are covered 70%. You pay 30% coinsurance. When the amount you have paid in deductible and coinsurance reaches \$6,000 for an individual plan, or \$12,000 for any family plan, covered benefits will be paid in full (i.e., without any additional deductibles or coinsurance, but subject to all plan provisions, limitations, and exclusions) for the remainder of that plan year.

Certain expenses do not apply toward your out-of-pocket limit and are excluded under the plan. They include the following:

- Charges in excess of reasonable and customary
- Expenses for services not covered by the plan
- Charges you incur for not following precertification procedures

### **Emergency Care**

Blue Cross Blue Shield provides benefits for emergency medical services whether you are in or outside of Massachusetts. These emergency medical services may include inpatient or outpatient services by providers qualified to furnish emergency medical care and that are needed to evaluate or stabilize your emergency medical condition. In an emergency, such as a suspected heart attack, stroke, or poisoning, you should go directly

to the nearest medical facility or call 911 (or the local emergency phone number). You pay a 10% coinsurance after the deductible for in-network or out-of-network emergency room services.

#### **Preventive Care**

Preventive care is covered 100% with no deductible for in-network care.

Out-of-network preventive care is covered at 70% with no deductible.

- Well-child care exams, including routine tests, according to agebased schedule as follows:
  - Ten visits during the first year of life
  - o Three visits during the second year of life
  - One visit per calendar year from age 2 through age 18
- Routine adult physical exams, including related tests, for members age 19 or older (one per calendar year)
- Routine GYN exams, including related lab tests (one per calendar year)
- Routine hearing exams, including routine tests
- Routine vision exams (one every 12 months)
- Family planning services (office visits)

### **Home Health Care Benefits**

The BU Health Savings Plan pays benefits for medically necessary home care services and supplies, such as intermittent skilled nursing care and physical therapy, at 90% (after the deductible) when you use a participating provider, and at 70% (after the deductible) when you use an out-of-network provider.

Coverage is also provided for the following services when determined to be a medically necessary component of the intermittent skilled nursing care or physical therapy:

- Occupational therapy
- Speech therapy
- Medical social work
- Nutritional consultation
- · Home health aide
- Durable medical equipment

### **Utilization Review Requirements**

Utilization Review is an important feature of the out-of-network portion of the BU Health Savings Plan. It helps to ensure that you receive the appropriate medical care in the most cost efficient setting—whether it be the hospital, a specialty facility, or your own home.

Utilization Review includes:

- Preadmission Review—For all non-emergency and nonmaternity hospital admissions in the United States, you must call the number on your ID card in advance to get your stay approved. Within two working days of receiving all necessary information, Blue Cross Blue Shield will determine if the health care setting is suitable to treat your condition. Failure to follow the preadmission review procedure may result in your having to pay for expenses that otherwise would be covered.
- Concurrent Review/Discharge Planning—This program automatically monitors your stay in the hospital to help ensure that you are discharged on time and receive necessary services once you are discharged.

Be sure to follow Utilization Review provisions. If you do not follow these provisions, plan benefits will be reduced.

#### **Services Not Covered**

Under the BU Health Savings Plan, no benefits are provided for the following:

- Ambulance services unless necessitated by an emergency or medical necessity or authorized by Blue Cross Blue Shield for transfer from one facility to another
- Any claim submitted more than two years from the date the service was rendered
- Blood: whole blood; packed red blood cells; blood donor fees; and blood storage fees
- Care for military service connected disabilities for which the member is legally entitled to treatment or services
- Charges in excess of the plan maximum amount or other limit
- Commercial diet plans or weightloss programs
- Cosmetic procedures, except when medically necessary and considered medical care under the Internal Revenue Code
- Cost for any services for which the member is entitled to treatment at government expense or under Workers' Compensation or occupational disability
- Court-ordered examinations and services
- Custodial or domiciling care to assist a member in the activities of daily living or provide room and board, training in personal hygiene, and other forms of selfcare; personal care in the home except when medically neces-

- sary as part of a treatment plan for a medical condition
- Dental services, including periodontal, restorative, and orthodontic services
- Educational services (including problems of school performance) or testing for developmental, educational, or behavioral problems except as medically necessary under an early intervention program
- Equipment for environmental control or general household use, such as air filters, air conditioners, air purifiers, liquidizers, bath seats, bedpans, dehumidifiers, dentures, elevators, heating pads, hot water bottles, and humidifiers
- Eyeglasses, contact lenses, and fittings. This exclusion does not apply to contact lenses that are required due to cataract surgery, covered corneal transplants, and keratoconus
- Health care services that are not medically necessary
- Health care services that are considered experimental
- Health care services that are considered obsolete and no longer medically justified
- Health care services furnished to someone other than the member
- Hearing aids
- Missed appointments
- Nicotine gum
- Non-covered providers
- Non-covered services
- Non-durable medical equipment, unless used as part of the treatment at a medical facility or as part of approved home health care services

- Orthotics
- Osteopathic manipulation, electrolysis, routine foot care, biofeedback, pain management programs, massage therapy, and acupuncture
- Personal comfort items
- Physical examinations for insurance, licensing, or employment
- Private duty nursing
- Private room charges
- Refractive eye surgery
- Rest or custodial care; personal comfort or convenience items
- Reversal or attempted reversal of voluntary sterilization (including procedures necessary for conception following voluntary sterilization)
- Sensory integrative praxis test; testing for central auditory processing
- Services for any person who is not covered under the plan when the services are rendered
- Services for which no charges would have been made in the absence of coverage under this plan
- Services incurred after termination of coverage under the plan
- Services incurred prior to the effective date of coverage
- Services not specifically described in this plan document
- Services not within the scope of the physician's, provider's, or hospital's licensure
- Services or supplies given to you by anyone related to you by blood, marriage, or adoption or who ordinarily lives with you

- Surrogate pregnancy (any form of surrogacy)
- Temporomandibular joint dysfunction treatment limited to medical services only
- The portion of the charge for a service or supply in excess of the usual, customary, and reasonable (UCR) charge
- Transsexual surgery, including related procedures and treatments and reversal of such procedures
- Weight-loss programs or charges for weight reduction except when extreme obesity adversely affects another medical condition and treatment is medically necessary as determined by the plan

### Appealing a Denied Claim

If a claim for benefits is partially or fully denied, you will receive written notification, which will include the reasons for the denial, a description of any information necessary to complete the processing of your claim, and information on how to submit the claim for review.

If you have a question regarding the payment of a claim, you may write or call:

Member Grievance Program Blue Cross Blue Shield of Massachusetts One Enterprise Drive Quincy, MA 02171-2126 Phone: 1-800-472-2689 Fax: 617-246-3616

Email: grievances@bcbsma.com

If you write, be sure to include your identification number and your telephone number. *Letters* will be answered within 30 days.

You have a right to request a full and fair review of any claim. If

you believe you or a covered family member were wrongly denied all or part of your benefits, you may appeal the decision. You may submit questions and comments in writing and review all pertinent plan documents.

Blue Cross Blue Shield of Massachusetts must review your appeal and make a final decision within a reasonable period of time. The final written decision must state specific reasons and plan provisions on which the review decision was based.

Additional information about appealing a denial of benefits is included in the "Administrative Information" section of this handbook.

## Health Savings Account (HSA)

A Health Savings Account (HSA) is a tax-advantaged account used in conjunction with an HSA-eligible high deductible health plan (HDHP) that eligible individuals may establish to pay for current and future qualified medical expenses for themselves, their spouse, and their qualifying dependents. The BU Health Savings Plan is an HSAeligible HDHP. In connection with the BU Health Savings Plan, access is provided to an HSA administered by Fidelity Investments if you would like to make your own pre-tax payroll deductions, and/or wish to receive the BU HSA contribution. You are, however, free to choose any HSA vendor for your own after-tax contributions or move money from your Fidelity-administered HSA to an HSA administered by another entity in accordance with IRS rules.

The legal and tax rules relating to HSAs can be complicated. A summary of those rules is contained in IRS Publication 969 "Health Savings"

Accounts and Other Tax-Favored Health Plans." If you have an HSA, you should carefully review that publication. If you have legal, tax, or financial questions about HSAs, you should consult your own professional advisor at your own expense. ERISA does not apply to HSAs and the University is not a fiduciary of any HSA.

### **HSA Eligibility**

### You are eligible to open a Fidelity HSA if:

You become covered under the BU Health Savings Plan, a qualifying high deductible health plan, and

You are not enrolled in Medicare and have not received medical benefits within the last three months through the Veteran's Administration (VA), and

You cannot be claimed as a dependent on another person's tax return.

### You are NOT eligible to open a Fidelity HSA if:

You are not covered under the BU Health Savings Plan.

You are enrolled in Medicare or have received medical benefits within the last three months through the VA.

You can be claimed as a dependent on another person's tax return.

IMPORTANT: You may also not open an HSA while you are covered under another health plan that is not a qualifying HDHP. For example, you cannot also be covered under a health care flexible spending arrangement (FSA) of your own or under an FSA of your spouse through his or her employer. Also, you cannot be covered as a dependent of your spouse under the group health plan of your spouse's employer if that group health plan is not a qualifying HDHP.

- When you elect the BU Health Savings Plan, you may also elect to open an HSA. If you do, the University will automatically deposit \$500 as a contribution to your Fidelity-administered HSA account.\*
- You don't need to use Fidelity for the HSA. However, if you want to automatically have the HSA contributions come from your paycheck, you will have to establish a Fidelity account on their website NetBenefits® at netbenefits.com.
- You may elect to contribute to your HSA, pre-tax, up to the annual limits. For 2013 the limits are \$3,250 for employee only and \$6,450 if you have family coverage. These limits are reduced by any contributions by the University to your HSA, e.g., if the University contributed \$500 to your HSA and you have employee-only coverage under the BU Health Savings Plan, your remaining maximum HSA contribution for the remainder of the year would be \$2,750 (\$3,250-\$500). If you are age 55 or older in 2013, you may make additional pre-tax "catchup" contributions, up to \$1,000 per year.

2013	Individual	Family
Annual HSA Contribution Limits	\$3,250	\$6,450
Catch-up Contribution Limit (for those age 55 and older)	\$1,000	\$1,000

- You are not required to contribute to the HSA to participate in the BU Health Savings Plan.
- You must, however, open a Fidelity HSA in order to receive the University contribution to that HSA.

- You may also contribute aftertax funds by check and claim them as deductions on your income tax return.
- You may prospectively change your pre-tax salary reduction HSA contribution amounts on a monthly basis.
- You are always 100% vested in both the amount Boston University contributes to your account and in your HSA contributions.
- You decide whether to save for qualified expenses you incur now or in the future; any funds you withdraw to pay for qualified medical expenses are tax-free.
- You may request a debit card and special checkbook to provide you access to your HSA funds, and you may use these even if you terminate employment with Boston University or drop your membership in the BU Health Savings Plan. The debit card can be requested online at netbenefits.com or requested by phone at 800-343-0860.
- \* The amount (if any) of University HSA contributions is subject to review and change by the University at any time. The University reserves the right, in its sole discretion, to discontinue HSA contributions at any time.

### **Opening Your Fidelity HSA**

You may enroll in the HSA at any time if you are enrolled in the BU Health Savings Plan. This is the process to follow to establish your account:

 You may enroll either via Employee Self Service at www. bu.edu/buworkscentral or by completing a paper Benefits Enrollment Form available at: www.bu.edu/hr/files/

- documents/BN\_enrollment\_form.pdf.
- 2. Once you have submitted your enrollment, your payroll contributions will be set up.
- Fidelity Investments will be informed by Human Resources that you have enrolled and are eligible to open your Fidelity HSA.
- Fidelity will contact you via email or telephone with instructions to set up your account through NetBenefits (www.netbenefits. com).
- Once you have completed the account set up, payroll deductions will begin and your pre-tax contributions will be sent to Fidelity.
- 6. After your first contribution, BU will contribute the \$500 seed money. Any money in your HSA is immediately available for you to use for qualified medical expenses.

#### Your Fidelity HSA Investments

The Fidelity HSA is a Fidelity brokerage account that has a "core position" through which all contributions are deposited and all disbursements are withdrawn. This "core position" is an FDIC-Insured Deposit Sweep. Once your account balance exceeds \$2,500, you can choose to invest in a broad range of options, including a full range of Fidelity mutual funds, more than 4,000 non-Fidelity funds, and individual stocks and bonds. Any earnings on your Fidelity HSA investments are automatically reinvested and grow tax free.

### **Funding Your HSA**

 Pre-Tax Contributions—Your payroll deductions are taken on a pretax basis to fund your account. You may change your payroll deduction amount on a monthly basis. Total contributions to your account do not exceed your maximum annual contribution amount.

 After-Tax Contributions—You may make after-tax contributions by check. After-tax contributions are tax deductible to the extent that total contributions to your account do not exceed your maximum annual contribution amount.

#### **Accessing Your HSA Funds**

Fidelity has three methods by which you can access your HSA funds to pay for qualified medical expenses:

- Fidelity BillPay for Health
   Savings Accounts—You can
   make online payments to
   health care providers, companies, and individuals. You can
   set up an automatic schedule
   for your payments and keep
   track of all bill payments for
   qualified medical expenses.
- Fidelity HSA Debit Card—Use at the point of service.
- Fidelity HSA Checkbook—Use when you need it.

### **Distribution Records**

You must keep all receipts and records of medical expenses paid with your Fidelity HSA funds to document sufficiently that distributions have been made exclusively for qualified medical expenses. You should keep these items for your own records; do not submit them to Fidelity. Distributions from your HSA will also be reported by Fidelity to you and the IRS each tax year on IRS Form 1099-SA. If your tax return is audited by the IRS, you might be asked to provide receipts for qualified medical expenses paid for before receiving distributions from your Fidelity HSA.

### Using Your HSA for Nonqualified Medical Expenses

Distributions from your Fidelity HSA that are used to pay for or reimburse nonqualified medical expenses must be included in your gross income for tax purposes and are subject to an additional 20% penalty. The 20% penalty does not apply to distributions made if you become disabled, once you reach age 65, or after your death.

### Using Your HSA for a Dependent Child

You may use your HSA to pay for qualified medical expenses incurred by your dependent child as long as your child is considered a dependent for federal tax purposes. Otherwise, you will pay a penalty plus taxes. According to IRS guidelines, a dependent child for tax purposes includes one of the following:

- A dependent you can claim on your tax return
- A dependent that you could have claimed on your tax return except that they had gross income of \$3,650 or more

### **Fidelity HSA Fees**

The following fees apply to a Fidelity HSA:

- Generally, Fidelity HSAs are subject to an annual account maintenance fee. This fee is paid by Boston University as long as you are actively contributing to the HSA. If you are not contributing, the fee is deducted from your account on a quarterly basis.
- A fee may apply for ordering checkbooks for your HSA.

**Note:** Other fees may apply; please refer to the Brokerage Commission

and Schedule of Fees in the Fidelity Brokerage HSA Customer Agreement or on NetBenefits for additional information.

#### **Unused Funds**

HSAs are not subject to the useit-or-lose-it rule; therefore, funds remain in your account from year to year. Any unused funds may be used to pay for future qualified medical expenses.

#### **Transfer of Assets**

You may transfer funds from another HSA custodian through a transfer of assets transaction as long as the account type is the same

Fidelity will coordinate the transfer from the other institution after you complete and return the completed Transfer of Assets form, which can be found at Fidelity.com > Customer Service > Find a Form.

The transfer will not be considered a taxable event and will not be reported to the IRS. Additionally, Fidelity does not charge fees on this transaction. You should always consult the fee schedule of your other HSA to understand any fees or changes that may apply.

Please note that eligible transfers are not included when calculating your maximum annual contribution amount.

### How Medicare Affects Your Fidelity HSA

- Once you are enrolled in Medicare, you will no longer be eligible to make contributions, including catch-up contributions, to your Fidelity HSA.
- You can use funds in your Fidelity HSA to pay Medicare premiums, deductibles, co-pays,

and coinsurance under any part of Medicare. If you are retired and have retiree health benefits through a former employer, you can also use your account to pay for retiree medical insurance premiums. You cannot use your account to purchase Medicare supplemental insurance, or "Medigap," policies.

 Distributions you take after age 65 to pay for expenses other than qualified medical expenses will still be considered taxable income; however, they will no longer be subject to the 20% penalty.

# Medco/Express Scripts Health Prescription Drug Coverage

The guidelines here apply to the BCBS PPO and Network Blue New England. The BU Health Savings Plan offers 80% coverage once the annual deductible is met. There are no copayments for members of the BUHSP.

As a member of the Boston University Health Plan, you will automatically be enrolled in the Medco/Express Scripts Health Prescription Drug Coverage. Prescription copayments vary depending on whether your prescribed medication is a generic, preferred brand-name, or nonpreferred brand-name drug. Preferred brand-name medications are selected based on their clinical effectiveness and opportunities for savings. An independent Pharmacy and Therapeutics Committee at Medco/Express Scripts updates this list regularly based on continuous evaluation of medications.

Members can determine if their brand-name medications are preferred or non-preferred by logging on to www.express-scripts.com and choosing the Drug Information option.

Many preferred and non-preferred brand-name drugs have a generic alternative. If you use the generic drug, your copayment will be \$8 for up to a 30-day supply at a retail pharmacy. Certain medications have quantity and/or dollar limits. Please view the Medco Member Brochure on the Human Resources website at www.bu.edu/hr/files/documents/Medco\_member\_brochure.pdf.

### **Prior Authorization**

The plan covers medically necessary prescription medication.
Some drugs require prior authorization in order to be covered by the plan. Visit the Medco/Express Scripts website at www.express-scripts.com and click on Drug Information to find out about a specific medication.

To obtain prior approval, your doctor should call Medco/Express Scripts toll-free at 1-800-753-2851. This call will initiate a review that typically takes one to two business days. Once the review is complete, Medco/Express Scripts will notify you and your doctor of the decision.

#### **Retail Pharmacy**

If you need short-term medication (perhaps for the flu or an ear infection), under the Retail Network Pharmacy Service you can take your prescription to almost any major chain and many independent pharmacies, show your ID card, pay your copayment, and go home with your prescription.

For preferred brand-name medications, you will pay 20% coinsurance, and for non-preferred brand-name prescriptions, you will pay 30% coinsurance for up to a 30-day supply of each prescription with a minimum and maximum out-of-pocket cost as shown in the chart below.

### Home Delivery Pharmacy Service

If you take medication for a chronic condition, such as diabetes or asthma, you can get a prescription from your doctor for up to a 90-day supply plus refills for the rest of the year, and then order your medication through the Home Delivery Pharmacy Service. You can place your order by mail, online, over the phone, or by having your physician fax the prescription to Medco/Express Scripts. There are no shipping costs unless you request express shipping. Regular mail takes 7-11 days from the date you place your order; it's faster if you order by phone, Internet, or fax. A refill slip, including the date you can order the next refill, will come with every order. It's safe, easy, and the lowest-cost way to purchase your medication. Please see the chart on the next page.

Retail Pharmacy Type of Medication	BCBS PPO & Network Blue New England Up to a 30-Day Supply	BU Health Savings Plan  Up to a 30-Day Supply
Generic	\$8 Copayment	20% coinsurance after deductible
Preferred Brand-Name	20% coinsurance minimum cost \$30 maximum cost \$50 —per each prescription	
Non-Preferred Brand-Name	30% coinsurance minimum cost \$50 maximum cost \$70 —per each prescription	

Home Delivery	BCBS PPO & Network Blue New England	BU Health Savings Plan
Medication	Up to a 90-Day Supply	Up to a 90-Day Supply
Generic	\$16 Copayment	20% coinsurance after deductible
Preferred Brand-Name	20% coinsurance minimum cost \$60 maximum cost \$100 —per each prescription	
Non-Preferred Brand-Name	30% coinsurance minimum cost \$100 maximum cost \$140 —per each prescription	

#### **Contact Information**

Medco/Express Scripts website: www.express-scripts.com or Customer Service: 1-800-230-0508.

To refill a Home Delivery Pharmacy Service prescription: 1-800-4REFILL (1-800-473-3455).

#### Appealing a Denied Claim

In the event you receive an adverse benefit determination following a request for coverage of a prescription benefit claim, you have the right to appeal the adverse benefit determination in writing within 180 days of receipt of notice of the initial coverage decision. To initiate an appeal for coverage, you or your authorized representative (such as your physician) must provide, in writing, your name, member ID, phone number, the prescription drug for which benefit coverage has been denied, and any additional information that may be relevant to your appeal. This information should be mailed to:

Express Scripts P.O. Box 631850 Irving, TX 75063-0030 Attention: Appeals

A decision regarding your appeal will be sent to you within 15 days of receipt of your written request. The notice will include the specific reasons for the decision and the plan provisions on which the decision is based. You have the right to receive, upon request and at no

charge, the information used to review your appeal.

If you are not satisfied with the coverage decision made on appeal, you may request in writing, within 180 days of the receipt of notice of the decision, a second-level appeal. To initiate a second-level appeal, you or your authorized representative (such as your physician) must provide in writing your name, member ID, phone number, the prescription drug for which benefit coverage has been denied, and any additional information that may be relevant to your appeal. This information should be mailed to:

Express Scripts P.O. Box 631850 Irving, TX 75063-0030 Attention: Appeals

A decision regarding your request will be sent to you in writing within 15 days of receipt of your written request for appeal. You have the right to receive, upon request and at no charge, the information used to review your second-level appeal. The decision made on your second-level appeal is final and binding.

If you are not satisfied with the decision of the second-level appeal, you also have the right to bring a civil action under section 502(a) of the Employee Retirement Income Security Act of 1974 (ERISA) if your second-level appeal is denied.

In the case of a claim for coverage involving urgent care, you will be notified of the benefit determination within 72 hours of receipt of the claim. An urgent care claim is any claim for treatment with respect to which the application of the time periods for making non-urgent care determinations could seriously jeopardize the life or health of the claimant or the ability of the claimant to regain maximum function, or, in the opinion of a physician with knowledge of the claimant's medical condition, would subject the claimant to severe pain that cannot be adequately managed. If the claim does not contain sufficient information to determine whether, or to what extent, benefits are covered, you will be notified within 24 hours after receipt of your claim of the information necessary to complete the claim. You will then have 48 hours to provide the information and will be notified of the decision within 48 hours of receipt of the information.

You have the right to request an urgent appeal of an adverse benefit determination if you request coverage of a claim that is urgent. Urgent appeal requests may be oral or written. You or your physician may call 1-800-652-4840 or send a written request to:

Express Scripts P.O. Box 631850 Irving, TX 75063-0030 Attention: Appeals

In the case of an urgent appeal for coverage involving urgent care, you will be notified of the benefit determination within 72 hours of receipt of the claim. This coverage decision is final and binding. You have the right to receive, upon request and at no charge, the information used to review your appeal. You also have the right to bring a civil action under section 502(a) of ERISA if your final appeal is denied.

### **Other Information**

#### **Coordination of Benefits**

The Boston University Health Plan has provisions for coordination of benefits with other health care plans covering you or any of your covered dependents. This prevents overpayments to health care service providers. If a member is covered by more than one insurance or self-insurance plan (including Workers' Compensation and auto insurance), the plans will coordinate the payment of costs so that total payments will not exceed the member's actual expenses.

If you are covered by more than one medical plan, contact the Benefits Section of Human Resources for more information on coordination of benefits and how to file a claim.

### **Subrogation and Reimbursement**

The Boston University Health Plan also has a subrogation and reimbursement rule. If another party is, or is claimed to be, responsible (the "responsible party") for an illness or injury inflicted on you or a covered dependent, the Health Plan is entitled to reimbursement out of any recovery from the responsible party (or any insurer, including any liability insurer, uninsured or underinsured motorist insurer, or homeowner insurer) for amounts expended by the plan for health care to the covered individual. The covered individual must cooperate with the Health Plan to recover such amounts. If the covered individual receives payment from the responsible party (or any insurer, including any liability insurer, uninsured or underinsured motorist insurer. or homeowner insurer) before the Health Plan receives amounts expended for such individual's care, the covered individual must hold any amount recovered from

the responsible party in trust for the benefit of the Health Plan to the extent of amounts paid by the Health Plan for care, and must repay the Health Plan from the amounts recovered even if the amounts recovered do not fully compensate the covered individual for all of his or her losses, damages, or expenses.

### If You Incur a Total Disability

If you incur a total disability and begin receiving benefits from the Boston University Long-Term Disability Benefits Plan, coverage for you and your eligible dependents in the Boston University Health Plan may continue at no cost to you for the duration of your total disability while you continue to receive benefits under the Boston University Long-Term Disability Plan. The Benefits Section of Human Resources will explain this feature to you upon notification of your disability.

For the first 24 months of your disability, your health plan membership will be continued through Boston University at no cost to you. During this time, your Boston University Health Plan will be your primary health plan provider (except as otherwise provided under coordination of benefits). After you have been disabled for 24 months, you must enroll in Medicare Parts A and B if you are eligible. At this time, Medicare will become your primary health plan provider, with your Boston University Health Plan as your secondary health plan provider. In other words, your

claims will be paid by Medicare first; Boston University Health Plan will pay for covered services (subject to required deductibles and coinsurance payments) to the extent that Medicare did not pay them. Thus, your overall health benefits will be the same as those of other Health Plan members in the same coverage option as you, except that part of your benefits will come from Medicare. There is, however, a monthly premium for Medicare Part B, which will become your responsibility upon your enrollment in Medicare.

Please note: You are responsible for applying for Medicare coverage after you have been disabled for two years. If you are disabled, your medical claims will be paid by the Boston University Health Plan as though you have Medicare coverage, unless you provide evidence that your application for Medicare coverage was denied.

### If You Die While You Are a Member of the Plan

If you die while you are a member of the Health Plan, your enrolled dependents will be entitled to continue coverage under COBRA for up to 36 months.

### If You Are Actively Employed When You Reach Age 65

If you are actively employed by Boston University at age 65, your membership in the Boston University Health Plan will continue as your primary insurance. You may delay enrolling in

	Your Health Insurance Coverage Options at Age 65		
	Boston University Health Plan	Medicare Parts A & B only	
Active employee (and spouse) age 65 and over	Available (with Medicare as secondary coverage)	Available	
Retired employee (and spouse) age 65 and over	Not an option (except for COBRA)	Available	

Medicare Part B without a penalty as long as you remain covered as an employee under the Boston University Health Plan as a result of your current employment status.

When you reach age 65, you should contact the Social Security Administration by calling 1-800-772-1213 to enroll in Medicare Part A.

If you retire on or after age 65, your Health Plan coverage will end. You may decide to continue your Health Plan coverage through COBRA.

### **About Medicare**

When you reach age 65, you become entitled to coverage under Medicare, the health plan administered through the Social Security Administration. Medicare coverage is not automatic; you must enroll through Social Security.

Medicare coverage has three parts.

- Part A: Provides hospital insurance and requires no premium payment from you.
- Part B: Provides supplementary medical insurance and requires a premium payment from you.
- Part D: Provides prescription drug coverage.

The chart on page 21 summarizes health insurance coverage options available to you at age 65.

Three months before your 65th birthday, you should contact your local Social Security office regarding Medicare benefits.

In addition to Medicare Parts A and B, you may also wish to enroll in a non-group health plan that will augment your Part B coverage. This kind of plan, called a "Medicare Supplement," will fill in some of the gaps in Medicare, giving you more complete coverage.

The University has entered into an agreement with Ovations of United Health Group to offer to retirees the nationwide Medicare supplement plans that are available under AARP Health Care Options. Retirees may also obtain their prescription drug coverage through this program. The cost of the plan must be paid by the retiree in full. The premium for these plans will be the same as the premium paid by all other AARP members; however, the annual AARP membership fee for the first year will be paid on behalf of the retiree to facilitate enrollment through the University. Also, the University will pay the first month's premium cost for current employees who enroll in this plan upon official retirement from Boston University. In addition, retirees who enroll in one of the AARP Health Care Options through the University will also have the option to enroll in a discount program offered by United Health Group which provides discounts for cosmetic dentistry, assisted living, hearing care, and wellness care.

For details about AARP Health Care Options, please call 1-800-545-1797.

For reimbursement once you have retired and paid the first month's premium, send a copy of your bill or receipt and your Boston University ID number to: Benefits Section, Boston University Human Resources, 25 Buick Street, Boston, MA 02215.

Alternatively, various "Medicare Advantage Plans" are available for your consideration. Go to www.medicare.gov for a list of plans available as well as what they cover and the costs. Contact the Benefits Section of Human Resources for more information.

### Leaves of Absence and No-Pay Status

If you are on a leave of absence or no-pay status, you must contact the Benefits Section of Human Resources to ask what impact your absence may have on your participation in the Health Plan.

- Leave of Absence with Pay If you are granted a leave of absence with pay (including sabbatical), your Health Plan coverage will continue, provided your usual payroll deductions continue. If you wish to discontinue your membership, you may do so by notifying, in writing, the Benefits Section of Human Resources, 25 Buick Street, Boston, MA 02215.
- Leave of Absence Without Pay and No-Pay Status If you are granted a leave of absence without pay or no-pay status, you may continue your Health Plan coverage during your leave, provided you pay the employee cost of continuing this coverage.

If you choose to continue coverage, you must contact the Benefits Section of Human Resources before you begin your leave to make the necessary billing arrangements. This coverage will be automatically canceled if you fail to make required payments.

If you do not wish to continue your coverage during your unpaid leave of absence, you may discontinue your membership by notifying, in writing, the Benefits Section of Human Resources. Re-enrollment in the Boston University Health Plan will be possible when you return from a leave of absence or no-pay status, as long as you contact the Benefits Section of Human Resources and enroll within 30 days of the date you return.

### When Your Coverage Ends

If your employment with the University terminates for any reason, including retirement at or after age 65, your Health Plan membership will end when your paid-up coverage expires.

The date your paid-up coverage expires depends on your date of hire. If you were hired on or after January 1, 1983, the payroll deductions for your Health Plan coverage are made on a current basis. This means, the deduction taken from your January paycheck or paychecks will pay for January's coverage. If you were hired before January 1, 1983, deductions are taken one month in advance.

- If you were hired on or after January 1, 1983, your Health Plan membership will end on the last day of the month in which your employment terminates.
- If you were hired before January 1, 1983, and you terminate your employment, your Health Plan membership will end on the last day of the month following the month in which your employment terminates.

Once the payroll system reflects the termination of your employment, the Benefits Section of Human Resources will automatically notify you in writing of your last day of coverage, and of what to do to continue coverage.

A "certificate of creditable coverage" will be provided to you if you lose coverage under the plan as required by the Health Insurance Portability and Accountability Act of 1996.

In addition to any continuation provisions provided by Boston University, you and your covered dependents may have the right to extend your coverage for up to 18 or 36 months under the federal continuation provisions (COBRA).

You may also convert your coverage to a non-group individual policy. Contact the Benefits Section of Human Resources for details.

### Coverage Continuation Provisions

A federal law known as COBRA requires that most employers sponsoring group health plans offer employees and their families ("qualified beneficiaries") the opportunity to elect and pay for a temporary extension of health coverage called "continuation coverage" at group rates in certain instances ("qualifying events") where coverage under the employer's health plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of that law. (Both you and your spouse should take time to read this notice carefully.) Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for the coverage.

If you are an employee of the Plan Sponsor (Boston University) covered by one of the medical options maintained by the Plan Sponsor (the "Plan"), you will become a qualified beneficiary if you lose your group health coverage because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee covered by the Plan, you will become a qualified beneficiary if you lose your coverage under the Plan because any one of the following qualifying events happens:

- Your spouse dies;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse's hours of employment are reduced;
- You become divorced or legally separated from your spouse; or
- Your spouse becomes entitled to Medicare (under Part A, Part B, or both).

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any one of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parents become divorced or legally separated;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both); or
- The child ceases to be eligible for coverage under the Plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to the Plan Sponsor and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse or surviv-

ing spouse and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

### When Is COBRA Coverage Available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the Plan Sponsor must notify the Plan Administrator of the qualifying event.

### You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse, or a dependent child's losing eligibility for coverage as a dependent child, etc.), you must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to the Plan Contact listed at the end of this summary, along with documentation substantiating the divorce, legal separation, or loss of dependent status and the effective date of such event.

A child who is born to or placed for adoption with the covered employee during a period of COBRA continuation coverage will be eligible to become a qualified beneficiary and be added to the covered employee's COBRA continuation coverage. You must notify the Plan Administrator within 60 days after the birth or placement for adoption occurs. You must provide this notice to the Plan Contact listed at the end of this summary, along with copies of legal documents substantiating the birth

or placement for adoption and the effective date of such event.

### How Is COBRA Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above to inform the Plan Administrator that you want to elect continuation coverage. If you do not elect continuation coverage, your group health coverage will end. If you elect continuation coverage, the Plan Sponsor is required to permit you to elect and purchase coverage which, as of the time coverage is being provided, is identical to the coverage provided under the Plan to similarly situated employees or family members.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months).

When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce, legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to a total of 36 months. Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

### Disability Extension of 18-Month Period of Continuation Coverage

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled (for purposes of Title II [OASDI] or Title XVI [SSI] of the Social Security Act) and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The qualified beneficiary must notify the Plan Administrator (see Plan Contact Information below) in writing of such a determination of Social Security disability within 60 days of that determination and before the end of the 18-month period of COBRA continuation coverage. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. The qualified beneficiary must also notify the Plan

Administrator within 30 days of the date of any final determination by the Social Security Administration that he or she is no longer disabled. You must provide these notices to the Plan Contact listed at the end of this summary, along with copies of correspondence from the Social Security Administration substantiating the disability/loss of disability and the effective date of the applicable SSA determination. Furthermore, during the period after the 18th month through the 29th month of continuation coverage, the monthly premium cost will be increased to 150% of the applicable premium relating to continuation coverage.

# Second Qualifying Event Extension of 18-Month Period of Continuation Coverage

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan Administrator within 60 days of the second qualifying event. You must provide this notice to the Plan Contact listed at the end of this summary, along with copies of documentation substantiating the second qualifying event. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced, legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

### How Much Does COBRA Continuation Coverage Cost?

Each qualified beneficiary must pay the entire cost of continuation coverage. The amount a qualified beneficiary must pay may not exceed 102% (or, in the case of an extension of continuation coverage due to disability, 150%) of the cost to the Plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage.

# When and How Must Payment for COBRA Continuation Coverage Be Made?

#### First Payment for Continuation Coverage

If you elect continuation coverage, you do not have to send any payment with the election form. However, you must make your first payment for continuation coverage not later than 45 days after the date of your election. (This is the date the election notice is postmarked, if mailed.) If you do not make your first payment for continuation coverage in full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct. You may contact the party responsible for COBRA administration under the Plan at the address, phone number, or email address provided at the end of this section to confirm the correct amount of your first payment.

### Periodic Payments for Continuation Coverage

After you make your first payment for continuation coverage, you will be required to make periodic payments for each subsequent coverage period. The amount due for each coverage period for each

qualified beneficiary is shown in this notice. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due on the first day of the month for that coverage period. If you make a periodic payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break.

#### **Grace Period for Periodic Payments**

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days after the first day of the coverage period to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. However, if you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage under the Plan will be suspended as of the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

### **Early Termination of COBRA**

COBRA provides that your continuation coverage may be terminated before the end of the maximum coverage period for *any* of the following reasons:

 The Plan Sponsor no longer provides group health coverage to any of its employees;

- Any required premium for continuation coverage is not paid in full on time;
- A qualified beneficiary becomes covered—after electing COBRA continuation coverage—under another group health plan (as an employee or otherwise) that does not impose any pre-existing condition limitation for a preexisting condition of the qualified beneficiary;
- A qualified beneficiary becomes entitled to Medicare (under Part A, Part B, or both) after electing COBRA continuation coverage;
- A qualified beneficiary extends coverage for up to 29 months due to disability and there has been a final determination that the individual is no longer disabled.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) restricts the extent to which group health plans may impose pre-existing condition limitations. HIPAA coordinates COBRA's other coverage cut-off rule (in the third bullet above) with these new limits as follows:

If you become covered by another group health plan and that plan contains a pre-existing limitation that affects you, your COBRA coverage cannot be terminated. However, if the other plan's pre-existing condition does not apply to you by reason of HIPAA's restrictions on pre-existing condition clauses, the Plan Sponsor may terminate your COBRA coverage.

You do not have to show that you are insurable to choose continuation coverage. However, as discussed above, you will have to pay all the required premiums for your continuation coverage.

The law also says that, at the end of the 18-month, 29-month, or 36-month continuation cover-

age period, you must be allowed to enroll in an individual conversion health plan if such an individual conversion health plan is otherwise generally available under the Plan.

COBRA continuation coverage may be terminated for any reason if the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

### If You Have Questions

More complete information regarding your COBRA continuation coverage rights is available from the Plan Administrator. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest regional or district office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of regional and district EBSA offices are available through EBSA's website.)

### Keep Your Plan Informed of Address Changes

In order to protect your family's rights, you should keep the Benefits Section of Human Resources informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

### Plan Contact Information (Plan Administrator)

Benefits Section of Human Resources Boston University 25 Buick Street Boston, MA 02215 Phone: 617-353-4489 Email: hrben@bu.edu

### Special Enrollment Rights under the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

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

To request special enrollment or obtain more information, contact the Benefits Section of Human Resources.

### Special Enrollment Relating to (i) Termination of Medicaid or CHIP Coverage and (ii) Eligibility for Employment Assistance Under Medicaid or CHIP

A group health plan, and a health insurance issuer offering group health insurance coverage in connection with a group health plan, must permit an employee who is eligible, but not enrolled, for coverage under the terms of the plan (or a dependent of such an employee if the dependent is eligible, but not enrolled, for coverage under such terms) to enroll for coverage under the terms of the plan if either of the following conditions is met:

- (i) The employee or dependent is covered under a Medicaid plan under Title XIX of the Social Security Act or under a State child health plan ("CHIP") under Title XXI of such Act and coverage of the employee or dependent under such a plan is terminated as a result of loss of eligibility for such coverage and the employee requests coverage under the group health plan (or health insurance coverage) not later than 60 days after the date of termination of such coverage.
- (ii) The employee or dependent becomes eligible for assistance, with respect to coverage under the group health plan or health insurance coverage, under such Medicaid plan or State child health plan (including under any waiver or demonstration project conducted under or in relation to such a plan), if the employee requests coverage under the group health plan or health insurance coverage not later than 60 days after the date the employee or dependent is determined to be eligible for such assistance.

To request special enrollment or obtain more information, contact the Plan Administrator at the address and phone number listed in this handbook on the previous page.

# Your Rights Under Newborns' and Mothers' Health Protection Act of 1996 (NMHPA)

Group health plans and health insurance issuers generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery,

or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

# Your Rights Under Women's Health and Cancer Rights Act of 1998 (WHCRA)

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient for:

- All stages of reconstruction of the breast on which the mastectomy was performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance
- Prostheses
- Treatment of physical complications of the mastectomy, including lymphedema

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under your coverage under this Plan. If you would like more information on WHCRA benefits, contact the Benefits Section of Human Resources.

### Qualified Medical Child Support Orders (QMCSOs)

As required by ERISA, the Plan recognizes qualified medical child support orders (QMCSOs). A QMCSO is a court order or an order issued by a state administrative agency in accordance with federal and state laws that requires an alternate beneficiary (for example, a child or stepchild) to be covered by a plan participant's group health plan.

The Plan honors QMCSOs that meet the legal requirements for such orders. It is important to note that a QMCSO cannot require a plan to provide a type or form of benefit, or an option, that is not currently available from the plan to which the order is directed, unless receiving this benefit or option is necessary to meet the requirements of the Social Security Act, which relates to the enforcement of state child support laws and reimbursement of Medicaid.

A QMCSO must be provided to the Plan Administrator to determine if it meets the legal requirements for a QMCSO. If it does, the alternate beneficiary is considered a beneficiary for the purposes of ERISA and is enrolled as a dependent of the employee participant. If the Plan Administrator receives a medical child support order that relates to you, you will be notified and then informed of the decision as to whether the order is qualified.

A copy of the Plan's QMCSO procedures is available, free of charge, upon written request to the Benefits Section of Human Resources.

### **Health Plan Comparison**

	ВСВ	S PPO	Network Blue New England		BU Health Savings Plan	
	In-Network	Out-of-Network	BMC PCP	Non-BMC PCP	In-Network	Out-of-Network
<b>Chiropractic Care</b> (up to 20 visits per year)	\$20 copayment per visit	80% coverage after deductible	\$15 copayment per visit	\$30 copayment per visit	90% coverage after deductible	70% coverage after deductible
Diagnostic Lab and X-ray (including MRIs, PET & CT Scans)	\$20 copayment per visit	80% coverage after deductible	\$25 copayment per visit	\$50 copayment per visit	90% coverage after deductible	70% coverage after deductible
Durable Medical Equipment	100% coverage	80% coverage after deductible	80% coverage	80% coverage	90% coverage after deductible	70% coverage after deductible
Emergency Room Visit (copayment waived if admitted)	\$100 copayment	\$100 copayment	\$100 copayment	\$100 copayment	90% coverage after deductible	70% coverage after deductible
Family Planning and Infertility Services	\$20 copayment per visit	80% coverage after deductible	\$15 copayment per visit	\$30 copayment per visit	90% coverage after deductible	70% coverage after deductible
Inpatient Hospital	100% coverage	80% coverage after deductible	100% coverage	100% coverage	100% coverage	70% coverage after deductible
<b>Skilled Nursing Facility</b> (100 days per calendar year)	100% coverage	80% coverage after deductible	100% coverage	100% coverage	90% coverage after deductible	70% coverage after deductible
Physical Therapy	\$20 copayment per visit; when performed at BU rehabilitation facility, 100% coverage	80% coverage after deductible	\$15 copayment per visit; when performed at BU rehabilitation facility, 100% coverage	\$30 copayment per visit; when performed at BU rehabilitation facility, 100% coverage	90% coverage after deductible; when performed at BU rehabilitation facility, coinsurance does not apply	70% coverage after deductible; when performed at BU rehabilitation facility, coinsurance does not apply
Physicians' Services Surgical	100% coverage	80% coverage after deductible	100% coverage when performed at BMC	\$100 per admission when performed at non-BMC network facility	90% coverage after deductible	70% coverage after deductible
Office Visits	\$20 copayment per visit	80% coverage after deductible	\$15 copayment per visit	\$30 copayment per visit	90% coverage after deductible	70% coverage after deductible
Preventive Care	100% coverage	80% coverage after deductible	100% coverage	100% coverage	100% coverage	70% coverage; no deductible
Eye Exams (routine)	100% coverage	80% coverage after deductible	100% coverage	100% coverage	100% coverage	70% coverage; no deductible
Deductible per Calendar Year	None	\$500 per person; \$1,000 per family	None	None	\$1,500 for individual; \$3,000 any family coverage	\$3,000 for individual; \$6,000 any family coverage
Out-of-Pocket Maximum per Calendar Year	None	\$2,000 per person; \$4,000 family	None	None	\$3,000 for individual; \$6,000 any family coverage includes deductible	\$6,000 for individual; \$12,000 any family coverage includes deductible
Lifetime Maximum Benefit	\$4,000,000 (combined in-network and out-of-network)	\$4,000,000 (combined in-network and out-of-network) excludes deductible	\$4,000,000	\$4,000,000	\$4,000,000 (combined in-network and out-of-network)	\$4,000,000 (combined in-network and out-of-network)
Member Copayments	\$20 for most covered services	Out-of-network services require a deductible and coinsurance	\$15 for most services	\$30 for most services	In-network services require a deductible and coinsurance	Out-of-network services require a deductible and coinsurance
Benefit Level	100% for most inpatient and outpatient services; small copayment for some services	80% benefit for most covered inpatient and outpatient services; you pay the remaining 20% of expenses	100% for most inpatient and outpatient services; small copayment for some services	100% for most inpatient and outpatient services; small copayment for some services	90% benefit for most covered inpatient and outpatient services; you pay the remaining 10% of expenses	70% benefit for most covered inpatient and outpatient services; you pay the remaining 30% of expenses
Claim Forms	Not required	Required	Not required	Not required	Required	Required

### Prescription Drug Coverage

	BCBS PPO	Network Blue New England	<b>BU Health Savings Plan</b>
Retail Pharmacy			
Generic	\$8 Copayment	\$8 Copayment	
Preferred Brand-Name	20% coinsurance Minimum cost \$30 Maximum cost \$50	20% coinsurance Minimum cost \$30 Maximum cost \$50	20% coinsurance after deductible
Non-Preferred Brand-Name	30% coinsurance Minimum cost \$50 Maximum cost \$70	30% coinsurance Minimum cost \$50 Maximum cost \$70	
Home Delivery			
Generic	\$16 Copayment	\$16 Copayment	
Preferred Brand-Name	20% coinsurance Minimum cost \$60 Maximum cost \$100	20% coinsurance Minimum cost \$60 Maximum cost \$100 20% coinsurance aft	
Non-Preferred Brand-Name	30% coinsurance Minimum cost \$100 Maximum cost \$140	30% coinsurance Minimum cost \$100 Maximum cost \$140	



ou and your eligible family members have the opportunity to enroll in the Boston University Dental Health Plan. You and the University share the cost of your coverage under the Dental Health Plan. The Dental Health Plan is designed to provide you with high-quality care at an affordable price. There are two different plans from which to choose:

(1) The BU Dental Health Center Plan or (2) The Dental Blue Freedom Plan.

#### **Eligibility**

If you are classified by the University as a regular employee, work 75% or more of a full-time schedule, and have an appointment of nine months' or more duration, you and your eligible family members may participate in the Boston University Dental Health Plan starting on the first day of the month coincident with or following your first day of work.

Your eligible family members include:

- Your legally married spouse
- Your children under age 26
- Your unmarried, dependent children age 26 and older who are mentally or physically handicapped

#### **Coverage Levels**

There are four levels of coverage available under the Dental Health Plan:

- Individual coverage (yourself only)
- Individual plus spouse (you and your spouse)
- Individual plus child(ren)
   (you and one or more of your
   children)
- Family coverage (you and your eligible family members)

## **Special Provisions for Former Spouses**

If you have family coverage including your spouse and you divorce, your spouse may continue to be covered under your family coverage:

 If the divorce order specifically calls for this, and  If neither you nor your former spouse remarries.

If you or your former spouse remarries, your former spouse's eligibility for coverage ends. Once coverage ends, your former spouse may continue coverage on an individual basis under COBRA for the remaining period (if any) until 36 months have gone by since your divorce or separation.

If your divorce order specifically requires coverage for your former spouse to continue beyond the COBRA continuation period, your former spouse may be eligible to continue coverage under an individual coverage (if available, under the Health Plan and the various vendors providing benefits). This coverage will continue as long as you continue to be employed at the University and have made the appropriate payment for coverage or until no longer required by the divorce order or no longer available.

#### **Special Tax Considerations**

Under current tax laws, the value of your former spouse's dental coverage is subject to federal income, Massachusetts state income, and Social Security taxes. These taxable amounts are based on the full amount of an individual plan (that is, employee contribution plus employer contribution) and are called imputed income. Imputed income for your former spouse's dental coverage will be reported as income on each paycheck, and will be included in the taxable earnings shown on your W-2 Form. Coverage for your former spouse is subject to imputed income for tax purposes.

#### **Enrollment**

Participation in the Boston University Dental Health Plan is voluntary. To elect this coverage, new employees must go to Employee Self Service at www.bu.edu/buworkscentral. Alternatively, you may complete a Benefits Enrollment Form available at www.bu.edu/hr/home/forms/benefit-forms. This form will also authorize a payroll deduction to pay for your share of the cost.

If you choose a coverage level that includes your spouse or dependent children, coverage is available only for the family members who are listed on your enrollment. If you wish to enroll newly eligible family members (for example, an adopted child or a new spouse), you may do so by obtaining the necessary forms from the Human Resources website at www.bu.edu/hr/home/forms/benefit-forms. Alternatively, you may request a paper form from the Benefits Section of Human Resources by email at hrben@bu.edu.

#### When Coverage Starts

You have 30 days following your benefit orientation date to enroll. If you enroll, coverage will become effective on the first day of the month coincident with or following your first day of work. If you do not enroll during this period, your next opportunity to enroll will be during the next open enrollment period.

#### Cost

You and the University share the cost of your coverage under the Dental Health Plan. Currently, the University pays a portion of the coverage cost as determined by the

University. Your share of the cost is the difference between the total cost of coverage and the amount that Boston University pays. Costs are subject to change at the beginning of each plan year. Also, the University may change the percentage of the cost that it will pay.

#### How Dental Health Plan Contributions Are Paid

You pay for your portion of the contributions for your Dental Health Plan coverage with tax-free dollars. This is because Boston University automatically reduces your pay by the amount of your payments—before federal income taxes, state income taxes, and Social Security taxes are taken out.

Automatic before-tax premium payments are allowed under the provisions of Section 125 of the Internal Revenue Code. These are explained in more detail in the "Flexible Benefits" section of this handbook.

#### **Changing or Stopping Coverage**

Because you pay for your coverage with before-tax dollars, the provisions of Section 125 of the Internal Revenue Code also govern how and when you may make changes in your Dental Health Plan coverage. Under the current provisions of Section 125, you may

- Change the level of your coverage (that is, move from individual to family coverage or vice versa), or
- Cancel your coverage

once each year, during the annual open enrollment period.

The only other time you may make a change in your Dental Health Plan coverage is if you have an IRS-approved Qualified Change in your family or employment status. Qualified Changes are explained in the "Flexible Benefits" section of this handbook.

# About the Boston University Dental Health Centers

There are two Boston University Dental Health Centers. Both provide a comprehensive range of dental services, such as X-rays, cleanings, fillings, and crowns.

You will be examined by a licensed staff dentist when you receive your care at one of the Dental Health Centers. Preventive services such as cleanings and X-rays will be provided by licensed dental hygienists.

If you require any specialty services such as orthodontics (braces), oral surgery (extractions), endodontics (root canals), or periodontics (gum surgery), both centers can refer you to the appropriate licensed specialist and/or postdoctoral resident found within either Center.

Your care will be monitored by your staff dentist at one of the Dental Health Centers. The standard feesfor-service provided through the Dental Health Centers are already far below those charged by most private practices. Therefore, the Dental Health Centers offer you and your family members a unique opportunity to obtain quality dental care at a reasonable price.

The Boston University Dental Health Centers are conveniently located at:

- 930 Commonwealth Avenue near the Charles River Campus Phone: 617-358-1000
- 100 East Newton Street at the Boston University Medical Center Phone: 617-638-4670

#### The BU Dental Health Center Plan How the Plan Works

If you join this plan, you must receive your dental treatment from one of the BU Dental Health Centers located at 930 Commonwealth Avenue and 100 East Newton Street. There is no coverage for care received outside of the Centers (except for emergency dental treatment at a participating BCBS Dental Blue provider).

#### **Covered Services**

The Boston University Dental Health Center Plan covers services listed on the following chart. Here are two special features of the plan that you should remember:

- There are no deductibles for covered services.
- You do not have to complete claim forms for services provided at the Dental Health Centers.

Boston University Dental Health Center Plan Covered Services		
Type of Service	Boston University Dental Health Center Dentists*	
Preventive & Diagnostic	100%	
Basic Restorative	100%	
Major Restorative	60%	
Orthodontia	50%	
Annual Maximun Benefit	\$1,700 per person, per year	
Orthodontia Lifetime Maximun Benefit	\$2,000 per person, lifetime	

<sup>\*</sup>The percentage of the cost of a covered service that is paid by the plan is based on the standard fee schedule established by the Boston University Dental Health Centers. You may obtain a copy of the standard fee schedule by contacting Human Resources at hrben@bu.edu or online at www.bu.edu/hr/home/forms/benefit-forms.

#### **Preventive and Diagnostic**

#### **Diagnostic Services**

- One complete initial oral exam, including initial dental history and charting of the teeth and supporting structures
- Single-tooth X-rays as needed
- Bitewing X-rays of the crowns of the teeth (once each six months)
- Full-mouth X-rays (seven or more films, or panoramic X-ray with bitewing X-rays; once each 60 months)
- Study models and casts used in planning treatment (once each 60 months)
- Emergency exams
- Periodic or routine oral exams (once each six months)

#### **Preventive Services**

- Routine cleaning, scaling, and polishing of the teeth (once each six months)
  - Fluoride treatment for members under age 19 (once each six months)
- Space maintainers required due to premature loss of teeth for members under age 19
- Sealants applied to permanent premolar and molar surfaces for members under age 14 (one application each 48 months for each premolar or molar surface)

#### **Basic Restorative Services**

- Amalgam (silver) fillings (limited to one filling for each tooth surface in each 12 months). No benefits are provided for fillings on tooth surfaces where a sealant was applied within the last 12 months.
- Composite resin (tooth color) fillings on front teeth (limited to one

- filling for each tooth surface in each 12 months). These benefits include single-surface composite resin fillings on back teeth.
- Pin retention for fillings
- Stainless steel crowns on primary (baby) teeth
- Stainless steel crowns on first permanent (adult) molars for members under age 16

#### **Prosthetic Maintenance**

- Repair of partial or complete dentures, crowns, and bridges (once each 12 months)
- Adding teeth to an existing partial or complete denture
- Rebase or reline dentures (once each 36 months)
- Recementing of crowns, inlays, onlays, and fixed bridgework (once each 12 months)

#### Other Covered Services

- Occlusal adjustments (once each 24 months)
- Services to treat root sensitivity
- General anesthesia when administered in conjunction with covered surgical services
- Emergency dental treatment to relieve acute pain

#### Major Restorative Services

#### **Oral Surgery**

- Tooth extractions
- Root removal
- Biopsies

#### Periodontics (Gum and Bone)

- Periodontal scaling and root planing (once in each quadrant each 24 months)
- Periodontal surgery (soft and hard tissue surgeries; once in each quadrant each 36 months)

 Periodontal maintenance following active periodontal therapy (once each three months)

#### **Endodontics (Root and Pulp)**

- Root canal therapy on permanent teeth (once in a lifetime for each tooth)
- Retreatment root canal therapy on permanent teeth (once in a lifetime for each tooth)
- Therapeutic pulpotomy on primary or permanent teeth for members under age 16
- Other endodontic surgery intended to treat or remove the dental root

#### Prosthodontics (Tooth Replacement)

- Complete or partial dentures, including services to fabricate, measure, fit, and adjust them (once each 60 months for each arch)
- Fixed bridges, including services to fabricate, measure, fit, and adjust them (once each 60 months for each tooth)
- Replacement of dentures and bridges, but only when they are installed at least 60 months after the initial placement, and only if the existing appliance cannot be made serviceable
- Temporary partial dentures to replace any of the six upper or lower front teeth, but only if they are installed immediately following the loss of teeth and during the period of healing

#### Crowns, Inlays, and Onlays

 Crowns for members age 16 or older (once each 60 months for each tooth). Note: These benefits include single-tooth dental endosteal implants (the fixture and abutment portion) when the implant replaces permanent teeth through the second molars (once each 60 months for each tooth).

- Metallic, porcelain, and composite resin inlays for members age 16 or older
- Metallic, porcelain, and composite resin onlays for members age 16 or older (once each 60 months for each tooth)
- Replacement of crowns for members age 16 or older (once each 60 months for each tooth)
- Replacement of metallic, porcelain, and composite resin onlays (once each 60 months for each tooth)
- Replacement of metallic, porcelain, and composite resin onlays for members age 16 or older (once each 60 months for each tooth)
- Post and core or crown buildup for members age 16 or older (once each 60 months for each tooth)

#### **Orthodontics**

Orthodontic benefits, including braces and related services during treatment, are provided for adults and children when care is provided by a dentist located at a Boston University Dental Health Center.

#### **Emergency Care**

The plan defines "emergency treatment" as treatment needed to immediately alleviate pain or infection or to treat an injury. Emergency treatment is covered as a basic restorative service, regardless of where it is provided. Emergency treatment does not include any final restorations (i.e., root canal, crowns, and dentures).

#### Non-Covered Dental Services

No benefits are provided by the Boston University Dental Health Center Plan for:

- Services, supplies, procedures, or appliances to treat an illness or injury for which you have the right to benefits under government programs. These include the Veterans Administration for an illness or injury connected to military service. They also include programs set up by other local, state, federal, or foreign laws or regulations that provide or pay for health care services and supplies or that require care or treatment to be furnished in a public facility. No benefits are provided if you could have received governmental benefits by applying for them on time. This exclusion does not include Medicaid or Medicare.
- Charges that are received for or related to dental care that Blue Cross Blue Shield considers to be experimental. The care must be documented by controlled studies that determine its merits (such as its safety) and include sufficient follow-up studies.
- Charges for appointments that you do not keep. Dentists may charge you for failing to keep your scheduled appointments. They may do so if you do not give reasonable notice to the office. Appointments that you do not keep are not counted against any benefit limits described in this BU Dental Health Center Plan benefit description.
- A service, supply, procedure, or appliance that is not described as a covered dental service in this BU Dental Health Center Plan benefit description
- Services, supplies, procedures, or appliances that do not conform

- to Blue Cross Blue Shield dental policy guidelines
- Any service or supply furnished along with, in preparation for, or as a result of a non-covered dental service
- Services, supplies, procedures, and appliances that are not considered necessary and appropriate by Blue Cross Blue Shield
- Services, supplies, procedures, and appliances that are furnished to someone other than the patient
- Treatment and related services that are required by third parties
- Free care or care for which you are not required to pay or for which you would not be required to pay if you were not covered under the BU Dental Health Center Plan
- Nutrition counseling or instructions in dental hygiene, including proper methods of tooth brushing, the use of dental floss, plaque control programs, and caries (cavity) susceptibility tests
- Incomplete procedures
- Laboratory or bacteriological tests
- Consultations when the dentist who renders the consultation provides treatment
- Restorations for reasons other than decay or fracture of teeth, such as erosion, abrasion, or attrition
- Sealants applied to permanent premolar or molar surfaces that have decay or fillings
- Fillings on tooth surfaces where a sealant was applied within the last 12 months
- Replacement of a filling within 12 months of the date of the prior restoration

- Stainless steel crowns on permanent (adult) teeth, other than on first permanent (adult) molars for members under age 16
- Fixed or removable prosthodontics or major restorative procedures for members under age 16 (The BU Dental Health Center Plan provides the benefit for a temporary partial denture for replacement of a lost or missing tooth. You pay any balance.)
- Temporary complete dentures or temporary fixed bridges
- Replacement of dentures, bridges, or space maintainers for reasons such as theft, abuse, misuse, misplacement, loss, improper fit, allergies, breakage, or ingestion
- Duplicate dentures or bridges
- Transplants or any related surgical or restorative procedures
- Any procedure to save a tooth when there is a poor statistical probability (less than a 70% chance) that the tooth will last for 60 months (for example, surgical periodontal regenerative procedures to stabilize a tooth loosened due to extensive periodontal disease)
- Cast restorations, copings, or attachments for installing overdentures, including associated endodontic procedures such as root canals
- Precision attachments, semiprecision attachments, or copings
- A service to diagnose or treat temporomandibular joint (TMJ) disorders or myofascial (muscular) pain, including bruxism (grinding of the teeth). This service is covered under the Blue Cross Blue Shield medical policies.

- A service, supply, or procedure when its sole purpose is to increase the height of teeth (vertical dimension) or to restore occlusion
- A separate charge for occlusal analysis, pulp vitality testing, or pulp capping since these services are usually performed as part of another covered procedure
- Drugs, pharmaceuticals, biologicals, or other prescription agents or products
- Photographs
- A dentist's charge to file a claim. Also, a dentist's charge to transcribe or copy your dental records
- Services and supplies furnished before your effective date, except for a multi-stage procedure that begins before your effective date and is completed while you are enrolled under the BU Dental Health Center Plan
- Services and supplies furnished after your termination date under the BU Dental Health Center Plan. (If your membership under the BU Dental Health Center Plan is terminated prior to the completion date of a procedure that requires more than one visit, no benefits are provided for the entire procedure.)

#### **How to Obtain Benefits**

To obtain benefits for services provided at the Boston University Dental Health Centers, simply show your Blue Cross Blue Shield membership card. You do not have to complete a claim form for services provided at the Dental Health Centers.

# The Dental Blue Freedom Plan

#### **How the Plan Works**

This is a unique dental plan, designed especially for BU employees who may not be able to conveniently receive all their dental care services at the BU Dental Health Centers. It provides you three choices of dental providers; you decide where to receive treatment each time you need dental care. You have access to providers at the BU Dental Health Centers; Blue Cross Blue Shield dental network providers; or you may choose your own provider. Plan benefits vary based on where you receive care.

#### **Covered Services**

The Dental Blue Freedom Plan covers services listed on the chart on the next page.

#### **Preventive and Diagnostic**

#### **Diagnostic Services**

- One complete initial oral exam, including initial dental history and charting of the teeth and supporting structures
- Single-tooth X-rays as needed
- Bitewing X-rays of the crowns of the teeth (once each six months)
- Full-mouth X-rays (seven or more films, or panoramic X-ray with bitewing X-rays; once each 60 months)
- Study models and casts used in planning treatment (once each 60 months)
- Emergency exams
- Periodic or routine oral exams (once each six months)

Service	Coverage at Centers*	BCBS Dental Blue & PPO (in Massachusetts) Networks**	BCBS DenteMax (National) Network**	Out-of-Network Provider***
Deductible	None	\$50 per person	\$50 per person	\$50 per person
Preventive & Diagnostic	100%	80%, no deductible	80%, no deductible	80%, no deductible
Basic Restorative	80%	60%, after deductible	60%, after deductible	60%, after deductible
Major Restorative	50%	40%, after deductible	40%, after deductible	40%, after deductible
Orthodontics	50%	Not covered	Not covered	Not covered
Annual Maximum Benefit	\$1,700 per person, per year			
Orthodontia Lifetime Maximum Benefit	\$2,000 per person, lifetime			

#### **Preventive Services**

- Routine cleaning, scaling, and polishing of the teeth (once each six months)
  - Fluoride treatment for members under age 19 (once each six months)
- Space maintainers required due to premature loss of teeth for members under age 19
- Sealants applied to permanent premolar and molar surfaces for members under age 14 (one application each 48 months for each premolar or molar surface)

#### **Basic Restorative Services**

- Amalgam (silver) fillings (limited to one filling for each tooth surface in each 12 months). No benefits are provided for fillings on tooth surfaces where a sealant was applied within the last 12 months
- Composite resin (tooth color) fillings on front teeth (limited to one filling for each tooth surface in each 12 months).
   These benefits include singlesurface composite resin fillings on back teeth

- Pin retention for fillings
- Stainless steel crowns on primary (baby) teeth
- Stainless steel crowns on first permanent (adult) molars for members under age 16

#### **Prosthetic Maintenance**

- Repair of partial or complete dentures, crowns, and bridges (once each 12 months)
- Adding teeth to an existing partial or complete denture
- Rebase or reline dentures (once each 36 months)
- Recementing of crowns, inlays, onlays, and fixed bridgework (once each 12 months)

#### **Other Covered Services**

- Occlusal adjustments (once each 24 months)
- Services to treat root sensitivity
- General anesthesia when administered in conjunction with covered surgical services
- Emergency dental treatment to relieve acute pain

\*Based on the BU Dental Health Center Table of Allowance

\*\*Based on lesser of either the dentist's actual charge or the allowed charge. If your provider is in the Dental Blue PPO Network, your share of the cost of services may be less than if your provider is in only the Dental Blue Network. To determine which networks your provider participates in, review your provider's profile on the Blue Cross Blue Shield website at www.bluecrossma.com/findadoctor.

\*\*\*Based on the actual charge or the allowed charge, whichever is less. The allowed charge is based on a schedule of charges. You may be responsible for any difference between the dentist's actual charge or the allowed charge, whichever is less.

#### **Major Restorative Services**

#### **Oral Surgery**

- Tooth extractions
- Root removal
- Biopsies

#### Periodontics (Gum and Bone)

- Periodontal scaling and root planing (once in each quadrant each 24 months)
- Periodontal surgery (soft and hard tissue surgeries; once in each quadrant each 36 months)
- Periodontal maintenance following active periodontal therapy (once each three months)

#### **Endodontics (Root and Pulp)**

- Root canal therapy on permanent teeth (once in a lifetime for each tooth)
- Retreatment root canal therapy on permanent teeth (once in a lifetime for each tooth)
- Therapeutic pulpotomy on primary or permanent teeth for members under age 16
- Other endodontic surgery intended to treat or remove the dental root

#### **Prosthodontics (Tooth Replacement)**

- Complete or partial dentures, including services to fabricate, measure, fit, and adjust them (once each 60 months for each arch)
- Fixed bridges, including services to fabricate, measure, fit, and adjust them (once each 60 months for each tooth)
- Replacement of dentures and bridges, but only when they are installed at least 60 months after the initial placement, and only if the existing appliance cannot be made serviceable
- Temporary partial dentures to replace any of the six upper or lower front teeth, but only if they are installed immediately following the loss of teeth and during the period of healing

#### Crowns, Inlays, and Onlays

- Crowns for members age 16 or older (once each 60 months for each tooth) Note: These benefits include single-tooth dental endosteal implants (the fixture and abutment portion) when the implant replaces permanent teeth through the second molars (once each 60 months for each tooth).
- Metallic, porcelain, and composite resin inlays for members age
   16 or older
- Metallic, porcelain, and composite resin onlays for members age 16 or older (once each 60 months for each tooth)
- Replacement of crowns for members age 16 or older (once each 60 months for each tooth)
- Replacement of metallic, porcelain, and composite resin inlays (once each 60 months for each tooth)

- Replacement of metallic, porcelain, and composite resin onlays for members age 16 or older (once each 60 months for each tooth)
- Post and core or crown buildup for members age 16 or older (once each 60 months for each tooth)

#### **Orthodontics**

Orthodontic benefits, including braces and related services during treatment, are provided for adults and children when care is provided by a dentist located at a Boston University Dental Health Center.

#### **Emergency Care**

The plan defines "emergency treatment" as treatment needed to immediately alleviate pain or infection or to treat an injury. Emergency treatment is covered as a basic restorative service, regardless of where it is provided. Emergency treatment does not include any final restorations (i.e., root canal, crowns, and dentures).

#### Non-Covered Dental Services

No benefits are provided by the Dental Blue Freedom Plan for:

· Services, supplies, procedures, or appliances to treat an illness or injury for which you have the right to benefits under government programs. These include the Veterans Administration for an illness or injury connected to military service. They also include programs set up by other local, state, federal, or foreign laws or regulations that provide or pay for health care services and supplies or that require care or treatment to be furnished in a public facility. No benefits are provided if you could have

- received governmental benefits by applying for them on time. This exclusion does not include Medicaid or Medicare.
- Charges that are received for or related to dental care that Blue Cross Blue Shield considers to be experimental. The care must be documented by controlled studies that determine its merits (such as its safety) and include sufficient follow-up studies.
- Charges for appointments that you do not keep. Dentists may charge you for failing to keep your scheduled appointments.
   They may do so if you do not give reasonable notice to the office.
   Appointments that you do not keep are not counted against any benefit limits described in this Dental Blue Freedom Plan benefit description.
- A service, supply, procedure, or appliance that is not described as a covered dental service in this Dental Blue Freedom Plan benefit description
- Services, supplies, procedures, or appliances that do not conform to Blue Cross Blue Shield dental policy guidelines
- Any service or supply furnished along with, in preparation for, or as a result of a non-covered dental service
- Services, supplies, procedures, and appliances that are not considered necessary and appropriate by Blue Cross Blue Shield
- Services, supplies, procedures, and appliances that are furnished to someone other than the patient
- Treatment and related services that are required by third parties
- Free care or care for which you are not required to pay or for

- which you would not be required to pay if you were not covered under the Dental Blue Freedom Plan
- Nutrition counseling or instructions in dental hygiene, including proper methods of tooth brushing, the use of dental floss, plaque control programs, and caries (cavity) susceptibility tests
- Incomplete procedures
- Laboratory or bacteriological tests
- Consultations when the dentist who renders the consultation provides treatment
- Restorations for reasons other than decay or fracture of teeth, such as erosion, abrasion, or attrition
- Sealants applied to permanent premolar or molar surfaces that have decay or fillings
- Fillings on tooth surfaces where a sealant was applied within the last 12 months
- Replacement of a filling within 12 months of the date of the prior restoration
- Stainless steel crowns on permanent (adult) teeth, other than on first permanent (adult) molars for members under age 16
- Fixed or removable prosthodontics or major restorative procedures for members under age 16.
   (The Dental Blue Freedom Plan provides the benefit for a temporary partial denture for replacement of a lost or missing tooth. You pay any balance.)
- Temporary complete dentures or temporary fixed bridges
- Replacement of dentures, bridges, or space maintainers

- for reasons such as theft, abuse, misuse, misplacement, loss, improper fit, allergies, breakage, or ingestion
- Duplicate dentures or bridges
- Transplants or any related surgical or restorative procedures
- Any procedure to save a tooth when there is a poor statistical probability (less than a 70% chance) that the tooth will last for 60 months (for example, surgical periodontal regenerative procedures to stabilize a tooth loosened due to extensive periodontal disease)
- Cast restorations, copings, or attachments for installing overdentures, including associated endodontic procedures such as root canals
- Precision attachments, semiprecision attachments, or copings
- A service to diagnose or treat temporomandibular joint (TMJ) disorders or myofascial (muscular) pain, including bruxism (grinding of the teeth). This service is covered under the Blue Cross Blue Shield medical policies.
- A service, supply, or procedure when its sole purpose is to increase the height of teeth (vertical dimension) or to restore occlusion
- A separate charge for occlusal analysis, pulp vitality testing, or pulp capping since these services are usually performed as part of another covered procedure
- Drugs, pharmaceuticals, biologicals, or other prescription agents or products
- Photographs
- A dentist's charge to file a claim. Also, a dentist's charge to

- transcribe or copy your dental records
- Services and supplies furnished before your effective date, except for a multi-stage procedure that begins before your effective date and is completed while you are enrolled under the Dental Blue Freedom Plan.
- Services and supplies furnished after your termination date under the Dental Blue Freedom Plan. (If your membership under the Dental Blue Freedom Plan is terminated prior to the completion date of a procedure that requires more than one visit, no benefits are provided for the entire procedure.)

# **Boston University Dental Health Centers**

There are two Boston University Dental Health Centers. Both provide a comprehensive range of dental services, such as X-rays, cleanings, fillings, and crowns. Fees for dental services are found in your dental fee schedule.

Locations: 930 Commonwealth Avenue, Phone: 617-358-1000

and 100 East Newton Street, Phone: 617-638-4670.

Key services include: general dentistry, dental hygiene, orthodontics, pediatric dentistry, periodontics, implantology, prosthodontics, oral and maxillofacial surgery, and endodontics.

#### **In-Network Dentists**

#### **BCBS Network**

Dental Blue PPO dentists provide you with the greatest value.

If your provider is in the Dental Blue PPO Network, your share of the cost of services may be less than if your provider is in only the Dental Blue Network. To determine which networks your provider participates in, review your provider's profile on the Blue Cross Blue Shield website at www.bluecrossma.com/findadoctor.

### How to Locate a Dentist on the Web

Go to the Blue Cross Blue Shield website at www.bluecrossma.com/findadoctor and look under "Dental Blue." If the dentist is in the BCBS Network, his or her name will be listed. You may also want to check to find out if the dentist is in the PPO Network. If he or she is, your coinsurance may be lower than for a dentist not in the PPO Network.

#### **How Fees Are Set**

This plan uses dentists in the Dental Blue Network.

You may use dentists in the Dental Blue or the Dental Blue PPO networks. All of these dentists are contracted with Blue Cross Blue Shield. If your dentist is in the PPO Network, your coinsurance may be lower than it would be for a dentist who is not in the PPO Network.

#### **Out-of-Network Dentists**

Benefits for covered services by a non-participating dentist outside of Massachusetts are provided based on usual and customary charges. The allowed charge is based on a schedule of charges established by BCBS. You may be responsible for any difference between the dentist's actual charge or the allowed charge, whichever is less. You are also responsible for your deductible and coinsurance (if applicable), and charges beyond your calendar-year maximum.

Out-of-network dentists do not have contracts with Blue Cross Blue Shield. Blue Cross Blue Shield will reimburse you the percentage listed on the chart of the usual and customary charges.

#### How to File a Claim

### BU Dental Health Centers and BCBS Network Dentists

To obtain benefits for services provided at the BU Dental Health Centers or from a Blue Cross Blue Shield network dentist, show the dentist your Dental Blue Freedom identification card. The dentist will file the claim with Blue Cross Blue Shield. You do not have to file a claim form.

#### **Out-of-Network Dentists**

The following are procedures for obtaining benefits if your provider is not affiliated with a Boston University Dental Health Center and is not in the Blue Cross Blue Shield network:

- Obtain a claim form from the Benefits Section of Human Resources or from the website at www.bu.edu/hr/home/forms/ benefit-forms.
- 2. Pay your dentist for services.
- Submit your claim form with original itemized bills within two years of the date you received the covered dental service to:

Blue Cross Blue Shield of Massachusetts P.O. Box 986030 Boston, MA 02298

Blue Cross Blue Shield will review your claim, then reimburse you for the claim to the extent of your benefits described in this handbook.

# Appealing a Denial for Either Dental Health Plan

## How to Request a Formal Grievance Review

To request a formal review from Blue Cross Blue Shield's Grievance Program, you (or your authorized representative) have three options.

The preferred option is for you to send your grievance in writing to:

Member Grievance Program Blue Cross Blue Shield of Massachusetts One Enterprise Drive Quincy, MA 02171-2126

Blue Cross Blue Shield will let you know that your request was received by sending you a written confirmation within 15 calendar days.

Or, you may email your grievance to Blue Cross Blue Shield's Grievance Program email address at grievances@bcbsma.com. Blue Cross Blue Shield will let you know that your request was received by sending you a confirmation immediately by email.

Or, you may call Blue Cross Blue Shield's Grievance Program at 1-800-462-5601 (extension 63605). When your request is made by telephone, Blue Cross Blue Shield will send you a written account of the grievance within 48 hours of your phone call.

Once your request is received, Blue Cross Blue Shield will research the case in detail, ask for more information as needed, and let you know in writing of the decision or the outcome of the review. If your grievance is regarding termination of coverage for concurrent services that were previously approved by Blue Cross Blue Shield, the disputed coverage will continue until this grievance review process is completed. This continuation of coverage does not

apply to services that are limited by dollar or visit maximums and that exceed those maximums, noncovered services, or services that were received prior to the time that you requested a formal grievance review, or when a grievance is not received on a timely basis, based on the course of treatment.

All grievances must be received by Blue Cross Blue Shield within one year of the date of treatment, event, or circumstance, such as the date you were told of the service denial or claim denial.

# What to Include in a Grievance Review Request

Your request for a formal grievance review should include: the name and identification number of the member asking for the review; a description of the problem; all relevant dates; names of health care providers or administrative staff involved; and details of the attempt that has been made to resolve the problem. If Blue Cross Blue Shield needs to review the medical/dental records and treatment information that relate to your grievance, Blue Cross Blue Shield will promptly send you an authorization form to sign if needed. You must return this signed form to Blue Cross Blue Shield. It will allow for the release of your medical/dental records. You also have the right to look at and get copies (free of charge) of records and criteria that Blue Cross Blue Shield has and that are relevant to your grievance, including the identity of any experts who were consulted.

#### **Authorized Representative**

You may choose to have another person act on your behalf during the grievance review process. You must designate this person in writing to Blue Cross Blue Shield. Or, if

you are not able to do this, a person such as a conservator, a person with power of attorney, or a family member may be your authorized representative. Or, he or she may appoint another party to be the authorized representative. (When you are an inpatient, a health care provider may act as your authorized representative to ask for an expedited grievance review. You do not have to designate the health care provider in writing.)

## Who Handles the Grievance Review

All grievances are reviewed by individuals who are knowledgeable about Blue Cross Blue Shield and the issues involved in the grievance. The individuals who will review your grievance will be those who did not participate in any of Blue Cross Blue Shield's prior decisions regarding the subject of your grievance, nor do they work for anyone who did. When a grievance is related to a necessity and appropriateness denial, at least one grievance reviewer is an individual who is an actively practicing health care professional in the same or similar specialty that usually treats the medical/dental condition, performs the procedure, or provides treatment that is the subject of your grievance.

#### **Response Time**

The review and response for Blue Cross Blue Shield's formal grievance review will be completed within 30 calendar days. Every reasonable effort will be made to speed up the review of grievances that involve health care services that are soon to be obtained by the member. (When the grievance review is for services you have already obtained and it requires a review of your medical/dental records, the 30-day response time will not include the days from

when Blue Cross Blue Shield sends you the authorization form to sign until it receives your signed authorization form if needed. If Blue Cross Blue Shield does not receive your authorization within 30 calendar days after you are asked for it, Blue Cross Blue Shield may make a final decision about your grievance without that medical/dental information.)

**Note:** If your grievance review began after an inquiry, the 30-day response time will begin on the day you tell Blue Cross Blue Shield that you disagree with Blue Cross Blue Shield's answer and would like a formal grievance review.

Blue Cross Blue Shield may extend the time frame to complete a grievance review, with your permission, in cases when Blue Cross Blue Shield and the member agree that additional time is required to fully investigate and respond to the grievance. A grievance that is not acted upon within the specified time frames will be considered resolved in favor of the member.

#### Written Response

Once the grievance review is completed, Blue Cross Blue Shield will let you know in writing of the decision or the outcome of the review. If Blue Cross Blue Shield continues to deny coverage for all or part of a health care service or supply, Blue Cross Blue Shield's response will explain the reasons. It will give you the specific medical and scientific reasons for the denial and a description of alternative treatment, health care services, and supplies that would be covered.

#### **Grievance Records**

Blue Cross Blue Shield will maintain a record of all formal grievances, including the response for each grievance review, for up to seven years.

# **Expedited Review for Immediate or Urgently Needed Services**

In place of the formal grievance review described above, you have the right to request an "expedited" review right away when your situation is for immediate or urgently needed services. Blue Cross Blue Shield will review and respond to grievances for immediate or urgently needed services as follows:

When your grievance review concerns medical care or treatment for which waiting for a response under the grievance review time frames described above would seriously jeopardize your life or health or your ability to regain maximum function as determined by Blue Cross Blue Shield or your physician, or if your physician says that you will have severe pain that cannot be adequately managed without the care or treatment that is the subject of the grievance review, Blue Cross Blue Shield will review your grievance and notify you of the decision within 72 hours after your request is received.

When a grievance review is requested while the member is an inpatient, Blue Cross Blue Shield will complete the review and make a decision regarding the request before the patient is discharged from that inpatient stay. Coverage for those services in dispute will continue until this review is completed.

A decision to deny payment for health care services may be reversed within 48 hours if the member's attending physician certifies that a denial for those health care services would create a substantial risk of serious harm to the member if the member were to wait for the outcome of the normal grievance process.

A grievance review requested by a member with a terminal illness will

be completed within five working days of receiving the request. In this case, if the expedited review results in a denial for health care services or treatment, Blue Cross Blue Shield will send a letter to the member within five working days that explains the specific medical and scientific reasons for the denial and a description of alternative treatment, health care services, and supplies that would be covered and information about requesting a hearing. When the member requests a hearing, the hearing will be held within ten days (or within five working days if the attending physician determines after consultation with Blue Cross Blue Shield's Medical Director and based on standard medical practice that the effectiveness of the health care service, supply, or treatment would be materially reduced if it were not furnished at the earliest possible date). You and/ or your authorized representative(s) may attend this hearing.

## Appeals Process for Rhode Island Residents or Services

You may also have the right to appeal as described in this section when a claim is denied as being not necessary and appropriate. If so, these rights are in addition to the other rights to appeal that you have as described in other parts of this handbook. The following provisions apply only to:

A member who lives in Rhode Island and is planning to obtain services that Blue Cross Blue Shield has determined are not necessary and appropriate.

A member who lives outside Rhode Island and is planning to obtain services in Rhode Island that Blue Cross Blue Shield has determined are not necessary and appropriate.

Blue Cross Blue Shield decides which covered services are necessary and

appropriate for your dental condition based on a review of your dental records and generally accepted dental practice. Some of the covered services described in this handbook may not be necessary and appropriate for you. If Blue Cross Blue Shield has determined that services are not necessary and appropriate for you, you have the right to the following appeals process.

#### Reconsideration

Reconsideration is the first step in this appeals process. If you receive a letter denying payment for your dental services, you may request in writing that Blue Cross Blue Shield reconsider its decision by contacting:

Grievance Program
Blue Cross Blue Shield of
Massachusetts
One Enterprise Drive
Quincy, MA 02171-2126
Phone: 1-800-472-2689
Fax: 617-246-3616

Email: grievances@bcbsma.com

You must submit your reconsideration request within 180 days of the adverse decision. Along with your letter, you should include any information that supports your request. Blue Cross Blue Shield will review your request and let you know the outcome of your reconsideration request within 15 calendar days after receipt of all necessary information.

#### Appeal

An appeal is the second step in this process. If Blue Cross Blue Shield continues to deny benefits for all or part of the original service, you may request an appeal within 60 days of receiving the reconsideration denial letter. Your appeal request should include any information that supports your appeal. You may also inspect and add information to your Blue Cross Blue Shield case file to prepare your appeal. In accordance

with Rhode Island state law, if you wish to review the information in your Blue Cross Blue Shield case file, you must make your request in writing and include the name of a dentist who may review your file on your behalf. Your dentist may review, interpret, and disclose any or all of that information to you. Once received by Blue Cross Blue Shield, your appeal will be reviewed by a dentist in the same specialty as your attending dentist. Blue Cross Blue Shield will notify you of the outcome of your appeal within 15 calendar days of receiving all necessary information.

#### **External Appeal**

If your appeal is denied, you have the right to present your case to an appeals agency that is designated by Rhode Island and not affiliated with Blue Cross Blue Shield. If you request this voluntary external appeal, Rhode Island requires you be responsible for half of the cost of the appeal and Blue Cross Blue Shield will be responsible for the remaining half. To file an external appeal, you must send your request in writing to:

Grievance Program
Blue Cross Blue Shield of
Massachusetts
One Enterprise Drive
Quincy, MA 02171-2126
Phone: 1-800-472-2689
Fax: 617-246-3616
Email: grievances@bcbsma.com

Along with your request, you must state your reason(s) for your disagreement with Blue Cross Blue Shield's decision and enclose a check payable to one of the following external appeals agencies: MassPRO (your fee is \$147.50) or the MAXIMUS Center for Health Dispute Resolution (your fee is \$144.20).

Within five working days after the receipt of your written request and payment for the appeal, Blue Cross Blue Shield will forward your request to the external appeals agency along with Blue Cross Blue Shield's portion of the fee and your entire Blue Cross Blue Shield case file. The external appeals agency will notify you in writing of the decision within ten working days of receiving all necessary information.

#### **Expedited Appeal**

If your situation is an emergency, you have the right to an expedited appeal at all three levels of appeal as stated above. An emergency requires emergency dental treatment to relieve acute pain or to control a dental condition that requires immediate care to prevent permanent harm to the member. You may request an expedited reconsideration or appeal by contacting Blue Cross Blue Shield at the telephone number shown in your letter. Blue Cross Blue Shield will notify you of the result of your expedited appeal within two working days or 72 hours, whichever is sooner, of its receipt. To request an expedited voluntary external appeal, you must send your request in writing to:

Grievance Program
Blue Cross Blue Shield of
Massachusetts
One Enterprise Drive
Quincy, MA 02171-2126
Phone: 1-800-472-2689
Fax: 617-246-3616
Email: grievances@bcbsma.com

Your request should state your reason(s) for your disagreement with the decision and include signed documentation from your dentist that describes the emergency nature of your treatment. In addition, you must also enclose a check payable to one of the following external

appeals agencies: MassPRO (your fee is \$172.50) or the MAXIMUS Center for Health Dispute Resolution (your fee is \$144.20).

Within two working days after the receipt of your written request and payment for the appeal, Blue Cross Blue Shield will forward your request to the external appeals agency along with Blue Cross Blue Shield's portion of the fee and your entire Blue Cross Blue Shield case file. The external appeals agency will notify you in writing of the decision within two working days or 72 hours, whichever is sooner, of receiving your request for a review.

#### **External Appeal Final Decision**

If the external appeals agency upholds the original decision of Blue Cross Blue Shield, this completes the appeals process for your case. But, if the external appeals agency reverses Blue Cross Blue Shield's decision, the claim in dispute will be reprocessed by Blue Cross Blue Shield upon receipt of the notice of the final appeal decision. In addition, Blue Cross Blue Shield will repay you for your share of the cost for the external appeal within 60 days of the receipt of the notice of the final appeal decision.

#### Disability

#### If You Incur a Total Disability

If you incur a total disability and begin receiving benefits from the Boston University Long-Term Disability
Benefits Plan, you may continue your membership in the Boston University Dental Health Plan at no cost to you for the duration of your total disability while you receive benefits under the Boston University Long-Term Disability Benefits Plan. The Benefits Section of Human Resources will explain this feature to you upon notification of your disability.

# If You Die While You Are a Member of the Plan

Your enrolled dependents will be entitled to continue coverage for up to 36 months under COBRA, as described later in this section.

#### When You Retire

You and your enrolled dependents will be entitiled to continue coverage for up to 18 months under COBRA, as described later in this section.

## Leaves of Absence and No-Pay Status

If you are on a leave of absence or no-pay status, you must contact the Benefits Section of Human Resources to ask what impact your absence may have on your participation in the Dental Plan.

- Leave of Absence with Pay If you are granted a leave of absence with pay (including sabbatical), your Dental Plan coverage will continue, provided your usual payroll deductions continue. If you wish to discontinue your membership, you may do so by obtaining the necessary forms from the Benefits Section of Human Resources.
- Leave of Absence Without Pay and No-Pay Status If you are granted a leave of absence without pay or no-pay status, you may continue your Dental Plan coverage during your leave, provided you pay the employee cost of continuing this coverage.

If you choose to continue coverage, you must contact the Benefits Section of Human Resources before you begin your leave to make the necessary billing arrangements. This coverage will be automatically canceled if you fail to make required payments.

If you do not wish to continue your coverage during your unpaid leave of absence, you may discontinue your membership by obtaining the necessary forms from the Benefits Section of Human Resources. Re-enrollment in the Boston University Dental Health Plan will be possible when you return from a leave of absence or no-pay status, as long as you contact the Benefits Section of Human Resources and enroll within 30 days of the date you return.

The COBRA continuation of coverage provisions would also apply in this situation should you wish to elect COBRA coverage.

#### When Your Coverage Ends

If your employment with the University terminates for any reason, including retirement, your Dental Plan membership will end on the last day of the month in which your employment terminates.

Once the payroll system reflects the termination of your employment, the Benefits Section of Human Resources will automatically notify you in writing of your last day of coverage, and of what to do to continue coverage.

In addition to any continuation provisions provided by Boston University, you and your covered dependents have the right to extend your coverage for up to 18 or 36 months under the federal continuation provisions (COBRA) explained in the following section.

# Coverage Continuation Provisions

A federal law known as COBRA requires that most employers sponsoring group dental health plans offer employees and their

families ("qualified beneficiaries") the opportunity to elect and pay for a temporary extension of dental health coverage called "continuation coverage" at group rates in certain instances ("qualifying events") where coverage under the employer's dental health plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of that law. (Both you and your spouse should take time to read this notice carefully.) Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for the coverage.

If you are an employee of the Plan Sponsor (Boston University) covered by one of the dental health plan options maintained by the Plan Sponsor (the "Plan"), you will become a qualified beneficiary if you lose your group dental health coverage because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee covered by the Dental Plan, you will become a qualified beneficiary if you lose your coverage under the Dental Plan because any one of the following qualifying events happens:

- Your spouse dies;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse's hours of employment are reduced;
- You become divorced or legally separated from your spouse; or

 Your spouse becomes entitled to Medicare (under Part A, Part B, or both).

Your dependent children will become qualified beneficiaries if they lose coverage under the Dental Plan because any one of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parents become divorced or legally separated;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both); or
- The child ceases to be eligible for coverage under the Plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to the Dental Plan Sponsor and that bankruptcy results in the loss of coverage of any retired employee covered under the Dental Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse or surviving spouse and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Dental Plan.

## When Is COBRA Coverage Available?

The Dental Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has

occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the Plan Sponsor must notify the Plan Administrator of the qualifying event.

# You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse, or a dependent child's losing eligibility for coverage as a dependent child, etc.), you must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to the Plan Contact listed at the end of this summary, along with documentation substantiating the divorce, legal separation, or loss of dependent status and the effective date of such event.

A child who is born to or placed for adoption with the covered employee during a period of COBRA continuation coverage will be eligible to become a qualified beneficiary and be added to the covered employee's COBRA continuation coverage. You must notify the Plan Administrator within 60 days after the birth or placement for adoption occurs. You must provide this notice to the Plan Contact listed at the end of this summary, along with copies of legal documents substantiating the birth or placement for adoption and the effective date of such event.

### How Is COBRA Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified benefi-

ciaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above to inform the Plan Administrator that you want to elect continuation coverage. If you do not elect continuation coverage, your group dental health coverage will end. If you elect continuation coverage, the Plan Sponsor is required to permit you to elect and purchase coverage which, as of the time coverage is being provided, is identical to the coverage provided under the Plan to similarly situated employees or family members.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months).

When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce, legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to a total of 36 months. Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

# Disability Extension of 18-Month Period of Continuation Coverage

If you or anyone in your family covered under the Dental Plan is determined by the Social Security Administration to be disabled (for purposes of Title II [OASDI] or Title XVI [SSI] of the Social Security Act) and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. The qualified beneficiary must also notify the Plan Administrator within 30 days of the date of any final determination by the Social Security Administration that he or she is no longer disabled. You must provide these notices to the Plan Contact listed at the end of this summary, along with copies of correspondence from the Social Security Administration substantiating the disability/loss of disability and the effective date of the applicable SSA determination. Furthermore, during the period after the 18th month through the 29th month of continuation coverage, the monthly

premium cost will be increased to 150% of the applicable premium relating to continuation coverage.

# Second Qualifying Event Extension of 18-Month Period of Continuation Coverage

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan Administrator. You must provide this notice to the Plan Contact listed at the end of this summary, along with copies of documentation substantiating the second qualifying event. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced, legally separated, or if the dependent child stops being eligible under the Dental Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

# How Much Does COBRA Continuation Coverage Cost?

Each qualified beneficiary must pay the entire cost of continuation coverage. The amount a qualified beneficiary must pay may not exceed 102% (or, in the case of an extension of continuation coverage due to disability, 150%) of the cost to the Dental Plan (including both employer and employee contributions) for coverage of a similarly situated plan participant

or beneficiary who is not receiving continuation coverage.

# When and How Must Payment for COBRA Continuation Coverage Be Made?

#### First Payment for Continuation Coverage

If you elect continuation coverage, you do not have to send any payment with the election form. However, you must make your first payment for continuation coverage not later than 45 days after the date of your election. (This is the date the election notice is postmarked, if mailed.) If you do not make your first payment for continuation coverage in full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct. You may contact the party responsible for COBRA administration under the Plan at the address. phone number, or email address provided at the end of this section to confirm the correct amount of your first payment.

## Periodic Payments for Continuation Coverage

After you make your first payment for continuation coverage, you will be required to make periodic payments for each subsequent coverage period. The amount due for each coverage period for each qualified beneficiary is shown in this notice. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due on the first day of the month for that coverage period. If you make a periodic payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue for that coverage period without any break.

#### **Grace Period for Periodic Payments**

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days after the first day of the coverage period to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. However, if you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage under the Plan will be suspended as of the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

#### **Early Termination of COBRA**

COBRA provides that your continuation coverage may be terminated before the end of the maximum coverage period for *any* of the following reasons:

- The Plan Sponsor no longer provides group dental health coverage to any of its employees;
- Any required premium for continuation coverage is not paid in full on time;
- A qualified beneficiary becomes covered—after electing COBRA continuation coverage—under another group dental health plan (as an employee or otherwise) that does not impose any preexisting condition limitation for

- a pre-existing condition of the qualified beneficiary;
- A qualified beneficiary becomes entitled to Medicare (under Part A, Part B, or both) after electing COBRA continuation coverage;
- A qualified beneficiary extends coverage for up to 29 months due to disability and there has been a final determination that the individual is no longer disabled.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) restricts the extent to which group dental health plans may impose pre-existing condition limitations. HIPAA coordinates COBRA's other coverage cut-off rule (in the third bullet above) with these new limits as follows:

If you become covered by another group dental health plan and that plan contains a pre-existing limitation that affects you, your COBRA coverage cannot be terminated. However, if the other plan's pre-existing condition does not apply to you by reason of HIPAA's restrictions on pre-existing condition clauses, the Plan Sponsor may terminate your COBRA coverage.

You do not have to show that you are insurable to choose continuation coverage. However, as discussed above, you will have to pay all the required premiums for your continuation coverage.

The law also says that, at the end of the 18-month, 29-month, or 36-month continuation coverage period, you must be allowed to enroll in an individual conversion dental health plan if such an individual conversion dental health plan is otherwise generally available under the Plan.

COBRA continuation coverage may be terminated for any reason if the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

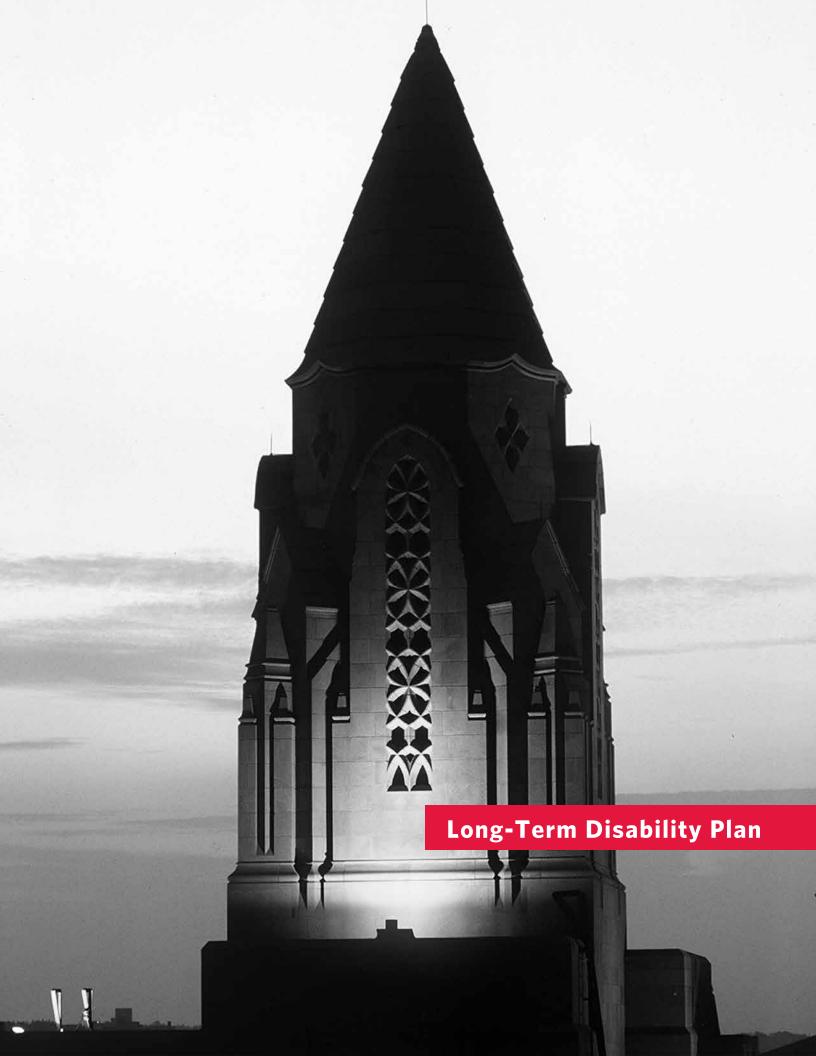
#### If You Have Questions

More complete information regarding your COBRA continuation coverage rights is available from the Plan Administrator. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest regional or district office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ ebsa. (Addresses and phone numbers of regional and district EBSA offices are available through EBSA's website.)

### Plan Contact Information (Plan Administrator)

Benefits Section of Human Resources Boston University 25 Buick Street Boston, MA 02215

Phone: 617-353-4489 Email: hrben@bu.edu



nce you have completed three years of continuous service with the University, you will automatically be enrolled in the Long-Term Disability (LTD) Plan. The LTD Plan is designed to provide a continuing income to you and your family after a six-month waiting period if you are unable to work for longer than six months because of a total disability or if you are partially disabled and are suffering a 20% or greater earnings loss.

Boston University pays the entire cost of your Long-Term Disability Plan.

You may also be eligible for coverage under disability plans not mentioned in this section. These may include the Short-Term Disability Plan, the Temporary Disability Plan, or other government-sponsored plans such as Social Security or Workers' Compensation. For additional information, see your Employee Handbook, the Faculty Handbook, your collective bargaining agreement, and the "Other Benefits" section of this handbook.

#### **Eligibility**

If you are classified by the University as a regular employee, work a full-time schedule, and have an appointment of nine months' or more duration, you automatically become a member of the Long-Term Disability Plan on the first day of the month coincident with or following your completion of three years of continuous full-time service. If you are not at work on the day you would normally become a member, you will become a member in the plan on the day you return to work performing your normal duties.

The three-year service requirement may be waived, allowing you to become a member on your first day of work, if you meet the following requirements:

- You have a regular full-time appointment of at least nine months' duration with the University; and
- 2. You provide the Benefits
  Section of Human Resources
  with satisfactory evidence that
  you had been covered by your
  previous employer's long-term
  disability program at the time
  you left that employer, and no
  more than three months have
  passed between the termination of such coverage and your
  first day of employment with
  the University; and
- 3. You submit the evidence of coverage within 30 days from the date of your orientation.

You pay nothing for your coverage under the Long-Term Disability Plan. The University pays the entire cost of this plan.

#### **Plan Benefits**

As explained below, you may receive benefits from the plan if you are a member and become totally disabled or partially disabled while you are covered under the plan.

No benefits are provided for any disabilities commencing before you were covered under the plan or after your coverage under the plan terminates.

"Totally disabled," for purposes of the plan, means that, because of medically determinable illness or injury:

 You cannot perform each of the material duties of your own occupation for which you are reasonably fitted by training, education, or experience during the elimination period and the next 24 months, and thereafter, unable to perform the material duties of any occupation.

"Partial disability," for purposes of the plan, means that, because of your medically determinable illness or injury:

- While unable to perform all the material duties of your regular occupation on a full-time basis because of injury or illness, you are:
- Performing at least one of the material duties of your regular occupation or another occupation on a part-time or full-time basis; and,
- Earning currently at least
   20% less per month than your
   pre-disability earnings.

**Note:** Either or both of these can satisfy the elimination period.

"Elimination period," for purposes of the plan, refers to the six-month period during which you must continuously have a total disability or partial disability before you can begin receiving benefits from the plan.

You must be totally disabled or partially disabled and suffering a 20% earnings loss for at least six consecutive months before you can begin receiving benefits. Benefit payments will begin on the date you complete 180 days of continuous total and/or partial disability.

After completing the elimination period, you will receive monthly disability benefit payments while you remain totally or partially disabled.

If you are totally disabled, each monthly payment will be 60% of your monthly base salary, up to a maximum monthly benefit amount of \$14,500. This means the maximum covered salary is \$24,166.67 per month (or \$290,000 per year), since \$24,166.67 times 60% equals \$14,500.

If you are partially disabled, the amount of your monthly disability benefit will be adjusted, taking into consideration the amount of your earnings while partially disabled. The monthly benefit for partial disability is 75% of the difference between your full-time monthly base salary and your monthly base salary while you are partially disabled. For example, if your regular full-time monthly base salary is \$1,000 and your salary while you are partially disabled is \$650, you deduct \$650 from \$1,000 to get \$350. Multiply \$350 by 75% to get \$262.50, which is the amount of your monthly disability benefit.

Your monthly disability payments from the plan will be reduced by any payments you receive from any of the following sources:

- Social Security (including any benefits for dependents) or similar government programs
- Workers' Compensation or similar payments, except when they result from previous injuries or disabilities
- Any group disability benefits payable under any group insurance or retirement plan to which the University contributes
- Sick pay

The plan does, however, guarantee you a minimum benefit of \$100 per month regardless of your income from other sources.

You are required to apply for Social Security benefits should your disability be expected to extend for 12 months.

On July 1 following the first 12 months during which you have received disability payments, and each July 1 thereafter, the amount of your monthly disability income from this plan will be increased by 3%. These increases apply for the first 10 years of disability under this plan and then stop.

#### **Benefit Duration**

The following table illustrates benefit duration periods under the plan. This is the maximum period that the plan will pay you benefits as long as you remain disabled.

Once Long-Term Disability benefits cease, you may be eligible for benefits from your participation in a retirement plan or for Social Security retirement benefits.

Age When Benefits Commence	Duration of Benefits
	to age 65 but not
60 or younger	less than 5 years
61 to 64	5 years
	to age 70 but not
65 to 69	less than 1 year
70 and older	1 year

# Federal Income Tax on Long-Term Disability Income

Under present federal income tax laws, your disability benefits are considered taxable income to you in the year they are received.

#### **Subrogation and Reimbursement**

The Boston University Long-Term Disability Plan also has a subrogation and reimbursement rule. If another party is legally responsible to pay lost earnings resulting from an illness or injury inflicted on you, the Long-Term Disability Plan is entitled to reimbursement out of any recovery from the responsible party (or from any insurer) for the amount of Long-Term Disability benefits paid by the plan. The covered individual must cooperate with the Long-Term Disability Plan to recover such amounts. If the covered individual receives payment from the responsible party (or any insurer) before the Long-Term Disability Plan receives amounts paid as Long-Term Disability benefits, the covered individual must hold any amount recovered from the responsible party in trust for the benefit of the Long-Term Disability Plan to the extent of the Long-Term Disability benefits paid by the Long-Term Disability Plan, and must repay the Long-Term Disability Plan from the amounts recovered.

#### **How to Obtain Benefits**

To claim benefits from the Long-Term Disability Plan, you should contact the Benefits Section of Human Resources as soon as your partial or total disability begins. (You should also contact your local Social Security office to apply for Disability Insurance benefits.) The University will assist you in completing the claim forms and will forward your claim to the plan's Claims Processor.

To process your claim, the insurance company may require you to be examined by a physician or other specialist from time to time, at its own expense. Long-term disability benefits will be discontinued if you fail to provide proof of continued disability or partial disability and regular attendance of a physician or refuse to be examined or evaluated at reasonable intervals or refuse to receive appropriate available treatment. The employee bears the cost of regular physician visits while the insurance company bears the cost of required examinations.

Proof of claim must be given no later than 30 days after the end of the elimination period.

Once the Claims Processor receives your application for benefits and supporting documentation, it will be paid promptly (as long as it is a valid claim).

If your claim is denied, the Claims Processor will notify you of the adverse decision within a reasonable period of time, but not later than 45 days after receiving the claim. This 45-day period may be extended for up to 30 days, if the Claims Processor: (1) determines the extension is necessary because of matters beyond the plan's control, and (2) notifies you, before

the end of the 45-day period, why the extension is needed and the expected decision date. If, before the end of the first 30-day extension, the Claims Processor determines, due to matters beyond the plan's control, a decision cannot be rendered within that extension period, the determination period may be extended for up to an additional 30 days, provided the Claims Processor notifies you, before the end of the first 30-day extension period, why the extension is needed and the expected decision date.

The notice of extension shall explain: (1) the standards on which benefit entitlement is based, (2) the unresolved issues that prevent a claim decision, and (3) the additional information needed. You have at least 45 days to provide the information.

The claim determination time frames begin when a claim is filed, without regard to whether all the information necessary to make a claim determination accompanies the filing.

If an extension is necessary because you failed to submit necessary information, the days from the date the Claims Processor sends you the extension notice until you respond to the request for additional information are not counted as part of the claim determination period.

Any denial will include specific reasons for the denial, and the provisions of the Claims Processor contract on which the denial is based. It will also explain how to apply for a review of the denied claim. Where appropriate, it will also include a description of any material that is needed to complete or perfect your claim, and will explain why such material is necessary.

#### Appealing a Denial

The Claims Processor is solely responsible for determining what constitutes a covered claim under this plan. If the Claims Processor denies your claim for benefits, in whole or in part, you have a right to appeal the denial. You have 180 days to appeal a denied claim. After the receipt of the request for review, the appeal must be decided within 45 days unless special circumstances apply and notice is given before the first 45-day period expires. In this case, the decision on appeal must be rendered within 45 days from the extension.

Additional information (other than the above time periods) about how to appeal a denial of benefits is included in the "Administrative Information" section of this handbook.

# Monthly Retirement Plan Waiver Benefit

The Monthly Retirement Plan Waiver Benefit is a special feature of this plan for those who participate in the Boston University Retirement Plan. (See the "Retirement Plan" section of this handbook.) This feature provides for the Long-Term Disability Plan to pay your required contributions and the University's normal contributions to your Boston University Retirement Plan account while you are receiving payments from this plan. In this way, the plan allows your Boston University retirement benefits to accumulate even while you are receiving disability income. The contribution will continue to be made for you until you recover, die, or your disability benefits end. Following is how this monthly benefit works.

Unless you notify the Benefits Section of Human Resources that you want to make a change, your Retirement Plan benefit contributions will continue to be invested with the same investment sponsor(s) and investment option(s) that you were using before becoming disabled. The Claims Processor will forward the monthly benefit to the Plan Administrator to deposit with the investment of your choice. If you were dividing your contributions between Fidelity and TIAA-CREF, your monthly waiver benefit would continue to be divided in the same proportion. You can change your investment choices for future waiver benefit contributions at any time by notifying the investment sponsor directly.

The monthly waiver benefit equals the required contribution you were making to the Retirement Plan at the time your disability started plus the University's contribution. In addition, on July 1 following the first 12 months during which you have received disability payments, the amount of your waiver benefit contributions is increased by 3%. These increases apply on each subsequent July 1 for the first 10 years of disability and then stop.

The Monthly Retirement Plan Waiver benefit does not apply to any payments you were making in addition to the amounts required under the Boston University Retirement Plan. Also, the waiver benefit credited to your Retirement Plan account is subject to certain tax law limits. If your waiver benefit exceeds the limits, all or a portion of it will be contributed to your Retirement Plan accounts on an after-tax basis or paid to you as taxable income.

The following tables outline the specific percentages of monthly salary that would continue to be contributed to your Boston University Retirement Plan during your total disability under the waiver benefit.

If you contribute to the current retirement plan (as described in the "Retirement Plan" section of this handbook), Table I applies to you.

If you have elected to remain an active participant in the retirement plan that was in effect on December 31, 1986 (known as Boston University Retirement Plan 1965), Table II applies to you.

For more information about how the Monthly Retirement Plan Waiver Benefit operates, you should contact the Benefits Section of Human Resources.

#### **Exclusions and Limitations**

As in most plans of this type, there are some disabilities which are not

covered. Examples of disabilities excluded from this plan are as follows:

- war, declared or undeclared, or any act of war;
- 2. intentionally self-inflicted injuries, while sane or insane;
- 3. participation in a riot;
- 4. the committing of or attempting to commit a felony or misdemeanor;
- cosmetic surgery unless such surgery is in connection with an injury or sickness sustained while the individual is a covered person;
- a gender change, including, but not limited to, any operation, drug therapy, or any other procedure related to a gender change.

No benefit will be payable during any period of incarceration.

For more information on exclusions and limitations, you should contact the Benefits Section of Human Resources.

#### **Leaves of Absence**

If you leave work for any reason for a prolonged period, you should contact the Benefits Section of Human Resources to ask how your absence may affect your participation in this plan.

#### When Plan Membership Ends

If you are a member of this plan and you are not disabled, your participation will end on the day that either of the following events occurs:

- You terminate your employment with Boston University, or
- Your status as a regular employee ends

If one of these events occurs and you are disabled under the plan but not yet receiving benefits, you should contact the Benefits Section of Human Resources.

Table I		
Percentage of Covered Monthly Salary		
Attained Age Up to the Integration Level Above the Integration Level		
8%	13%	
10%	15%	
12%	17%	
	Percentage of Covered Month  Up to the Integration Level  8%  10%	

Table II			
Percentage of Covered Monthly Salary			
Attained Age	Up to 65 Above 65		
Under 45	8%	12%	
45 through 49	10%	15%	
50 and above	10.3%	18%	



oston University offers you insurance plans that provide benefits to help maintain financial security for your beneficiaries in the event of your death.

Under the Group Basic Life Insurance Plan, you are automatically provided with basic coverage equal to one times your annual base salary at no cost to you as long as you are actively at work on the day your coverage becomes effective.

If you wish and are eligible, you can, at your expense, also purchase Group Supplemental Life Insurance equal to one, two, three, four, or five times your base annual salary. You may also cover your spouse and children under this plan.

The Travel Accident Insurance Plan is also provided at no cost to you. It provides benefits to you or your beneficiaries if you suffer a covered injury or are injured or killed while traveling on authorized University business.

The Personal and Family Accident Insurance Plan provides benefits should you or your family members suffer a covered injury or be killed as the result of any accident—for University employees this includes accidents on and off the job—on a worldwide, 24-hour basis. You pay the cost for the coverage you choose under this plan.

Once you have completed five years of service, the Supplemental Death Benefit Plan will automatically provide your beneficiaries with a lump sum payment equal to one month's base salary in the event of your death. The benefits under this plan are provided free of charge to you and apply regardless of the amount of coverage you have under other University-sponsored plans.

#### **Basic Life Insurance Plan**

#### **Eligibility**

If you are classified by the University as a regular employee, work a full-time schedule, and have an appointment of nine months' or more duration, you are eligible to participate in the Basic Life Insurance Plan on your first day of active employment.

#### Coverage

The University will automatically provide you with basic life insurance equal to one times your annual base salary, rounded up to the next highest \$1,000 if not already an even multiple of \$1,000, to a maximum of \$700,000.

For example, if your annual base salary is \$28,100, your basic life insurance coverage is \$29,000. If your annual base salary is exactly \$28,000, your basic life insurance coverage is \$28,000.

Your basic life insurance coverage becomes effective on your first day of active employment. If you are absent from active work and not performing your normal duties on the day your basic life coverage would normally begin, you will not be covered by this insurance until the day you return to active work.

When the amount of your annual base salary changes, the amount of basic life insurance may also change. For example, if your base salary increased from \$29,100 to \$29,300 per year, you would still have \$30,000 in basic life insurance coverage. If your base salary increased from \$28,800 to \$29,200, your basic life insurance

would increase from \$29,000 to \$30,000 of coverage. The change takes effect on the first of the month coincident with or next following the effective date of an increase in your salary.

If your salary decreases, your basic life insurance coverage remains the same. If you are not actively at work performing your duties on the day a change in your basic life coverage would normally become effective, the change will not become effective until the day you return to active work.

#### Cost

You pay nothing for your basic life insurance under this plan. The cost of this coverage is paid entirely by the University.

#### **Special Tax Considerations**

Under current tax laws, all or a portion of the value of employer-paid basic life insurance coverage in excess of \$50,000 may be subject to federal income, Massachusetts state income, and Social Security taxes. This taxable amount is called "imputed income," and will be included in the taxable earnings shown on your W-2 Form.

# Payment of Benefits to Your Beneficiary

This plan will pay the full amount of your Group Basic Life Insurance in force at the time of your death to the beneficiary of your choice. You choose your beneficiary by completing a form provided to you by Human Resources, or from the website at www.bu.edu/hr/home/forms/benefit-forms, at the time

your coverage begins. You must complete, sign, and return the form to the Benefits Section of Human Resources for it to become effective. You may change your beneficiary at any time by completing, signing, and returning a new form. If no proper beneficiary designation is in effect at the time of death, the benefit goes to the surviving spouse. In the absence of a surviving spouse, the benefit is paid to the first surviving class of the following: children, parents, brothers/sisters, and estate.

#### **Events Affecting Your Coverage**

#### If You Become Totally Disabled

Once you begin to receive disability benefits from the University's Long-Term Disability Plan, the amount of life insurance coverage available is equal to your basic insurance in effect on the date you stop working because of your total disability. This coverage continues at no cost to you while you are receiving benefit payments under the Long-Term Disability Plan.

For full details, contact the Benefits Section of Human Resources.

#### If You Continue to Work Beyond Age 65

If you continue to work beyond age 65, your basic life insurance will be reduced to a percentage of the coverage in force just prior to your 65th birthday.

The amount of your insurance will be rounded to the next higher \$1,000 and reduced to the percentage noted on the next page.

This reduction in your coverage will be made according to the following schedule:

Attained Age	Percent of Original Benefit
65	65%
70	45%
75	30%
80 and older	20%

If you enter the plan after age 65, your basic life insurance will be limited to a percentage (determined according to the schedule above) of your base salary in effect upon hire.

#### **How to Obtain Benefits**

In the event of your death, your beneficiary should contact Human Resources as soon as possible. The University will then provide claim forms to your beneficiary and assist in submitting the forms to the insurance carrier.

#### Appealing a Denial

The insurance company is solely responsible for determining what constitutes a covered claim under this plan.

If your beneficiary applies for benefits from this plan and either part or all of the claim is denied, he or she has the right to appeal the denial.

Additional information about how to appeal a denial of benefits is included in the "Administrative Information" section of this handbook.

## Termination or Conversion of Coverage

Your basic life coverage under this plan will end on the last day of the month in which you terminate your employment with the University or when your status as a regular employee ends.

When your basic life coverage ends, you may convert your coverage to an individual whole life insurance policy if you apply to the insurance company. If the amount of your basic life insurance is reduced because of age, you may also convert the lost coverage to an individual whole life insurance policy issued by the insurance company.

You must apply for conversion and pay your first premium within 31 days after the reduction or termination of the coverage you wish to convert. A physical examination will not be required to convert your coverage. Your insurance coverage will continue during the 31-day conversion period should you die during this period.

# Group Supplemental Life Insurance Plan

#### **Eligibility and Coverage**

#### Eligibility for You

If you are classified by the University as a regular employee, work a full-time schedule, and have an appointment of nine months' or more duration, you and your eligible family members are eligible to participate in the Group Supplemental Life Insurance Plan on your first day of active employment.

#### Coverage for You

You have the option of purchasing your own Group Supplemental Life Insurance coverage for you equal to one, two, three, four, or five times the amount of your base annual salary. If that amount is not already an even multiple of \$10,000, it is rounded to the next higher \$10,000 up to \$2,500,000. For example:

- If your annual base salary is \$22,000 and you elect Group Supplemental Life Insurance equal to one times your annual base salary, you will have an additional \$30,000 of insurance for a total amount of \$52,000 including the \$22,000 basic insurance that the University provides.
- If your annual base salary is \$22,000 and you elect Group Supplemental Life Insurance equal to two times your annual base salary, you will have an additional \$50,000 of insurance for a total amount of \$72,000 including the basic insurance that the University provides.
- If your annual base salary is \$22,000 and you elect Group Supplemental Life Insurance

equal to three times your annual base salary, you will have an additional \$70,000 of insurance for a total amount of \$92,000 including the basic insurance that the University provides.

#### **Coverage for Your Spouse**

You may also elect to cover your spouse individually for an amount in even multiples of \$10,000 but only if you choose to enroll for supplemental coverage for yourself. The maximum coverage amount you may elect for your spouse is three times your annual base salary (rounded up to the next higher multiple of \$10,000) or \$100,000, whichever is less.

In the event of divorce, your former spouse will no longer be covered by the spousal coverage.

#### Dependents' Eligibility

Your child(ren) must be at least 15 days old and less than 19 years old. Dependent child(ren) must be unmarried to be considered eligible. You may enroll your children in Group Supplemental Life Insurance coverage if you elect supplemental coverage for yourself.

#### **Coverage for Your Dependents**

Your dependents are eligible for coverage amounts of \$5,000 or \$10,000 of insurance for each child.

# **Enrolling in Group Supplemental Life Insurance**

# **Enrolling Yourself in Group Supplemental Life Insurance**

You may enroll in Group Supplemental Life Insurance coverage for yourself for up to \$500,000 without evidence of insurability, if you return a completed and signed enrollment form to the Benefits Section of Human Resources within 30 days after your benefits orientation, assuming you commence active employment as required by the supplemental life insurance coverage. In this case, your Group Supplemental Life Insurance coverage becomes effective on the date you enroll. Any insurance for which evidence is required will not become effective until the insurance company approves the evidence and all other policy requirements (e.g., actively-at-work requirements) are also satisfied.

If you do not elect Group Supplemental Life Insurance coverage within 30 days after your orientation or you enroll for coverage that exceeds \$500,000, the insurance company will require you to provide evidence of insurability. Any insurance for which evidence is required will not become effective until the insurance company approves the evidence.

If you are absent from active employment and not performing your regular duties on the day your Group Supplemental Life Insurance coverage would normally begin, you will not become covered until the day you return to active work.

If your annual base salary changes, the amount of Group Supplemental Life Insurance you have elected will automatically change to one, two, three, four, or five times your new base annual salary. This change will be effective on the first of the month on or following the date the change in your base salary becomes effective.

If your salary decreases, your Group Supplemental Life Insurance coverage remains the same.

If you are not at work on the day a change in your Group Supplemental Life Insurance coverage would normally become effective, the change will not become effective until the day you return to work.

# **Enrolling Your Spouse in Group Supplemental Life Insurance**

You may enroll your spouse in Group Supplemental Life Insurance coverage if you elect supplemental coverage for yourself. Coverage is available for your spouse from \$10,000 to \$100,000 (not to exceed three times your base salary rounded up to the next higher multiple of \$10,000). If you return a properly completed and signed enrollment form to the Benefits Section of Human Resources within 30 days of your benefits orientation, you may enroll your spouse for an amount up to \$20,000 without providing evidence of insurability. In order for dependents (spouse or child) to be eligible for coverage, they cannot be hospital or home confined, and must be able to carry out their normal activities of daily living.

The eligibility date for your spouse is your eligibility date, or the date of your marriage if later than your eligibility date. If you do not elect Group Supplemental Life Insurance coverage for your spouse within 30 days after your spouse's eligibility date or enroll for coverage that exceeds \$20,000, the insurance company will require you to provide evidence of insurability. Any insurance for which evidence is required will not become effective until the insurance company approves the evidence.

# **Enrolling Your Child for Group Supplemental Life Insurance**

You may enroll your child for Group Supplemental Life Insurance coverage only if you choose to enroll yourself. Coverage is available for each child for either \$5,000 or \$10,000. You must return your enrollment form to the Benefits Section of Human Resources within 30 days of the child's eligibility date. In order for

dependents (spouse or child) to be eligible for coverage, they cannot be hospital or home confined, and must be able to carry out their normal activities of daily living.

The eligibility date for your child is your eligibility date, or any later date when you first have or adopt a child. If you do not elect Group Supplemental Life Insurance for your child within 30 days of the child's eligibility date, the insurance company will require you to provide evidence of insurability for the child. Any insurance for which evidence is required will not become effective until the insurance company approves the evidence.

To elect Group Supplemental Life Insurance coverage you must complete an enrollment form, available from the Benefits Section of Human Resources or from the website at www.bu.edu/hr/home/forms/benefit-forms. This form authorizes the University to deduct the cost of the Group Supplemental Life Insurance coverage that you desire from your paychecks. The employee is automatically the beneficiary of spouse or dependent life insurance.

#### Cost

You pay for Group Supplemental Life Insurance, if you choose it. The cost to you depends on your age and the amount of Group Supplemental Life Insurance you desire.

The cost of Group Supplemental Life Insurance will increase with your age or with an increase in the amount of coverage you have. An increase in cost resulting from a change in your age will become effective on the first of the month in which you have a birthday when your age bracket changes. An increase in the amount of coverage resulting from an increase in your base pay will become

effective on the first of the month on or following the date the change becomes effective. You pay for your portion of the premiums for your Group Supplemental Life Insurance with after-tax dollars.

# **Changing or Stopping Your Supplemental Life Insurance**

Because your premiums for Group Supplemental Life Insurance are after-tax contributions, there are no tax law restrictions as to when you can change your amount of coverage, stop your coverage, or begin your coverage. The insurance company may require you to provide evidence of insurability if you increase your coverage or begin coverage after your initial enrollment period of the 30 days following your benefits orientation.

#### **Special Tax Considerations**

Under current tax laws, the value of your spouse's life insurance coverage is subject to federal income, Massachusetts state income, and Social Security taxes. These taxable amounts are called "imputed income." Imputed income for your spouse's life insurance benefit will be reported as income on each paycheck, and will be included in the taxable earnings shown on your W-2 Form. Coverage for your spouse is subject to imputed income for tax purposes.

#### **Events Affecting Your Coverage**

#### If You Become Totally Disabled

Once you begin to receive disability benefits from the University's Long-Term Disability Plan, the amount of life insurance coverage available is equal to your supplemental insurance in effect on the date you stop working because of your total disability. This coverage continues at no cost to you while you are

receiving benefit payments under the Long-Term Disability Plan. For full details, contact the Benefits Section of Human Resources.

# If You Continue to Work Beyond Age 65

If you continue to work beyond age 65, your Group Supplemental Life Insurance will be reduced to a percentage of the coverage in force just prior to your 65th birthday. The amount of your insurance will be rounded to the next higher \$10,000 and reduced by the percentage noted below. This reduction in your coverage will be made according to the following schedule:

Attained Age	Percent of Original Benefit
65	65%
70	45%
75	30%
80 and older	20%

If you enter the plan after age 65, your Group Supplemental Life Insurance will be limited, according to the schedule, to a percentage of the coverage you would have been eligible for before age 65.

#### **If You Retire**

When you retire, your Group
Supplemental Life Insurance, and/
or any spouse or child Group
Supplemental Life Insurance you had
elected, will end on the last day of
the month of your retirement.

#### **How to Obtain Benefits**

In the event of your death, your beneficiary should contact Human Resources as soon as possible. Your beneficiary for the Group Supplemental Life Insurance Plan is the same beneficiary as the one you designate for the basic life insurance coverage unless you indicate otherwise. Once notified of your death, the University will provide claim forms to your beneficiary and assist in submitting them to the insurance carrier. You are the beneficiary of your spouse or child coverage. You should contact Human Resources should your spouse or child die.

#### Appealing a Denial

The insurance company is solely responsible for determining what constitutes a covered claim under this plan.

If your beneficiary applies for benefits from this plan and either part or all of the claim is denied, he or she has the right to appeal the denial.

Additional information about how to appeal a denial of benefits is included in the "Administrative Information" section of this handbook.

# Termination or Portability of Coverage

All Group Supplemental Life Insurance coverage under this plan will end on the last day of the month in which you terminate your employment with the University or when your status as a regular employee ends. Group Supplemental Life Insurance for your spouse and/or child will also end if you die or receive disability benefits from the University's Long-Term Disability Plan.

The Group Supplemental Life Insurance in effect for you and your dependents at the time that your group coverage ends is portable.

The amount is limited to:

 The lesser of \$500,000 for you or the amount of Group Supplemental Life Insurance in effect at the time group coverage ends

- The lesser of \$20,000 for your spouse or the amount of Group Supplemental Life Insurance in effect at the time group coverage ends
- The lesser of \$5,000 for your dependent child or the amount of Group Supplemental Life Insurance in effect at the time group coverage ends

Administration of your portable coverage is continued on a direct bill basis through the life insurance company.

You must apply for portability and pay your first premium within 31 days after the termination of the coverage. A physical examination will not be required. Your insurance coverage will continue during this 31-day period should you die during this period.

# Personal and Family Accident Insurance Plan

#### **Eligibility**

If you are classified by the University as a regular employee, work a full-time schedule, and have an appointment of nine months' or more duration, you and your eligible family members may participate in the Personal and Family Accident Insurance Plan. Also, if you are insured under this plan and your employment status changes to less than full time, you may continue your coverage under this plan.

For the purposes of the plan, your eligible dependents are your spouse and your unmarried dependent children from birth through 19 years.

To elect Personal and Family Accident Insurance coverage, you must complete an enrollment form available from the Benefits Section of Human Resources. Coverage is effective on the first day of the month on or following the date you enroll.

If you do not elect coverage under this plan within 30 days of your benefits orientation meeting, your next opportunity to enroll will be during the open enrollment period. You will not be required to submit evidence of good health if you delay your enrollment.

#### Coverage

The plan covers you and your enrolled dependents against any accidental bodily injuries. For University employees, this includes accidents on or off the job worldwide, 24 hours per day.

#### Coverage for You

The Personal and Family Accident Insurance provides financial protection to you or your beneficiary if you should die, or lose sight, a limb, speech or hearing, or become paralyzed as the direct result of an accident. You may choose any amount of coverage in multiples of \$10,000 up to \$350,000 (amounts over \$150,000 cannot exceed ten times your annual base salary).

#### **Coverage for Your Family**

If you choose family coverage, the plan will provide you with additional financial protection if your spouse or an eligible dependent dies or becomes dismembered as the direct result of an accident. If you choose family coverage, all of your dependents are "covered members" of the plan.

For every \$10,000 of insurance covering you, the coverage amounts for your family members will be:

 \$6,000 coverage for your spouse, if you have no eligible children; or

- \$5,000 for your spouse and \$1,500 for each eligible child; or
- \$2,000 for each eligible child, if you have children but no spouse.

For example, suppose you chose \$50,000 of coverage for yourself. If you are married with no children, your spouse would be insured for \$30,000 of coverage. If you are married with children, coverage would be \$25,000 for your spouse and \$7,500 for each child. If you have children but no spouse, coverage for each child would be \$10,000.

#### Cost

The amount you pay depends on the amount of coverage you want or whether or not you want coverage for your family.

#### **How Insurance Premiums** Are Paid

You pay for the cost of the premiums for both you and your family with tax-free dollars. This is because Boston University automatically takes your payments from your paycheck before federal income, state income, and Social Security taxes are taken out.

Automatic before-tax insurance premium payments are allowed under the provisions of Section 125 of the Internal Revenue Code. These provisions are explained in more detail in the "Flexible Benefits" section of this handbook.

#### **Changing or Stopping Coverage**

Because you pay for your coverage with before-tax dollars, the provisions of Section 125 of the Internal Revenue Code also govern how and when you may make changes in your Personal and Family Accident Insurance coverage. Under the current provisions of Section 125, you may change the amount of your coverage or cancel your coverage once each year, during the annual open enrollment period. The only other time you may make a change in your Personal and Family Accident Insurance coverage is if you have a Qualified Change in your family or employment status. Qualified Changes are explained in the "Flexible Benefits" section of this handbook.

#### **Types of Benefits**

Benefits, in the event of a covered loss, are based on the coverage amounts in effect for you and your covered family members at the time of the loss.

#### **Accidental Death Benefits**

The plan will pay the full coverage amount to your beneficiary if you die as a direct result of an accident. If a covered member of your family dies as the direct result of an accident, you will receive the coverage amount applicable to that dependent.

If you or any of your covered family members die as the result of a covered accident that occurs while you are either riding as a passenger or driving a private passenger car while wearing a seat belt, the plan will pay a benefit equal to 10% of your coverage amount or \$25,000 (whichever is less). This benefit will be paid in addition to any other accidental death benefits.

Unless you designate otherwise, the beneficiary for the Personal and Family Accident Plan will be the same as the one you designate for the Basic Life Insurance Plan. Beneficiary designations may be changed at any time by completing a new form.

If you elect family coverage and you die as a result of an accident, the following special provisions apply:

Coverage for your surviving family members will continue, at no

Extensions of Family Coverage

- cost to them, for 90 days from the date of your last premium payment.
- Education Benefit The plan will pay, in addition to all other benefits, 2% of your coverage amount on behalf of any dependent child who at the time of your accident was enrolled as a full-time student in a college or university. The education benefit will also be paid to a dependent child who at the time of your accident is in the twelfth grade, if he/she enrolls as a full-time student in a college or university within 365 days of the accident.

The education benefit is paid annually, for a maximum of four consecutive payments, as long as the dependent child remains in college.

If you have no dependent children who qualify for the education benefit, the plan will pay an additional benefit of 2% of the full coverage amount to your beneficiary.

Day Care Benefit The plan will pay, in addition to all other benefits, the lesser of \$3,000 or 3% of your or your spouse's coverage amount on behalf of each insured dependent child under age seven who at the time of your accident was attending a day care center or would be attending a day care center within one year. The Day Care benefit is paid annually, for a maximum of four consecutive payments, as long as the dependent child remains enrolled in a day care center and is under age seven. If you have no dependent children who qualify for the Day

Care benefit, the plan will pay an additional benefit of 3% of the full coverage amount up to \$3,000 to your beneficiary.

If you have coverage for yourself and your family, and both you and your spouse die within 365 days as a result of the same accident or separate accidents within 24 hours of each other, the amount payable for loss of the life of your spouse will be increased to the same amount payable for your death.

The accidental death benefit is normally paid in a lump sum of cash. However, you or your beneficiary may choose to have all or part of your benefit from the plan paid in a fixed number of monthly installments, rather than in a lump sum.

### Accidental Dismemberment Benefits

If you or a covered member of your family should become seriously injured in an accident, the plan will pay to the injured person:

- 100% of the coverage amount for the loss of both feet, hands, the sight of both eyes, speech and hearing, or any combination of two of the following: a hand, a foot, or the sight of one eye.
- 50% of the coverage amount for the loss of one foot, one hand, sight of one eye, speech, or hearing.
- 25% of the coverage amount for the loss of a thumb and an index finger on the same hand.

Loss means complete and irrecoverable loss. The plan will pay for the above losses only if they occur within one year after the date of the accident and as a direct result of that accident.

Accidental dismemberment benefits will be paid in a lump sum of cash.

#### **Loss of Use Benefit**

The plan will pay you a loss of use benefit if you are determined to be paralyzed within 365 days of an accident. Benefits will be paid according to the following schedule:

Туре	Percent of Full Coverage Amount
Quadriplegia (total paralysis* of both upper and lower limbs)	100%
Paraplegia (total paralysis* of both lower limbs)	75%
Hemiplegia (total paralysis* of the upper and lower limbs on one side of the body)	50%

\*For plan purposes, "paralysis" means complete and irreversible loss of use of a limb

#### If You Continue to Work Beyond Age 70

If you continue to work beyond age 70, your coverage will be reduced to a percentage of the coverage in force just prior to your 70th birthday. This reduction in your coverage will be made according to the following schedule:

If you enter the plan after age 70, your coverage will be limited, according to the schedule, to a percentage of the coverage you would have been eligible for before age 70. The coverage for a spouse under age 70, and any dependent children, will be based on a percentage of your coverage prior to age 70 (see the "Coverage for Your Family" section for examples).

After you reach age 70, the cost of premiums for coverage for you and your family will be based on the cost

Attained Age	Percent of Original Benefit
70 through 74	82.5%
75 through 79	57.5%
80 through 84	37.5%
85 and older	20.0%

of your coverage amount prior to age 70.

#### **Exclusions**

In plans of this type, there are some losses which are not covered. Excluded losses are those caused by:

- Declared or undeclared war or an act of either
- Services in the armed forces of any country
- Suicide or a suicide attempt while sane or self-destruction or an attempt to self-destroy while insane
- The voluntary use of any drug or controlled substance unless used as prescribed by a physician
- Sickness, disease, or any bacterial infection other than one related to a cut or wound resulting from an accident covered by this plan

Under this plan, coverage for air travel is provided while riding as a passenger, and not as a pilot or crew member, in any aircraft being used for the transportation of passengers except one owned, operated, or leased by or on behalf of Boston University. For a complete explanation of these exclusions, contact the Benefits Section of Human Resources.

Finally, the plan does not provide coverage for anyone serving full time in the armed forces of any country for more than two months. Premiums paid for coverage during such periods of military service will be refunded.

#### **How to Obtain Benefits**

To claim benefits from the Personal and Family Accident Insurance Plan, you or your beneficiary should contact the Benefits Section of Human Resources as soon as possible after the loss. The Benefits Section of Human Resources will help you complete the claims forms and will forward them to the insurance company. To process an accidental dismemberment or paralysis claim, the insurance company may require you or your family member(s) to be examined by a physician at the company's expense.

#### Appealing a Denial

The insurance company is responsible for determining when benefits will be paid under this plan. If the insurance company denies your claim for benefits, consult the Benefits Section of Human Resources for information on the procedure for appealing the denial. Additional information about how to appeal a denial of benefits is included in the "Administrative Information" section of this handbook.

# Leaves of Absence or No-Pay Status

If you leave active work for any reason for a prolonged period of time, you should always contact the Benefits Section of Human Resources to ask what effect your absence may have on your participation in this plan.

 Leave of Absence with Pay If you are granted a leave of absence with pay, your coverage will continue, provided your usual payroll deductions continue. If you wish to discontinue your participation, you may do so by obtaining the necessary forms from the Benefits Section of Human Resources. Leave of Absence without Pay or No-Pay Status If you are granted a leave of absence without pay or are on no-pay status, you may continue your coverage during your leave provided you pay the cost of continuing this coverage. If you choose to continue coverage, you should contact the Benefits Section of Human Resources before you begin your leave, in order to make the necessary billing arrangements. This coverage will automatically be canceled for non-payment of bills.

If you choose not to continue this insurance, coverage will automatically end on the last day of the month in which you are granted such leave. To reinstate coverage when you return from your leave, you must re-enroll, provided you are still eligible. To do so, contact the Benefits Section of Human Resources.

# Termination and Conversion of Coverage

Your insurance coverage under the Personal and Family Accident Plan will end 31 days after you terminate your employment with the University or your status as a regular employee ends.

When your coverage under the plan ends, you may convert your coverage for yourself and your covered dependents to an individual policy rates. You will not have to submit evidence of good health to convert your coverage. However, you must apply, in writing, to the insurance company within 31 days of the date your coverage under the Personal and Family Accident Insurance Plan ends.

# Travel Accident Insurance Plan

#### **Eligibility**

If you are classified by the University as a regular employee, work a full-time schedule, and have an appointment of nine months' or more duration, you will automatically become a member of the Travel Accident Insurance Plan. Your coverage becomes effective on your first day of active employment.

#### Coverage

The Travel Accident Insurance Plan provides financial protection, while you are traveling on authorized University business, against death, paralysis, or loss of sight, speech, hearing, or limbs resulting directly from accidental injuries.

#### How the Plan Works

This plan protects you while traveling on authorized University business. In general, your destination must be away from the campus or away from your place of employment, if it is off campus.

You are covered:

- The minute you leave your home, place of employment, or other location, whichever occurs last, for travel on authorized University business
- When traveling between the Medical and Charles River Campuses, if such travel is on authorized University business

You are not covered:

- For regular commuting to and from work
- For travel between points on campus (except as described above) including the athletic fields

Your coverage ends:

 When you return to your home, place of employment, or other location, whichever occurs first

#### Cost

Boston University pays the entire cost of your coverage under this plan.

#### **Types of Benefits**

#### **Benefit Amount**

Benefits under this plan depend on your Benefit Amount. Your Benefit Amount equals five times your annual base salary up to a maximum of \$1 million of coverage.

#### **Accidental Death Benefit**

The plan will pay your Benefit Amount to your chosen beneficiary in the event of your accidental death while traveling on authorized University business.

When you begin your employment with the University, you will be asked to name your beneficiary on a form provided by the Benefits Section of Human Resources or from the website at www.bu.edu/hr/home/forms/benefit-forms. You may change your beneficiary at any time by completing a new form.

Accidental death benefits are normally paid in a lump sum of cash. However, your beneficiary may choose to have all or part of your death benefit deposited to an individualized account established by the insurance carrier on which your beneficiary may write checks to withdraw funds as needed.

### Accidental Dismemberment Benefit

If you become seriously injured in an accident while traveling on authorized University business, the plan will pay you:

- 100% of your Benefit Amount for the loss of both feet, both hands, the sight of both eyes, both speech and hearing, or any combination of two of the following: a hand, a foot, or the sight of an eye
- 50% of your Benefit Amount for the loss of one foot, one hand, the sight of an eye, speech or hearing
- 25% of your Benefit Amount for the loss of a thumb and index finger on the same hand

Loss means complete and irrecoverable loss.

The plan will pay benefits for the above losses only if they are incurred as a direct result of, and within one year after the date of, an accident which occurred while traveling on authorized University business.

Accidental dismemberment benefits are normally paid in a lump sum of cash. However, you may choose to have all or part of your benefit deposited to an individualized account established by the insurance carrier which you may write checks on to withdraw your funds as needed.

# Common Accident Coverage Limitation

The limit of insurance coverage payable as a result of any one accident involving any number of University employees is \$3 million. If the total benefits payable for one accident exceeds those limits, the amount payable to each insured person is reduced proportionately.

#### **Exclusions**

As in all plans of this type, there are some losses that are not covered. Excluded losses are those caused by:

- Suicide or a suicide attempt while sane, or self-destruction or an attempt to self-destroy while insane
- Declared or undeclared war or an act of either, within the United States, Canada, and your country of permanent residence
- Active service in the armed forces of any country
- Sickness, disease, or any bacterial infection other than one related to a cut or wound resulting from an accident covered by this plan

Under this plan, coverage for air travel is provided while riding as a passenger, and not as a pilot or crew member, in any aircraft being used for the transportation of passengers except one owned, operated, or leased by or on behalf of Boston University. For a complete explanation of these exclusions, contact the carrier or the Benefits Section of Human Resources.

#### **How to Obtain Benefits**

To claim benefits under the Travel Accident Insurance Plan, you or your beneficiary should contact the Benefits Section of Human Resources as soon as possible after the loss. The Benefits Section will provide assistance in completing the claim forms and will forward them to the insurance carrier. To process an accidental dismemberment or disability benefit claim, the insurance company may require you to be examined by a physician, at no expense to you.

#### Appealing a Denial

The insurance company is responsible for determining whether you have suffered a covered loss under circumstances that entitle you or your beneficiary to receive benefits under the plan. If the insurance company denies your claim for benefits, consult the Benefits Section of Human Resources for information on how to appeal the denial. Additional information about how to appeal a denial of benefits is included in the "Administrative Information" section of this handbook.

#### **Leaves of Absence**

If you leave active work for any reason for a prolonged period of time, you should always contact the Benefits Section of Human Resources to ask how your absence may affect your participation in this plan.

#### **Termination of Coverage**

Your insurance coverage under this plan will end on the day you terminate your employment with the University or your status as a regular employee ends.

# Supplemental Death Benefit Plan

#### **Eligibility**

If you are classified by the University as a regular employee, work a full-time schedule, and have an appointment of nine months' or more duration, you automatically become a member of the Supplemental Death Benefit Plan on the day that you complete five years of continuous full-time service. If you are not actively at work performing your normal duties on the day you would normally become eligible, you will not become a member of the plan until the day you return to active work.

#### Cost

The University provides and pays the entire cost of the Supplemental Death Benefit Plan.

You are not required to contribute anything for this coverage.

#### **Plan Benefits**

The Supplemental Death Benefit Plan will automatically provide your beneficiary with a lump sum payment equal to one-twelfth of your annual base salary in effect on the date of your death. The beneficiary of the Supplemental Death Benefit Plan is the beneficiary you have designated for the Basic Life Insurance Plan.

#### **How to Obtain Benefits**

In the event of your death, your beneficiary should contact the Benefits Section of Human Resources as soon as possible. The Benefits Section will assist in submitting the claim.

#### Appealing a Denial

If a claim for benefits under this plan is denied, your beneficiary has the right to appeal that decision to the Plan Administrator or to the University's Committee on Employee Benefits.

Additional information about how to appeal a denial of benefits is included in the "Administrative Information" section in this handbook.

#### **Tax Considerations**

Under current laws, the Supplemental Death Benefit payment is taxable as income in the year received by the beneficiary.

#### **Leaves of Absence**

If you leave active work for any reason for a period of time beyond one pay period, you should contact the Benefits Section of Human Resources to ask how your absence may affect your participation in this plan.

#### When Plan Membership Ends

Your membership in this plan will end when you terminate your employment with the University or when your status as a regular employee ends.



egardless of your age, the time for thinking about retirement is now. With careful planning, you can help make your retirement years a more comfortable and secure time of life for you and your family.

Once you have completed the necessary service requirement, the Boston University Retirement Plan provides you with an opportunity to set aside money for your retirement. If you make the required participant contributions to the plan, the University more than matches that contribution. Both your contributions and the University's may be invested in any of the following investment vehicles: guaranteed and variable annuity accounts, as well as mutual funds available through the Teachers Insurance and Annuity Association (TIAA), the College Retirement Equities Fund (CREF), or mutual funds administered by Fidelity Investments.

You have the choice to pay no income tax on the money you contribute to the plan until withdrawal. The University's contributions are not taxable to you when made. In addition, investment earnings accumulate tax-free until withdrawal.

Alternatively, your contributions to the plan may be made as Roth contributions on an after-tax basis to Fidelity Investments only. If you make Roth contributions your investment earnings will accumulate tax-free and will be considered tax-free at the time of withdrawal as long as your withdrawal is qualified. The University contributions will be considered taxable income to you at the time of withdrawal regardless of whether you make before-tax or Roth contributions.

Your Retirement Plan income, together with your Social Security benefits and personal assets, are intended to give you the financial security you will need during your retirement years. You may also increase your retirement savings by making contributions to the Supplemental Retirement and Savings Plan, which is described in the next section of this handbook.

#### **About the Retirement Plan**

Once you have satisfied the service requirement, the Boston University Retirement Plan provides you with an opportunity to put aside money for your retirement. At that time, you have a choice of contributing to the plan in one of the following ways:

Before-Tax Contributions—You pay no federal or state income tax on the before-tax money you put into the plan or the accumulated investment earnings until you receive it.

Roth Contributions—You pay federal and state income tax on the after-tax money you put into the plan. The investment earnings accumulate tax-free and are paid to you tax-free at the time you receive it as long as the with-drawal is qualified.

University Contributions—You pay no federal or state income tax on the contributions the University puts into the plan on your behalf or the accumulated investment earnings until you receive it.

The tax deferral advantage can, in effect, increase the amount you can afford to save now.

To find out more about the Retirement Plan, read this section carefully. Then, to begin saving for your future, contact the Benefits Section of Human Resources.

#### **Eligibility**

If you are an employee of the University, other than a student, have a normal work schedule of at least 50% of a full-time schedule, and have an appointment of nine months' or more duration, you may participate in the Boston University Retirement Plan.

As an eligible employee, you can participate in the plan beginning on the first day of the month in which you complete two years of service with the University. A year of service is a 12-month period in which you complete at least 1,000 hours of service.

Any prior eligible service with Boston University will be applied toward your two-year waiting period. These provisions apply only to the eligibility waiting period.

#### **Enrollment**

If you would like to enroll in the Retirement Plan, please log on to www.bu.edu/buworkscentral and go to the Employee Self-Service section. Under Benefits and Pay click on "Retirement Plan Enrollment" and follow the instructions provided therein.

When you log on, you will be able to:

- Enroll for the first time
- Open an account with an investment fund sponsor if you do not yet have an account with that sponsor and you want to move some of your plan money to it
- Change your contribution amounts

Alternatively, if you wish to enroll in writing, you may obtain the forms by logging on to www. bu.edu/hr/home/forms. Upon request, forms will be mailed directly to you by the Benefits Section of Human Resources.

Completed forms must be returned to Human Resources at 25 Buick Street. You need use only one method of enrollment—online or paper—not both. Paper enrollments will be processed as soon as possible after receipt.

If you previously participated in another 403(b) or other type of tax-deferred plan (such as a 401(k) plan) with a previous employer, you may be able to roll over your account balances from that plan to the Boston University Supplemental Retirement and Savings Plan, provided you meet the plan's rules and the rules of the investment fund sponsors. The Benefits Section of Human Resources can provide you with further information on rollovers.

### **Changing or Stopping Your Elections**

You can make changes in your elections at any time online or by filling out a form available from the Benefits Section of Human Resources. Your change will be reflected in the next paycheck you receive following the date of your online change or the date the Benefits Section of Human Resources receives your election.

You may stop or resume contributions, or you may change from making before-tax contributions to making Roth contributions, or vice versa. You cannot take back any contributions or change their tax status once they are made.

Your ability to change your investment choices, or to transfer investments from one fund to another, depends on your choice of investments. Some funds (such as TIAA traditional annuities) have limitations on transfers out; other funds may restrict investments in and out within a short time to prevent market timing or other manipulative practices. You should review the restrictions in each fund carefully before making your investment decision.

## How Much You and the University Contribute

Under the formula effective January 1, 1987, you contribute 3% of your base salary each payroll period. The University contributes an amount each payroll period equal to a percentage of your base salary; the percentage varies according to your age, as follows:

When Your Age Is	The University Contributes
Under 45	5% of your base salary up to the Integration Level PLUS 10% of your base salary above the Integration Level
45 through 49	7% of your base salary up to the Integration Level PLUS 12% of your base salary above the Integration Level
50 and above	9% of your base salary up to the Integration Level PLUS 14% of your base salary above the Integration Level

For Retirement Plan purposes, you should be familiar with the following terms:

Base Salary This amount is your base pay from the University including, if applicable, any stipend or other payments coded for payroll purposes as benefits-based overbase payments, excluding overtime, one-time payments, other overbase payments, commissions and bonuses, or the value of any

employee benefits. Base salary amounts contributed under a salary reduction agreement to a 403(b) plan or to the Flexible Benefits Program or for pre-tax transportation benefits will be included in base salary for Retirement Plan purposes.

The tax laws have a maximum limit on the annual amount of compensation that a retirement plan may take into account for contribution purposes. This limit for 2013 is \$255,000. Each year thereafter, this limit is subject to indexing in \$5,000 increments. That cost of living increment is adjusted up with the cost of living increase, but rounded down to the next lower \$5,000 increment.

Integration Level This amount is \$35,800 for 2013. It is adjusted each calendar year based on the Wage Base Increase calculated for purposes of the Social Security law, or the increase in the Consumer Price Index (Wages), whichever is smaller.

An adjustment in the University's contribution percentage based on a change in your age is made at the beginning of the month in which you attain the new age.

## The Boston University Retirement Plan 1965

You may file an election to switch to the new contribution formula effective with the beginning of any calendar year. Once you do so, you may not go back to the old (1965) contribution formula again.

Whether you are better off remaining under the 1965 formula or switching to the new formula will depend on your personal circumstances. You should assess your situation each year prior to January 1, when you can switch to the new plan

formula. To help you with your decision, the Benefits Section of Human Resources can provide you with the Integration Level for the coming calendar year and can inform you what the contribution rates would be for the year under the 1965 formula or the new formula based on your current base salary.

If you participated in the Boston University Retirement Plan 1965 and did not choose the new plan formula, which was effective on January 1, 1987, you will continue to contribute each payroll period at the rate of 3% of the first \$7,800 of your base salary each year and 5% of your base salary above \$7,800. The University will contribute as follows:

When Your Age Is	The University Contributes
Under 45	5% of the first \$7,800 of base salary PLUS 7% of your base salary above \$7,800
45 through 49	7% of the first \$7,800 of base salary PLUS 10% of your base salary above \$7,800
50 and above	7.3% of the first \$7,800 of base salary PLUS 13% of your base salary above \$7,800

# Before-Tax Contributions and After-Tax Roth 403(b) Contributions

The Retirement Plan gives you a choice as to whether you want to make your contributions on a before-tax or after-tax basis or a combination of tax-deferred and Roth after-tax.

 Before-Tax Contributions—You will not have to pay any taxes (except Social Security) on the portion of pay you put into the plan. According to federal law, such before-tax contributions are treated as University contributions. Therefore, your contributions are not considered taxable income, and you are not required to pay income taxes on that money, or investment earnings, until you receive payment of your accounts. This will normally be after your retirement, when your taxable income and your tax rate may be lower.

Your before-tax contributions, as well as after-tax Roth contributions, are subject to applicable Social Security tax withholdings.

# After-Tax Roth 403(b) Contributions—

(Available Only with Fidelity Investments)—Your contributions will be made on an after-tax basis. Earnings on your Roth 403(b) account are tax-free when withdrawn as long as the withdrawal is qualified. A qualified withdrawal is one that is taken (i) no earlier than the fifth calendar year after the year of your first Roth contribution and (ii) after you have attained age 59½, become disabled, or die.

#### After-Tax Contributions—

(Other than Roth)—Members who were making after-tax contributions prior to January 1, 2009, and members in non-U.S. locations may continue to make after-tax (non-Roth) contributions. The earnings on this type of contribution are taxable when withdrawn.

#### **Investment Choices**

You choose how contributions to your accounts from you and the University will be invested from among the following investment fund sponsors. Boston University assumes no responsibility for your choice of investments. Since you

choose the investment options for your account, you have the responsibility for the financial results. The plan is intended to be a participantdirected plan as described in Section 404(c) of the Employee Retirement Income Security Act of 1974 as amended (ERISA) and Department of Labor regulations governing section 404(c) plans. This means that fiduciaries of the plan are relieved of liability for any losses that are the result of investment instructions given by a participant or beneficiary under the participant-directed investment feature of the plan.

You should consult a professional financial advisor for investment advice and financial planning assistance before choosing an investment option. Further information may be obtained directly from the investment fund sponsors. You should read the prospectus or other information describing an investment fund carefully before investing.

#### **Fidelity Investments**

Fidelity Investments is a mutual fund company that offers many funds with a wide variety of investments: short-term, bonds, and stocks. The investment objectives and policies of each fund, as well as the expenses and fees for the fund, are described in its prospectus, which you should read. Investments for the Boston University Retirement Plan are made through the Fidelity Tax-Exempt Services Company.

#### Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF)

TIAA-CREF is a financial services company. TIAA-CREF offers guaranteed and variable annuity accounts, as well as mutual funds covering a broad range of asset classes.

In order to obtain a detailed description of the funds offered by Fidelity and TIAA-CREF you should contact the Benefits Section of Human Resources.

#### **Investment Restrictions**

Each investment fund sponsor places certain restrictions on your investments. For complete, current details on restrictions, you should refer to the printed materials available from each of the investment fund sponsors. Following are explanations of some of the important restrictions.

The following rules apply to how future contributions to the plan are invested:

- 1. You may choose to invest your own future before-tax contributions in any of the TIAA-CREF funds or Fidelity funds, but you cannot split your contributions between the two. Similarly, University contributions cannot be split. This means that you could put all of your own contributions in TIAA-CREF and all the University's contributions in Fidelity, or vice versa, but you cannot otherwise split the contributions between TIAA-CREF and Fidelity.
- If you choose to invest your before-tax contributions and University contributions in TIAA-CREF funds, you can split contributions between TIAA and CREF in any combination you choose.
- 3. If you choose to invest in Fidelity funds (Fidelity funds are available for both pre-tax and Roth after-tax contributions), you can split contributions among its funds in any combination you choose.

4. Subject to the restrictions on Roth after-tax contributions, you can change your choice of where to invest future contributions as often as once a month.

The following rules apply for moving account balances from one investment sponsor to another:

 For a TIAA Group Retirement Annuity Account issued after June 1, 2005:

While you are employed at the University transfers can be made out of the TIAA Traditional Annuity Account into CREF or Fidelity by use of a transfer payout annuity but only by spreading the amount transferred out over a nine-year period. At termination of service, transfers may be made from the TIAA Traditional Annuity Account to CREF or Fidelity over a five-year period, or, within the first 120 days following separation from service, in a lump sum, which is subject to a 2.5% surrender fee.

For a TIAA Retirement Annuity Account issued prior to June 1, 2005:

Transfers can be made out of the TIAA Traditional Annuity Account into CREF or Fidelity by use of a transfer payout annuity but only by spreading the amount transferred out over a nine-year period.

- Transfers out of CREF into TIAA or Fidelity may be made in any amount at any time.
- Transfers out of Fidelity into TIAA or CREF may be made in any amount at any time, except that TIAA and CREF cannot accept Roth after-tax contributions.
- 4. Transfers among Fidelity funds may be made at any time, but a

fee may be charged if more than four transfers are made in a calendar year.

Other restrictions or requirements may apply. See the disclosure materials for any fund you are considering.

#### Statements of Your Accounts

You will receive quarterly statements by mail directly from TIAA-CREF. Fidelity's quarterly statements are available online at Fidelity NetBenefits.

#### **Contribution Limitations**

The tax laws limit the amount of before-tax and after-tax Roth contributions that you can make to this plan each calendar year.

Under the current rules, these limits will not affect your ability to make the required employee 3% of base salary contributions (or contributions under the grandfathered 1965 plan if you are still under that formula).

Internal Revenue Code Section 415 also places a limit on the total amount which may be contributed by the University and by you (before-tax, after-tax Roth, and any other after-tax contributions) in a calendar year. If the sum of your contributions and the University's contributions exceed any of the limits, certain IRS-mandated reductions apply.

Lastly, matching contributions by the University are subject to the requirements of Internal Revenue Code Section 401(m). If these requirements are not satisfied, matching contributions for certain participants may have to be reduced. If the 401(m) limitation should affect you, any amounts that would be reduced or returned on your behalf will be returned to you and will be mailed to you in the form

of a check by your investment fund sponsor. This amount will be treated as taxable income, and you will receive a Form 1099 for the tax year in which you receive the returned contributions from your investment fund sponsor for tax filing purposes.

Refer to "How Much You and the University Contribute" for further contribution limitations.

**Note:** Special rules and limits apply if, during a calendar year, you also participate in another plan maintained by a business you own or control. For example, if you have consulting or other self-employment income and participate in a self-employed plan to which you make contributions, the special rules may affect you. If this situation applies to you, consult a qualified tax professional for advice.

The Benefits Section of Human Resources will assist you in calculating the limits that apply to you.

#### In-Plan Roth Rollover

When taking an eligible distribution (as defined below), you may elect to convert all or a portion of your Plan Account (other than vour Roth Contribution Account) to a Roth Contribution Account as an In-Plan Roth Rollover. This Rollover actually occurs within the Plan. You do not receive a check and then contribute it to the Plan. An eligible distribution is (i) a distribution to an active Member on or after attaining age 65; (ii) a distribution made upon termination of employment, becoming disabled, or retirement; (iii) a distribution upon the Member's death; or (iv) any distribution that would otherwise qualify as an eligible rollover distribution.

A key benefit of a Roth is the potential for federally tax-free earnings

and withdrawals. Converting to a Roth 403(b) can be beneficial if you expect your tax rate to increase in the future, because you pay taxes on the money you convert now. You are advised to consult a tax advisor to better understand these requirements. The full amount of any conversions to a Roth 403(b) processed in a calendar year will be considered taxable income in that calendar year.

#### **Forms of Payment**

Your plan benefits will normally start when you retire or you may also start your benefits once you reach age 65 regardless of whether you are retired or still employed. However, if you wish, you may postpone the start of your benefits while you are still working for the University.

You have some choices as to the form of payment of your retirement benefits. However, if you are married, federal law provides that you must receive your benefits in the form of a 50% Joint and Survivor Annuity, with your spouse as beneficiary, unless your spouse agrees in writing to your choice of another form of payment. Your spouse's signature must be witnessed by a plan representative or notarized by a notary public.

Particularly if you have large plan account balances (or other retirement plan accumulations, including other 403(b) arrangements, employer-qualified plans, or IRAs), your choice of a form of payment may affect your tax and estate planning. Consult a qualified advisor if you have any questions.

Descriptions of the forms of payment provided by each of the investment sponsors follow.

#### **Fidelity**

Lump Sum You may elect to receive a lump sum distribution from Fidelity for the full value of your accounts at the time of the payment.

#### Installment Withdrawal Program

As an alternative, you may elect to maintain your account balances with Fidelity and receive periodic withdrawals from your account until you have exhausted your account balances. You may designate the amount and the frequency of these withdrawals (subject to certain minimums required by the tax law).

Rollover You may also elect to roll over all or a portion of the account balances in your Fidelity funds into an individual retirement account (IRA) or another plan you participate in that accepts rollovers, provided you meet certain tax law requirements. If you wish, you may use the proceeds of your account to purchase an annuity through TIAA-CREF or another insurance company. You may wish to consult with your financial advisor before selecting this option.

#### **TIAA Traditional Annuity**

A lifetime annuity may be received from your TIAA Traditional Annuity Account. Lifetime annuity income is the only payment method that ensures you will never outlive your retirement income. It is also a permanent arrangement. Once you begin receiving payments, you may not stop them. The actual amount of income you receive at retirement depends primarily on the amount in your TIAA account, your age when payments begin, and the form of payment you choose (see "Annuity Forms of Payment").

For Group Retirement Annuity (GRA) contracts issued after June 1,

2005, you may also receive a fixed period annuity of five to thirty years (subject to IRS restrictions). At the end of the fixed period chosen, all payments cease.

TIAA cash withdrawals can be taken in ten substantially equal payments over a period of nine years.

Once the amount of your TIAA annuity payment is determined, it can be increased or decreased by changes in dividends, but cannot fall below the contractually guaranteed level.

### TIAA Real Estate Account and CREF Forms of Payment

Lump Sum You may receive a lump sum distribution from TIAA Real Estate Account and CREF for all or part of the full value of your accounts at the time of payment.

Fixed Period Payments TIAA Real Estate Account and CREF accumulations may be taken over any period between two and thirty years, subject to IRS restrictions. At the end of the selected period, payments will end.

TIAA Real Estate Account and CREF Annuity A lifetime annuity may be received from your TIAA Real Estate Account and CREF Account. Lifetime annuity income is the only payment method that ensures you will never outlive your retirement income. It is also a permanent arrangement. Once you begin receiving payments, you may not stop them. The actual amount of income you receive at retirement depends primarily on the amount in your account, your age when payments begin, and the form of payment you choose (see "Annuity Forms of Payment").

Annuity Forms of Payment (Applies to TIAA-CREF Payments Only) The following is a description of the

types of lifetime annuities TIAA-CREF provides for moneys invested with them. These annuity options would also be available if you transferred Fidelity funds to TIAA-CREF at retirement. Just before you are scheduled to start receiving your income, you will be provided detailed information by TIAA-CREF to help you choose the option that best meets your needs.

Subject to certain minimum distribution requirements, you also can choose to receive part of your TIAA or CREF accumulation under one option and the balance under another option. Of course, instead of an annuity option, you may also choose to take all or part of your accounts in cash (subject to TIAA's rules); however, this will reduce the amount of annuity income you receive. You should note when reviewing the different annuity options that the size of the monthly payments depends not only on your age and account balances, but also on the age of your spouse or other beneficiary.

Single Life Annuity Pays you an income for as long as you live. This option provides a larger monthly income for you than the other options. However, all payments will stop at your death.

Life Annuity with 10-, 15-, or 20-Year Guaranteed Period Pays you an income for as long as you live, with installments guaranteed to continue during the first 10, 15, or 20 years, as you select, whether you live or die. If you live beyond the guaranteed period, payments continue for your lifetime. If you die during the guaranteed period, payments will continue to your beneficiary for the balance of the guaranteed period.

Survivor Annuity Pays you an income for life. If your spouse or

another second annuitant you designated lives longer than you, he or she continues to receive an income for life. The amount of the income continuing to the survivor depends on which option you choose from the four options listed below. The amount of the annuity payable to you at the onset of each of these options is different; the more you choose to have paid to your survivor, the smaller the income to you during your lifetime.

Each of these survivor options is available with a 10-, 15-, or 20-year guaranteed period. This provides that if both you and your spouse (or another designated second annuitant) die during the first 10, 15, or 20 years (whichever you select), payments continue to another named beneficiary for the balance of the guaranteed period you selected.

- 1. Full Benefit to Survivor The full amount of the annuity continues for as long as you both live. If your spouse (or other second annuitant) lives longer than you, he or she receives, for his or her remaining lifetime, the full amount of the income you were receiving.
- 2. Two-Thirds Benefit to Survivor The full amount of the annuity continues for as long as you both live. If your spouse (or other second annuitant) lives longer than you, he or she receives, for his or her remaining lifetime, two-thirds of the income you were receiving. If you live longer than your spouse (or other second annuitant), you will receive two-thirds of the income you were receiving.
- 3. Three-Fourths Benefit to Annuity
  Partner The full amount of the
  annuity continues for as long
  as you both live. If your spouse

- (or other second annuitant) lives longer than you, he or she receives, for his or her remaining lifetime, three-fourths of the income you were receiving. If you live longer than your spouse (or other second annuitant), there is no reduction in your lifetime income.
- 4. Half Benefit to Annuity Partner The full amount of the annuity continues for as long as you both live. If your spouse (or other second annuitant) lives longer than you, he or she receives, for his or her remaining lifetime, one-half of the income you were receiving. If you live longer, benefits continue to you at the full amount.

#### Installment Refund (For TIAA Only)

Pays you an income for as long as you live. If you die before the full value of your TIAA account (calculated as of the date your benefit payments began) has been paid out, your beneficiary will receive the same monthly income you were receiving before your death until the remaining value of your account has been paid out. When the plan has paid out the value of your entire TIAA accumulation, all payments stop. This option is not available for CREF funds, and is only available for your TIAA funds if your contract was in effect before February 1, 1985.

### The Interest Payment Retirement Option

This option, which applies to your TIAA Traditional Annuity accumulation only, provides monthly payments that consist only of current interest and dividends credited to your TIAA Traditional Annuity Account balance each month.

Because only the interest is paid, your principal remains untouched. This option is available to those

age 55 or older and does not satisfy the federal minimum distribution requirements.

### Required Minimum Distribution Option

This option is available to those age  $70\frac{1}{2}$  or older who have terminated their employment with the University. Under this option, you receive periodic payments that satisfy the federal minimum distribution requirements.

#### **TIAA-CREF Mutual Funds**

The only form of payment available under the TIAA-CREF Mutual Funds is a full or partial cash withdrawal of your account balance. Partial cash withdrawals must be at least \$1,000.

#### **Your Spouse's Rights**

Under federal pension legislation (Retirement Equity Act of 1984), if you choose any annuity method of payment other than a Survivor Annuity with your spouse as the survivor, your spouse must give written consent which acknowledges that his or her rights to survivor benefits are being waived. Your spouse's signature must be witnessed by a plan representative or notarized by a notary public.

Federal pension law (ERISA) provides that if you are married at the time of your death, your spouse is entitled to receive, as primary beneficiary, your qualified preretirement survivor death benefits under a retirement or tax-deferred annuity plan covered by ERISA. If you name someone other than your spouse as primary beneficiary, your spouse must consent to this primary beneficiary designation by completing a Spousal Waiver. Then the qualified preretirement survivor annuity death benefits will be payable to such

primary beneficiary. If you elected only a portion to be paid to the designated beneficiary, then the remainder will be payable to your spouse.

If you designate your spouse as beneficiary and the individual later ceases to be your spouse, such designation will be deemed void and your ex-spouse will have no rights as a beneficiary unless redesignated as a beneficiary by you subsequent to becoming your ex-spouse or as otherwise provided under a qualified domestic relations order under IRS Code Section 414(p).

To comply with the federal Defense of Marriage Act (DOMA), a participant with a spouse of the same gender is not treated as a married participant for purposes of applying these requirements (for example, the consent of a same-gender spouse is not required for a participant to designate someone other than his/her same-gender spouse as beneficiary). However, a samegender spouse shall automatically be the beneficiary if the participant does not elect a beneficiary.

### If You Die Before You Begin to Receive Benefits

If you die before your retirement income begins, the current full value of your account balances in all investment funds will be payable to your beneficiary under any of the payment options elected by the beneficiary and allowed by the investment fund sponsor (subject to IRS minimum payment rules).

You choose a beneficiary at the time you enroll in the plan, and you may change your beneficiary at any time by filing a new form with the Benefits Section of Human Resources. However, if you are married, federal law requires that your spouse be your beneficiary unless

your spouse consents in writing to your naming another beneficiary and this consent is witnessed by a plan representative or notarized by a notary public.

If your marital status changes after you become a participant (you marry, divorce, or separate, or your spouse dies), be sure to contact the Benefits Section of Human Resources immediately to make any appropriate changes in your designated beneficiary. If you are divorced and then re-marry, your prior beneficiary designation(s) will become invalid and your current spouse will automatically become your beneficiary unless you designate another beneficiary with your current spouse's written consent (witnessed by a plan representative or notary public).

Under current federal income tax laws, your beneficiary must receive the entire value of your accounts within five years of your death. As an exception to this rule, payments may be made in the form of an annuity or installments to your designated beneficiary (including your spouse). If an annuity is paid, it must be an annuity with a guaranteed period or a fixed period no longer than your designated beneficiary's life expectancy.

Generally, annuity or installment payments must begin by the end of the year after the year of your death. However, if your spouse is your designated beneficiary, he or she may postpone the start of benefits until a later date, but not later than the date on which you would have reached age 70½.

Fidelity allows your beneficiary to receive a lump sum distribution of the account balances, to roll over your account balances into an IRA or other plan with payments under

IRS minimum distribution rules, or to receive the full value of the account over a five-year period.

TIAA-CREF allows you to choose one of the following options, which are explained in detail in your annuity contract(s), for payment of the death benefit, or you may leave the choice to your beneficiary.

- Income for the life of the beneficiary with payments stopping at the time of his or her death
- 2. Income for the lifetime of the beneficiary, with a minimum number of payments guaranteed in any event. The period of guaranteed payments must be 10, 15, or 20 years (subject to IRS rules).
- 3. Income for a fixed period of years (subject to IRS rules)
- 4. Subject to IRS rules, the accumulation may be left on deposit with TIAA-CREF for future payment under any of the above options
- A lump sum distribution of the account balances or rollover into an IRA or other plan with payments under IRS minimum distribution rules

**Note:** Full or partial cash withdrawals are the only form of payment available under the TIAA Real Estate Account and CREF Mutual Funds. Balances may be transferred from the mutual funds to any of the annuity accounts to receive the payment methods described above.

Federal pension legislation requires that if you die leaving a surviving spouse and have not named a beneficiary, all of your death benefit will be paid to your spouse.

The selection of a beneficiary and the form of payment to the beneficiary should you die can have important income and estate tax consequences.

See a qualified advisor if you have questions about these subjects.

### Required Minimum Payment Rules

Payments must start by April 1 following the year you reach age 70½ or terminate employment with Boston University, if later. If you do not receive or start your payments on time or if the payments are less than the required minimum amount, you will have to pay a federal tax penalty of 50% of the amount that was required to be distributed but was not distributed (unless you show reasonable cause to the Internal Revenue Service). See the "Forms of Payment" section for your choices.

# If You Become Disabled (Contribution Waiver)

If you should become totally disabled, you will be eligible for a waiver of your required contributions to this plan. Your disability insurance, in effect, "pays" your required contributions and the University's contributions. This benefit will continue until you recover or die, or until your disability benefits end (see the "Long-Term Disability" section of this handbook for additional information concerning the waiver benefit).

The University pays the entire cost of this protection for you.

#### If You Leave the University

Prior to age 65, you may not withdraw any of the funds in your Retirement Plan accounts under any circumstances as long as you are employed at the University.

If your employment with Boston University ends at any time before you attain age 65, you are fully "vested" in all your Retirement Plan funds. You will receive payment of your accounts as follows:

#### **Fidelity**

- 1. You may elect to receive a lump sum distribution of your moneys invested in these accounts.
- 2. You may leave funds on deposit for distribution at a later date. Under current tax laws, payments must start by the April 1 following the calendar year when you reach age 70½. You may not make contributions directly to your Fidelity accounts.
- You may roll over your account to an IRA or other plan that accepts rollovers, provided that you meet federal tax law requirements.

#### **TIAA-CREF**

- 1. For Retirement Annuity (RA) contracts issued prior to June 1, 2005:
- (a) If your TIAA contract is less than \$2,000 in value, you may apply for a lump sum distribution of the full value of your account. You may then roll over your lump sum payment into an IRA or other plan that accepts rollovers, provided you meet federal tax law requirements.
- (b) If your TIAA contract is at least \$2,000 in value, you may begin receiving lifetime annuity payments or elect TIAA's Transfer Payout Annuity. Under current tax laws, payments must start by the April 1 following the year in which you reach age 70½ or upon retirement, whichever is later.
- 2. For Group Retirement Annuity (GRA) contracts issued after June 1, 2005:
- (a) You may apply for a lump sum distribution of the full value of your account within

a 120-day period following your termination of employment. A withdrawal charge of 2.5% applies to such lump sum withdrawals. You may then roll over your lump sum payment into an IRA or other plan that accepts rollovers, provided you meet federal tax law requirements.

- (b) You may receive a fixed-period annuity of five to thirty years (subject to IRS restrictions).
- 3. You may elect to receive a lump sum distribution of moneys invested in CREF. This may be rolled over into an IRA or other plan that accepts rollovers, provided you meet federal tax law requirements.

The rights of your spouse, which were described earlier (see "Your Spouse's Rights"), also apply to the choice of a form of payment for benefits due when you terminate your employment with the University.

### Tax Considerations When You Receive Benefits

Federal income tax must be withheld from the taxable portion of all plan benefits you or your beneficiary receive, unless you or your beneficiary elect otherwise (but see the last paragraph of this section for an exception).

Under current federal law, ordinary income tax applies to payments to you from your plan accounts (not including qualified payments from an after-tax Roth account and not including payments considered to be a return of after-tax contributions you have made—these are recovered without additional income tax under specific rules for determining the after-tax portion of each payment).

In addition, a 10% penalty tax applies to all payments you receive before you reach age 59½, except certain payments in the form of an annuity. The 10% penalty tax does not apply if payments are received because of your death, disability, or early retirement at age 55 or older; or in connection with a Qualified Domestic Relations Order; or in amounts which do not exceed your tax-deductible medical expenses or certain amounts spent for health insurance in the event of your extended unemployment.

You may be able to postpone payment of taxes if you are able to roll over your plan distribution to an IRA or other plan that accepts rollovers.

Any contributions in the plan may be rolled over to an IRA or another 403(b) arrangement or qualified plan that accepts such contributions in order to continue earning tax-deferred interest or investment gains.

All cash distributions from the plan, except those payable as an annuity or in periodic installments for at least 10 years, those payable to non-spouse beneficiaries, and those mandated by minimum distribution rules, will be eligible for direct rollover to an IRA or another plan that will accept them. If these distributions are not directly rolled over to an IRA (or to another employer 403(b) plan that will accept them), they will be subject to mandatory 20% federal income tax withholding.

#### **Leaves of Absence**

If you are granted a leave of absence at full pay, the University's and your normal contributions to the plan will continue. If you are granted a leave of absence at partial pay, the University's and your contributions will be based on your reduced base salary.

Your contributions will stop if you are granted an unpaid leave of absence. However, they will start again, automatically, with the first paycheck you receive when you return.

If you are granted a military leave of absence, upon your return while you are protected by the veterans' reemployment laws, the University will contribute to the plan an amount representing the contributions that would normally have been made during your military leave provided you make the required employee contributions.

Remember, if you leave work for any reason for a prolonged period of time, you should always contact the Benefits Section of Human Resources to ask what effect your absence may have on this and other University-sponsored benefits plans.

#### **Administrative Fees**

Please refer to the Fee Disclosure document at www.bu.edu/hr/files/documents/BN\_Fee\_Notice.pdf for further details.

#### **Fidelity**

At distribution, certain Fidelity funds may charge a redemption fee. These fees are described in the fund prospectus. In addition, expenses related to mutual fund management are assessed before mutual fund earnings are credited to your account.

#### **TIAA-CREF**

TIAA-CREF charges fees for administering the transactions involved in the plan. For all TIAA-CREF annuities, the operating charge will be deducted from investment earnings before earnings are credited to your account. Lump sum withdrawals from the TIAA Traditional Annuity Account under a Group Retirement Annuity Policy issued after June 1, 2005, are subject to a 2.5% surrender fee.

#### **Loss of Benefits**

There may be circumstances which may result in a reduction in the value of your account(s), such as:

- The fees/redemption charges (described above) that relate directly to your investments will be deducted directly from your account.
- A payment from your account was required under the terms of a Qualified Domestic Relations Order.
- You failed to repay a participant loan on a timely basis and an offset of that amount occurred in your account.
- The value of the investments in your plan account could decrease in response to market conditions.

#### **How to Obtain Benefits**

#### **Fidelity**

You should contact Fidelity or the Benefits Section of Human Resources for a distribution form. Fidelity has counselors who will provide you with information that may help you in deciding which distribution option best meets your financial needs.

#### **TIAA-CREF**

You should contact TIAA-CREF for an application for benefit payment. Before you choose a payment form, TIAA-CREF will supply you with a statement of your accounts and illustrations of your projected income under various payment options to help you decide which payment option is best for you. TIAA-CREF has consultants who will assist you in deciding which distribution option or combination of options is best suited for your individual circumstances.

#### **Appealing a Denial**

If you or your beneficiary apply for benefits and your claim is denied, in whole or in part, you may consult the Benefits Section of Human Resources for information about how to appeal the denial.

Additional information about appealing a denial of benefits is included in the "Administrative Information" section of this handbook.

### Other Important Information

Contributions to this plan are subject to the provisions and limitations of the Internal Revenue Code and IRS regulations and rulings, including the contribution limits in Sections 402(g), 401(m), and 415.

All University contributions to this plan must be used for the benefit of plan members and beneficiaries. Once made, the contributions cannot be taken back by the University, except if made as a result of a mistake of fact.

A mistaken over-contribution to your account by the University will be returned to the University. A contribution by you that exceeds any of the limits or is otherwise a mistake will be returned to you, in accordance with IRS rules.

#### **Payments to Others**

Your rights under the Retirement Plan cannot be assigned or used as collateral, and your accounts are not generally subject to attachment or garnishment. However, under federal law, the plan must honor a Qualified Domestic Relations Order from a court requiring payment to a divorced or separated spouse or for child support or a lien on your accounts for payment of overdue taxes and certain other specified types of liens and attachments. A copy of the Plan's Qualified Domestic Relations Order Procedures is available at no cost upon request to the Benefits Section of Human Resources.

To comply with the federal Defense of Marriage Act (DOMA), a participant with a spouse of the same gender is not treated as a married participant for purposes of applying these QDRO rules.

#### **Termination of Participation**

Your participation in the Retirement Plan ends when you retire or otherwise terminate your employment with Boston University. It will also end if your status as a regular employee ends, or if you stop contributing. From the date that your participation ends until your accounts are fully distributed to you, you will be considered a former member, or, if you voluntarily stopped contributions, a suspended member.

# This Plan Is Not Insured by the PBGC

Retirement Plan benefits are not guaranteed by the Pension Benefit Guaranty Corporation (PBGC), which does not cover plans such as this one with individual accounts for each participant. Upon termination of the plan, you would be eligible to receive the total amount in your accounts.



n addition to the Boston University Retirement Plan, you may also accumulate funds for your future through the Boston University Supplemental Retirement and Savings Plan. Your contributions to the plan are made through payroll deduction and may be invested in any of the following investment vehicles: Teachers Insurance and Annuity Association (TIAA), the College Retirement Equities Fund (CREF), or any of the mutual funds managed by Fidelity Investments.

The contributions you make to the plan may at your election be used to increase the retirement income you receive under the University's Retirement Plan and will add to the financial security you can build with Social Security and your personal assets.

You have the choice to pay no income tax on the money you contribute to the plan until withdrawal. In addition, investment earnings accumulate tax-free until withdrawal. Alternatively, your contributions to the plan may be made as Roth contributions on an after-tax basis to Fidelity Investments only. If you make Roth contributions, your investment earnings will accumulate tax-free and will be considered tax-free at the time of withdrawal as long as your withdrawal is qualified.

## About the Supplemental Retirement and Savings Plan

The Supplemental Retirement and Savings Plan offers you the opportunity to set aside additional money for your future. You have a choice of contributing to the plan in the following ways:

Before-Tax Contributions—You pay no federal or state income tax on the before-tax money you put into the plan or the accumulated investment earnings until you receive it. These are referred to as "tax-deferred contributions."

After-Tax Roth Contributions—You pay federal and state income tax on the after-tax money you put into the plan. The investment earnings accumulate tax-free and are paid to you tax-free at the time you receive it as long as the withdrawal is qualified. Roth contributions may only be made through Fidelity Investments.

To find out more about the Supplemental Retirement and Savings Plan, read this section carefully. Then, to begin saving for your future, contact the Benefits Section of Human Resources.

#### **Eligibility**

You are eligible to participate in this plan if you are an employee of the University (other than a leased employee or an employee who is a bona fide student who is enrolled in and regularly attending classes).

If eligible, you may begin participating in the plan on the next payroll following the receipt of your application.

#### Enrollment

Participation in the Supplemental Retirement and Savings Plan is voluntary. If you would like to enroll in the Supplemental Retirement and Savings Plan, please log on to www. bu.edu/buworkscentral and go the Employee Self-Service section.

When you log on, you will be able to:

- Enroll for the first time
- Open an account with an investment fund sponsor if you do not yet have an account with that sponsor and you want to move some of your plan money to it
- Change your contribution amounts

Alternatively, if you wish to enroll in writing, you may obtain the forms by logging on to www.bu.edu/hr and going to the Forms & Documents section. Upon request, forms will be mailed directly to you by the Benefits Section of Human Resources. Completed forms must be returned to Human Resources at 25 Buick Street. You need only use one method of enrollment—online or paper—not both. Paper enrollments will be processed as soon as possible after receipt.

#### Changing or Stopping Your Elections

You may change or stop your election at any time via Employee Self-Service at www.bu.edu/buworkscental or by obtaining the appropriate form from www.bu.edu/hr/home/forms/benefitforms.

Your change will be reflected in the next paycheck you receive following the date of your online change or the date the Benefits Section of Human Resources receives your election.

You may stop or reduce contributions on a prospective basis only; that is, you cannot take back any contributions once they are made.

Your ability to change your investment choices, or to transfer investments from one fund to another, depends on your initial choice of investments. You should review the restrictions in each fund carefully before making your investment decision.

If you previously participated in another 403(b) or other type of tax-deferred plan (such as a 401(k) plan) with a previous employer, you may be able to roll over your account balances from that plan to the Boston University Retirement Plan or the Supplemental Retirement and Savings Plan, provided you meet the plan's rules and the rules of the investment fund sponsors. The Benefits Section of Human Resources can provide you with further information on rollovers.

# Tax-Deferred Contributions and After-Tax Roth 403(b) Contributions

The Supplemental Retirement and Savings Plan gives you a choice as to whether you want to make your contributions on a tax-deferred or after-tax basis or a combination of tax-deferred and Roth after-tax.

- Tax-Deferred Contributions—You will not have to pay any taxes (except Social Security withholding) on the portion of pay you put into the plan. According to federal law, such tax-deferred contributions are treated as University contributions. Therefore, your contributions are not considered taxable income, and you are not required to pay federal or Massachusetts income taxes on that money until you receive payment of your accounts. This will normally be after your retirement, when your taxable income and your tax rate may be lower. You may make tax-deferred contributions by entering into a "salary reduction" agreement with the University when you enroll. Your salary reduction (tax-deferred) contributions, as well as Roth 403(b) contributions, are subject to applicable Social Security tax withholdings.
- Roth 403(b) Contributions (Only with Fidelity Investments)—Your contributions will be made on an after-tax basis. Earnings on your Roth 403(b) account are tax-free when withdrawn as long as the withdrawal is qualified. A qualified withdrawal is one that is taken (i) no earlier than the fifth calendar year after the year of your first Roth contribution and (ii) after you have attained age 59½, become disabled, or die.

#### **How Much You Can Contribute**

You may contribute any portion you choose of your weekly or monthly pay, subject to tax law limits. Several limits and rules apply, but the limit that will affect most participants for 2013 is \$17,500 (not yet age 50) or \$23,000 (age 50 or more at the end of the year). The limit applies to your combined contributions on a tax-

deferred and after-tax basis to this plan and to the Boston University Retirement Plan.

These amounts are indexed for inflation each year, but only in \$500 increments. The new limits will be communicated to participants after the IRS announces them for any particular year.

Other limits may apply in certain situations; the Benefits Section of Human Resources will communicate with you if any limit applies to your contributions.

You must contribute the same portion of your pay each payroll period, and you must make your contribution by salary reduction. No lump sum cash contributions are permitted. These rules are due to Internal Revenue Code regulations.

**Note:** Special rules and limits apply if, during a calendar year, you also participate in another plan maintained by a business you own or control. For example, if you have consulting or other self-employment income and participate in a self-employed plan to which you make contributions, the special rules may affect you. If this situation applies to you, consult a qualified tax professional for advice on how the limits apply to you.

#### **Investment Choices**

You choose how contributions to your accounts will be invested from among the following investment fund sponsors. Boston University has no responsibility for your choice of investments. Since you choose the investment options for the account, you have the responsibility for the financial results. The plan is intended to be a participant-directed plan as described in Section 404(c) of the Employee Retirement Income Security Act of 1974 as

amended (ERISA) and Department of Labor regulations governing section 404(c) plans. This means that fiduciaries of the plan are relieved of liability for any losses that are the result of investment instructions given by a participant or beneficiary under the participant-directed investment feature of the plan.

You should consult a professional financial advisor for investment advice and financial planning assistance before choosing an investment option. Further information may be obtained directly from the investment fund sponsors. You should read the prospectus or other information carefully before investing.

#### **Fidelity Investments**

Fidelity Investments is a mutual fund company which offers many funds with a wide variety of investments: short-term, bonds, and stocks. The investment objectives and policies of each fund, as well as the expenses and fees for the fund, are described in its prospectus, which you should read. Investments for the Boston University Supplemental Retirement and Savings Plan are made through the Fidelity Tax-Exempt Services Company.

#### Teachers Insurance and Annuity Association and College Retirement Equities Fund (TIAA-CREF)

TIAA-CREF is a financial services company. TIAA-CREF offers guaranteed and variable annuity accounts, as well as mutual funds covering a broad range of asset classes.

In order to obtain a detailed description of the funds offered by Fidelity and TIAA-CREF, you should contact the Benefits Section of Human Resources.

#### **Investment Restrictions**

Each investment fund sponsor places certain restrictions on your investments. For complete, current details on restrictions, you should refer to the printed materials available from each of the investment fund sponsors. Following are explanations of some of the most important restrictions.

The following rules apply to how future contributions to the plan are invested:

- 1. You may choose to invest your own future tax-deferred contributions in either the TIAA-CREF family of funds or in the Fidelity family of funds (Fidelity funds are available for both tax-deferred and Roth after-tax contributions), or you may split your contributions between the two.
- If you choose to invest your taxdeferred contributions in the TIAA-CREF funds, you may split contributions between TIAA and CREF in any combination you choose.
- 3. If you choose to invest in the Fidelity funds, you may split your contributions among the funds in any combination you choose.
- 4. Subject to the restrictions on Roth after-tax contributions, you can change your choice of where to invest future contributions as often as once a month.

The following rules apply for moving account balances from one investment sponsor to another:

- 1. Transfers can be made out of TIAA into CREF or Fidelity in any amount at any time.
- 2. Transfers can be made out of CREF into TIAA or Fidelity in any amount at any time.

- Transfers can be made out of Fidelity into TIAA or CREF in any amount at any time, except that TIAA and CREF cannot accept Roth after-tax contributions.
- 4. Transfers among Fidelity funds can be made at any time, but a fee may be charged if more than four transfers are made in the calendar year.

#### In-Plan Roth Rollover

When taking an eligible distribution (as defined below), you may elect to convert all or a portion of your Plan Account (other than your Roth Contribution Account) to a Roth Contribution Account as an In-Plan Roth Rollover. This Rollover actually occurs within the Plan. You do not receive a check and then contribute it to the Plan. An eligible distribution is (i) a distribution to an active Member on or after attaining age 65; (ii) a distribution made upon termination of employment, becoming disabled, or retirement; (iii) a distribution upon the Member's death; or (iv) any distribution that would otherwise qualify as an eligible rollover distribution.

A key benefit of a Roth is the potential for federally tax-free earnings and withdrawals. Converting to a Roth 403(b) can be beneficial if you expect your tax rate to increase in the future, because you pay taxes on the money you convert now. You are advised to consult a tax advisor to better understand these requirements. The full amount of any conversions to a Roth 403(b) processed in a calendar year will be considered taxable income in that calendar year.

#### Statements of Your Accounts

You will receive quarterly statements by mail directly from TIAA-CREF. Fidelity's quarterly statements are available online at Fidelity NetBenefits.

# Withdrawals While Employed by Boston University

The Supplemental Retirement and Savings Plan is intended to provide long-term savings opportunities for your retirement years. However, while you are employed, there may be circumstances in which you will need to make a withdrawal for other important financial needs.

The Internal Revenue Service places restrictions on withdrawals. You may not withdraw post-1988 contributions while still employed by Boston University unless you:

- Reach age 59½; or
- Are able to prove financial hardship

Post-1988 earnings are not available for withdrawal while you are working at Boston University until you reach age 59½.

For purposes of making withdrawals under the Plan, the IRS defines financial hardship as the need for funds to meet certain immediate and heavy expenses. Funds must not be reasonably available from other sources. Federal withdrawal rules limit hardship withdrawals to needs such as:

- The purchase price of your primary residence
- Higher education expenses for you or your dependents
- Major uninsured medical expenses for you or your dependents

- Expenses to prevent eviction from your primary residence or mortgage foreclosure
- Funeral expenses for your parents, spouse, children, or other tax dependent
- Expenses for the repair of your primary residence that would qualify for casualty deduction under federal tax rules (but without regard to the 10% limit)

Boston University must abide by these rules in considering requests for hardship withdrawals.

You may withdraw contributions credited to your TIAA-CREF Group SRA account prior to January 1, 1989, and related earnings at any time.

You may start making withdrawals or start receiving installment or annuity payments from the plan once you reach age 59½ even though you are still employed at Boston University.

Withdrawals are paid as a lump sum in cash. To make a withdrawal, you must complete and submit the appropriate withdrawal form. These forms are available directly from Fidelity Investments and TIAA-CREF.

Please note: In general, if you are under age 59½ when you make an in-service withdrawal, unless an exception applies, your money will be subject to a 10% penalty tax, in addition to regular income tax (see "Tax Considerations When You Receive Benefits").

# **Loans While Employed by Boston University**

You may borrow money against your Supplemental Retirement and Savings Plan accumulations while employed by the University. IRS rules limit the maximum loan you may take from this Plan. Through this loan feature, you have access to your Supplemental Retirement and

Savings Plan accumulations, up to permissible limits, without the need to experience a triggering event including meeting the financial hardship provisions listed above. For detailed information about the loan provisions, contact TIAA-CREF or Fidelity directly.

#### **Forms of Payment**

You or your beneficiary may begin receiving payment of your plan benefits, other than in-service withdrawals, when you retire, die, become disabled, or terminate your employment with Boston University. Some choices regarding the form of payment are available. However, if your total account balances are \$5,000 or less, the plan has the right to pay them out in a lump sum in cash.

Any payments you receive before age 59½ may be subject to a 10% penalty tax in addition to regular income tax (see "Tax Considerations When You Receive Benefits") unless one of a limited number of exceptions applies.

You may elect to receive a lump sum distribution of the full value of your accounts from either TIAA-CREF or Fidelity.

As an alternative to a lump sum distribution, benefits attributable to contributions made to the Boston University Supplemental Retirement and Savings Plan may be received in one of the following forms.

#### **Fidelity**

#### Installment Withdrawal Program

As an alternative, you may elect to maintain your account balances with Fidelity and receive installment withdrawals until you have exhausted your account balances. You may designate the amount and the frequency of these withdrawals.

Rollover You may also roll over the account balances in your Fidelity funds into an individual retirement account (IRA) or another plan you participate in that accepts rollovers, provided you meet federal requirements. If you wish, you may use the proceeds of your account to purchase an annuity through TIAA-CREF or another insurance company. You may wish to consult with your financial advisor before selecting this option.

#### **TIAA Fixed Annuity**

A lifetime annuity may be received from your TIAA Traditional Annuity Account. Lifetime annuity income is the only payment method that ensures you will never outlive your retirement income. It is also a permanent arrangement. Once you begin receiving payments, you may not stop them. The actual amount of income you receive at retirement depends primarily on the amount in your TIAA account, your age when payments begin, and the form of payment you choose (see "Annuity Forms of Payment").

Once the amount of your TIAA fixed annuity is determined, it can be increased or decreased by changes in dividends, but cannot fall below the contractually guaranteed level.

## TIAA Real Estate Account and CREF Forms of Payment

Lump Sum You may receive a lump sum distribution from TIAA Real Estate Account and CREF for all or part of the full value of your accounts at the time of payment.

Fixed Period Payments TIAA Real Estate Account and CREF accumulations may be taken over any period between two and 30 years, subject to IRS restrictions. At the end of the selected period, payments will end.

TIAA Real Estate Account and CREF Annuity A lifetime annuity may be received from your TIAA Real Estate Account and CREF Account. Lifetime annuity income is the only payment method that ensures you will never outlive your retirement income. It is also a permanent arrangement. Once you begin receiving payments, you may not stop them. The actual amount of income you receive at retirement depends primarily on the amount in your account, your age when payments begin, and the form of payment you choose (see "Annuity Forms of Payment").

### Annuity Forms of Payment (Applies to TIAA-CREF Payments Only)

The following is a description of the types of annuities TIAA-CREF provides for moneys invested with them. These annuity options would also be available if you transferred Fidelity funds to TIAA-CREF at retirement. Just before you are scheduled to start receiving your income, you will be asked to choose the option that best meets your needs. Information is available from TIAA-CREF to help you decide.

Subject to certain minimum requirements, you also may choose to receive part of a contract's accumulation under one option, and the balance under another option. Of course, when you choose an annuity option, you may also choose to take a portion of your accounts in cash; however, this will reduce the amount of annuity income you receive. You should note when reviewing these options that the size of the monthly payments depends not only on your age and account balances, but may also depend on the age of your spouse or other beneficiary.

Single Life Annuity Pays you an income for as long as you live. This option provides a larger monthly income for you than the other options. However, all payments will stop at your death.

Life Annuity with 10-, 15-, or 20-Year Guaranteed Period Pays you an income for as long as you live, with installments guaranteed to continue during the first 10, 15, or 20 years, as you select, whether you live or die. If you live beyond the guaranteed period, payments continue for your lifetime. If you die during the guaranteed period, payments continue to your beneficiary for the balance of the guaranteed period.

Survivor Annuity Pays you an income for life. If your spouse or second annuitant lives longer than you, he or she continues to receive an income for life. The amount of the income continuing to the survivor depends on which option you choose from the four options listed below. The amount of the annuity payable to you at the onset of each of these options is different; the more you choose to make payable to your survivor, the smaller your own income during your lifetime.

Each of these survivor options is available with a 10-, 15-, or 20-year guaranteed period. This provides that if both you and your spouse or second annuitant die during the first 10-, 15-, or 20-years (whichever you select), the option that you select continues to another named beneficiary for the balance of the guaranteed period.

 Full Benefit to Survivor The full amount of the annuity continues for as long as you both live. If your spouse (or other second annuitant) lives longer than you, he or she receives, for his or her remaining lifetime, the full amount of the income you were receiving.

- 2. Two-Thirds Benefit to Survivor
  The full amount of the annuity continues for as long as you both live. Upon your death or the death of your spouse (or other second annuitant), the payments are reduced to two-thirds of the amount that you were receiving and are continued to the survivor for life.
- 3. Three-Fourths Benefit to
  Survivor The full amount of the
  annuity continues for as long as
  you both live. If your spouse (or
  other second annuitant) lives longer than you, he or she receives,
  for his or her remaining lifetime,
  three-fourths of the income you
  were receiving.

If you live longer than your spouse (or other second annuitant), you will receive three-fourths of the income you were receiving.

4. Half Benefit to Survivor The full amount of the annuity continues for as long as you both live. If your spouse (or other second annuitant) lives longer than you, he or she receives, for his or her remaining lifetime, one-half of the income you were receiving. If you live longer, the benefit continues at the full amount.

Fixed Period Annuity Pays you an income for a fixed period you choose, from two to 10 years. If you die during the period chosen, payments in the same amount that you were receiving will continue to your beneficiary for the remainder of the period. At the end of the period, all payments stop.

### Required Minimum Distribution Option

This option is available to those age 70½ or older who have terminated their employment with the University. Under this option, you receive periodic payments that satisfy the federal minimum distribution requirements.

#### **In-Plan Roth Rollovers**

A Member, Former Member, or Member's Beneficiary who may take an eligible distribution (as defined below) may elect to convert all or a portion of his Plan Account (other than his Roth Contribution Account) to a Roth Contribution Account as an In-Plan Roth Rollover. This rollover actually occurs within the Plan. You do not receive a check and then contribute it to the Plan.

An eligible distribution is (i) a distribution to an active Member on or after attaining age 65; (ii) a distribution made upon termination of employment, becoming disabled, or retirement; (iii) a distribution upon the Member's death; or (iv) any distribution that would otherwise qualify as an eligible rollover distribution.

#### **Your Spouse's Rights**

Under federal pension legislation, if you choose any annuity method of payment other than a survivor annuity with your spouse as the survivor, your spouse must give written consent which acknowledges that his or her rights to survivor benefits are being waived. Your spouse's signature must be witnessed by a plan representative or notarized by a notary public.

Federal pension law (ERISA) provides that if you are married at the time of your death, your spouse is entitled to receive, as primary

beneficiary, your qualified preretirement survivor death benefits under a retirement or tax-deferred annuity plan covered by ERISA. If you name someone other than your spouse as primary beneficiary, your spouse must consent to this primary beneficiary designation by completing a Spousal Waiver. Then the qualified preretirement survivor annuity death benefits will be payable to such primary beneficiary. If you elected only a portion to be paid to the designated beneficiary, then the remainder will be payable to your spouse.

If you designate your spouse as beneficiary and the individual later ceases to be your spouse, such designation will be deemed void and your ex-spouse will have no rights as a beneficiary unless redesignated as a beneficiary by you subsequent to becoming your ex-spouse or as otherwise provided under a Qualified Domestic Relations Order under IRS Code Section 414(p).

To comply with the federal Defense of Marriage Act (DOMA), a participant with a spouse of the same gender is not treated as a married participant for purposes of applying these requirements (for example, the consent of a same-gender spouse is not required for a participant to designate someone other than his/her same-gender spouse as beneficiary). However, a same-gender spouse shall automatically be the beneficiary if the participant does not elect a beneficiary.

# If You Die Before You Begin to Receive Benefits

If you die before your retirement income begins, the full current value of your account balances in all investment funds will be payable to your beneficiary under any of the payment options elected by the beneficiary and allowed by the

investment fund sponsor (subject to IRS minimum payment rules).

You choose a beneficiary at the time you enroll in the plan, and you may change your beneficiary at any time by filing a new form with the Benefits Section of Human Resources. However, if you are married, federal law requires that your spouse be your beneficiary, unless your spouse consents in writing to your naming another beneficiary and this consent is witnessed by a plan representative or notarized by a notary public.

If you designate your spouse as beneficiary and the individual later ceases to be your spouse, such designation will be deemed void and your ex-spouse will have no rights as a beneficiary unless redesignated as a beneficiary by you subsequent to becoming your ex-spouse or as otherwise provided under a Qualified Domestic Relations Order under IRS Code Section 414 (p).

If your marital status changes after you enroll in this plan (you marry, divorce or separate, or your spouse dies), be sure to contact the Benefits Section of Human Resources immediately to make any appropriate changes in your designated beneficiary. If you marry or you are divorced and then re-marry, your prior beneficiary designation(s) will become invalid and your current spouse will automatically become your beneficiary unless you designate another beneficiary with your current spouse's written consent (witnessed by a plan representative or notary public).

Under current federal income tax laws, your beneficiary must receive the entire value of your accounts within five years of your death, unless payments are made in the form of an annuity or installments to your designated beneficiary (including your spouse). If an annuity is paid, it must be an annuity with a guaranteed period or fixed period no longer than your designated beneficiary's life expectancy.

If your spouse is your designated beneficiary, he or she may postpone the start of benefits until a later date, but until no later than the date on which you would have reached age 70½.

Fidelity allows your beneficiary to receive a lump sum distribution of the account balances, or to roll over your account balances into an IRA or another plan that accepts such rollovers, or to receive the full value of the account over a five-year period. A non-spouse beneficiary's rollover option is limited only to a direct rollover to an IRA in accordance with federal tax law.

TIAA-CREF allows you to choose one of the following options, which are explained in detail in your annuity contract(s), for payment of the death benefit, or you may leave the choice to your beneficiary.

- Income for the lifetime of the beneficiary with payments stopping at the time of his or her death.
- 2. Income for the lifetime of the beneficiary, with a minimum number of payments guaranteed in any event. The period of guaranteed payments may be 10, 15, or 20 years (subject to IRS rules).
- 3. Income for a fixed period (subject to IRS rules).
- Subject to IRS rules, the accumulation may be left on deposit with TIAA-CREF for future payment under any of the above options.
- 5. A lump sum distribution of the account balances, or roll-over

to an IRA or other plan that will accept the rollover.

TIAA-CREF also has a rule that if you die leaving a surviving spouse and have not named a beneficiary, part of your death benefit will be paid as an annuity to your spouse, and the balance will be paid in a single sum to your estate. The income payable to your spouse will be one half the amount that would have been payable to you had you chosen to begin your annuity payments under the option described as half benefit to survivor with a 10-year guaranteed period, on the first day of the month in which you died.

#### **Required Minimum Payment Rules**

Payments must start by April 1 following the year you reach age 70½ or terminate employment with Boston University, if later. If you do not receive or start your payments on time or if the payments are less than the required minimum amount, you will have to pay a federal tax penalty of 50% of the amount that was required to be distributed but was not distributed (unless you show reasonable cause to the Internal Revenue Service). See the "Forms of Payment" section for your choices.

#### If You Leave the University

If your employment with Boston University ends at any time before retirement, you are fully "vested" in all of your Supplemental Retirement and Savings Plan funds. You will receive payment of your accounts as follows:

#### **Fidelity**

 You may elect to receive a lump sum distribution of the moneys invested in your accounts.

- 2. You may leave funds on account for distribution at a later date (no later than April 1 following the calendar year when you reach age 70½). You may not make contributions directly to your Fidelity accounts.
- You may roll over all or a portion of your account into an IRA or other plan that will accept the rollover, provided you meet federal requirements.

#### **TIAA-CREF**

- You may receive a lump sum distribution of the full value of your accounts. If you take a lump sum payment, you may be able to roll over all or a portion of it into an IRA or other plan that will accept the rollover.
- 2. You may leave all accumulated moneys in your TIAA-CREF accounts and receive an annuity. You may begin receiving annuity payments at any time, but no later than April 1 following the calendar year when you reach age 70½.
- You may leave funds in your account for distribution at a later date (subject to the age 70½ rule).

The rights for your spouse, which were described earlier (see "Your Spouse's Rights"), also apply to the choice of a form of payment for benefits due when you terminate your employment with the University.

# Tax Considerations When You Receive Benefits

Federal and state income tax must be withheld from the taxable portion of all plan benefits you or your beneficiary receive, unless you or your beneficiary elect otherwise (but see the last paragraph of this section for an exception). Under current federal law, ordinary income tax applies to taxable payments to you from your plan accounts. Qualified withdrawals from a Roth contributions account are tax-free.

A 10% penalty tax applies to all payments you receive before you reach age 59½, except payments in the form of an annuity. The 10% penalty tax does not apply if payments are received because of your death, disability, or early retirement at age 55 or older; or in connection with a Qualified Domestic Relations Order; or in amounts that do not exceed your tax-deductible medical expenses or certain amounts spent for health insurance in the event of your extended unemployment or to qualified withdrawals from a Roth contributions account.

You may be able to postpone payment of taxes if you are able to transfer or roll over your plan distribution to an IRA or another plan that accepts rollovers. All cash distributions from the plan except those payable as an annuity or in periodic installments for at least 10 years, those mandated by minimum distribution rules, and hardship withdrawals, will be eligible for direct transfer to an IRA or another plan that accepts rollovers. If these distributions are not directly rolled over to an IRA (or to another employer plan that will accept them), they will be subject to mandatory 20% federal income tax withholding.

#### **Leaves of Absence**

If you are granted a leave of absence at full pay, your normal contributions to the plan will continue (unless you make a change). If you are granted a leave of absence at partial pay, please contact the Benefits Section of Human Resources.

Your contributions will stop if you are granted an unpaid leave of absence. However, they will start again, automatically, with the first paycheck you receive when you return (unless you make a change).

Remember, if you leave work for any reason for a prolonged period of time, you should always contact the Benefits Section of Human Resources to ask what effect your absence may have on this and other University-sponsored benefit plans.

#### **Administrative Fees**

There are fees associated with loans. These may change from time to time. See Fee Disclosure at www.bu.edu/hr/files/documents/BN\_Fee Notice.pdf for further details.

#### Fidelity

At distribution, certain Fidelity funds may charge a redemption fee. These fees are described in the fund prospectus. In addition, expenses related to mutual fund management are assessed before mutual fund earnings are credited to your account.

#### **TIAA-CREF**

TIAA-CREF charges fees for administering the transactions involved in the plan. There is no expense charge deducted from contributions to TIAA. This cost is included by lowering the dividend interest rate.

For purchase of annuity contracts, as described under "If You Leave the University," there is no expense charge if the annuity contract has been in force for 34 months or more, or if the purchase is of an annuity contract owned by a person age 60 or older.

For all other purchases, there is an expense charge determined separately for each TIAA or CREF

contract and deducted from the accumulation being purchased. This charge is 10% of the accumulation being purchased less one tenth of 1% of that accumulation for each month elapsed since the contract's date of issue—but in no event more than \$50 per contract.

#### **Loss of Benefits**

There may be circumstances which may result in a reduction in the value of your account(s), such as:

- The fees/redemption charges (described above) that relate directly to your investments will be deducted directly from your account.
- A payment from your account was required under the terms of a Qualified Domestic Relations Order.
- You failed to repay a participant loan on a timely basis and an offset of that amount occurred in your account.
- The value of the investments in your plan account could decrease in response to market conditions.

#### **How to Obtain Benefits**

#### **Fidelity**

You should contact Fidelity for a distribution form or you may download one from the Human Resources website at www.bu.edu/hr/home/forms. Fidelity has counselors who will provide you with information that may help you in deciding which distribution option best meets your financial needs.

#### **TIAA-CREF**

You should contact TIAA-CREF for an application for benefit payment. Before you choose a payment form, TIAA-CREF will supply you with a statement of your accounts and illustrations of your projected income under various payment options to help you decide which payment option is best for you.

#### Appealing a Denial

If you or your beneficiary apply for benefits from this plan and your claim is denied, in whole or in part, you may consult the Benefits Section of Human Resources for information about how to appeal the denial.

Additional information about appealing a denial of benefits is included in the "Administrative Information" section of this handbook.

#### **Payment to Others**

Your rights under the Supplemental Retirement and Savings Plan cannot be assigned or used as collateral, and your accounts are not generally subject to garnishment. However, under federal law, the plan must honor a **Qualified Domestic Relations Order** from a court requiring payment to a divorced or separated spouse or for child support or a lien on your account for the payment of overdue taxes, or to satisfy certain other court orders. A copy of the Plan's Qualified Domestic Relations Order Procedures is available at no cost upon request to the Benefits Section of Human Resources.

To comply with the federal Defense of Marriage Act (DOMA), a participant with a spouse of the same gender is not treated as a married participant for purposes of applying these QDRO rules.

#### **Correction of Mistakes**

If through a payroll processing or other error, the wrong amount is taken from your paycheck or contributed to your plan account, or if an adjustment is necessary to meet one of the tax law limits on contributions to your accounts, the Benefits Section of Human Resources has the right to correct the mistake or make the necessary adjustment. Any over-contribution amounts debited from your accounts will be repaid to you (less withholdings, if applicable).

#### Termination of Participation

Your participation in the Supplemental Retirement and Savings Plan ends when you retire or otherwise terminate your employment with the University. It will also end when your status as a regular employee changes, or when you stop contributing. From the date that your participation ends until your accounts are fully distributed to you, you will be considered a former member, or, if you voluntarily stopped contributions, a suspended member.

### This Plan Is Not Insured by the PBGC

Supplemental Retirement and Savings Plan benefits are not guaranteed by the Pension Benefit Guaranty Corporation (PBGC), which does not cover plans such as this one with individual accounts for each participant. Upon termination of the plan, you would be eligible to receive the total amount in your accounts.



The Tuition Remission Program provides regular full-time employees with an outstanding education benefit. You and your family can take advantage of a wide range of courses and degree programs offered by the University.

Eligibility for benefits for you begin on the first day of the semester on or following your date of hire.

Eligibility for benefits for your spouse and dependent children begin on the first day of the semester after you have completed the appropriate service requirements.

#### **Eligibility**

If you are a regular full-time employee and have an appointment of nine months' or more duration you, your spouse, and your dependent children are eligible to participate in the Tuition Remission Program.

Your eligible dependent children are those whom you claim as exemptions on your federal income tax return during the calendar years in which they are enrolled in undergraduate degree programs at Boston University. They include:

Your unmarried dependent children or stepchildren

Certain age limits apply to eligible dependent children (see "Benefits for Your Dependent Children").

#### **How the Program Works**

What Is Covered The Tuition Remission Program covers undergraduate and graduate courses taken by you or your spouse and undergraduate courses taken by your dependent children.

The Tuition Remission Program applies only to courses offered by Boston University. No assistance is provided for courses taken at other colleges or universities.

When to Apply Once you have registered for your class(es), if you would like to apply for the tuition remission benefit for yourself, your spouse, or your unmarried dependent children, you may apply online at Employee Self Service at BUworks Central at www.bu.edu/buworkscentral. Alternatively, you may complete a Benefits Enrollment Form available at www.bu.edu/hr/home/forms/benefit-forms.

Upon request, paper forms will also be mailed directly to you by the Benefits Section of Human Resources. Completed paper forms must be returned to Human Resources at 25 Buick Street. You need only use one method of application—online *or* paper—not both.

Covered students under the Tuition Remission Program (employees, spouses, or children) register for classes separately through the Registrar's Office and then receive credit from the Tuition Remission Program on their student accounts for approved credit hours.

How Approval Works Employees, spouses, and children receiving benefits are registered for classes on a space-available basis.

Participating employees, spouses, or dependents are responsible for meeting admission requirements or prerequisites for any course or program.

Tuition Remission Does Not Cover Fees and Other Expenses, (e.g., Books, Lab Fees, Etc.) Registration fees and other fees, except the Continuing Student Fee, must be paid by covered students when they register for courses as those fees and expenses are not covered by tuition remission. Covered students must also pay for their books, lab fees, late fees, and any necessary classroom materials as those fees and expenses are not covered by tuition remission. Tuition remission also does not cover room and board.

#### **Tuition Remission Benefits**

Tuition remission benefits are granted on a semester basis. For the purposes of the program, the two

summer sessions are treated as one academic semester.

If a service requirement applies to the tuition remission benefits for your spouse or dependent children, only continuous and full-time service with Boston University is counted toward fulfilling that requirement. Such service is measured from the date you become an eligible employee (see prior "Eligibility" section) up to and including the first day instruction begins.

Full-time employees are only eligible to receive tuition remission benefits as "employees." It is Boston University's policy that if you are a full-time regular employee you may not be enrolled at Boston University as a full-time student. Full-time student status is 12 or more credits. If you are a full-time regular employee, you are not eligible for benefits as a spouse or dependent of another employee.

An explanation of the benefits available to you, your spouse, and your dependent children follows.

#### Benefits for You

If you were hired on or before July 1, 1981 As an eligible employee you are entitled to 100% tuition remission for up to 8 credit hours of courses you take each semester. This includes graduate and undergraduate courses (see discussion below regarding the taxability of graduate courses).

If your employment ends before the first day instruction begins\*, you will be required to pay the full tuition for all courses taken that semester.

If your employment ends after the first day instruction begins\*, but before the final exam end date\*\* for the semester, your benefits will continue until the end of the semester.

If you were hired on or before June 30, 1985, but after July 1, 1981 As an eligible employee you are entitled to 100% tuition remission for the first 4 credit hours and 90% tuition remission for the next 4 credit hours of courses you take each semester. This includes graduate and undergraduate courses.

If your employment ends before the first day instruction begins\*, you will be required to pay the full tuition for all courses taken that semester.

If your employment ends after the first day instruction begins\*, but before the final exam end date\*\* for the semester, your benefits will continue until the end of the semester.

If you were hired on or after July 1, 1985 As an eligible employee you are entitled to 100% tuition remission for the first 4 credit hours and 90% tuition remission for the next 4 credit hours of courses you take each semester. This includes graduate or undergraduate courses.

If your employment ends before the final exam end date or the end of session date\*\* for the semester, you will be required to pay full tuition for all courses taken that semester. If you are involuntarily terminated from your position, no payment will be due.

- \* The first day "instruction begins" for the semester is defined as the date published in the Boston University Office of the University Registrar Official Academic Calendar: Charles River.
- \*\* The "final exam end" date or the "end of session" date for the semester is defined as the date published in the Boston University Office of the University Registrar Official

Academic Calendar: Charles River. For the fall and spring semesters, it is the "final exam end date", for summer session, it is the Summer II "end of session" date.

#### Courses Scheduled During Work Hours

If a course you want to take is scheduled during normal working hours, you must have your department chair or supervisor sign your tuition remission form in order for the benefit to be approved. The University reserves the right to refuse to allow you to attend a class under the Tuition Remission Program if it conflicts with the needs of your department.

You must report all courses taken, not only courses covered by the Tuition Remission Program, to determine if there is a conflict with the needs of your department.

You will not receive pay while attending a class during scheduled work hours.

If you are taking more than 8 credits, you must have the approval of the Dean or Vice President for your unit before applying for the benefit.

#### **Benefits for Your Spouse**

Once you have satisfied the service requirement described below, your spouse will be granted 50% tuition remission each semester for all courses taken at Boston University. This includes graduate and undergraduate courses.

If your employment ends before the first day of class, your spouse will be required to pay full tuition for the courses taken that semester. If your employment ends before the last day of classes, your spouse's benefits will continue until the end of the semester.

#### Service Requirement

Your spouse will be eligible for tuition remission benefits once you have completed 12 months of eligible service (i.e., continuous and full-time service) at Boston University.

If you and your spouse are both employed at Boston University and are both eligible for tuition remission benefits, you and your spouse are individually eligible to receive tuition remission as employees. You and your spouse are not eligible to receive benefits as a spouse.

### Benefits for Your Dependent Children

Once you have satisfied the service requirement described below, each of your eligible unmarried dependent children may take up to eight semesters through the tuition remission Program, as long as they apply, are admitted to, and are enrolled in undergraduate degree programs at Boston University or as seniors at Boston University Academy. The amount of tuition remission benefits granted for their courses depends upon your length of eligible service with the University. Tuition remission is not available for any graduate courses taken by dependent children.

If your employment ends before the first day of classes, your dependent will be required to pay full tuition for the courses taken that semester. If your employment ends before the last day of classes, your dependent's benefits will continue until the end of the semester.

#### Service Requirements

Your unmarried dependent children may receive 50% tuition remission for courses taken once you have completed four months of eligible service (i.e., continuous and full-time service) and:

If you were hired prior to January 1, 1995, they may receive 100% tuition remission for courses taken after you have completed 16 months of eligible service.

If you were hired on or after January 1, 1995, they may receive 90% tuition remission for courses taken after you have completed 16 months of eligible service.

In the event your unmarried dependent children have received eight semesters of tuition remission benefits and need an additional semester to complete their undergraduate studies, it may be possible to repay the University for one semester of tuition remission benefits that were previously received in exchange for tuition remission benefits for a prospective semester. Please contact the Benefits Section of Human Resources for additional information regarding this provision.

#### **Proof of Relationship Requirement**

Full-time employees are only eligible to receive tuition remission benefits as an employee. You are not eligible for additional benefits as a dependent child of another employee eligible for tuition remission benefits.

Proof of relationship to the employee must be provided for eligible unmarried dependent children. The employee must provide the following:

- A copy of the dependent's birth certificate, or
- A copy of the adoption certification, or
- A copy of the most recent tax return listing your dependent(s)

These documents will be kept in confidential files in the Benefits Section of Human Resources.

#### Age Limit for Dependent Children

Dependent children are no longer eligible for benefits under this program after the end of the semester in which they reach age 27. The exceptions to this provision are:

Military Service For unmarried dependent children who are honorably discharged veterans, the period of eligibility will be extended beyond age 27 by the number of months of their military service, up to a maximum of 48 months.

Disability Dependent children whose disabilities prevent them from completing undergraduate work within eight semesters by the time they reach age 27, must submit a written request for an extension of tuition remission eligibility to the Benefits Section of Human Resources. A physician's statement indicating diagnosis, period of disability, and prognosis must accompany the request, along with a letter of recommendation from Boston University's Disability Services regarding the student status of your dependent child.

# Special Provisions Protecting Benefits for Dependent Children

Once Your Dependent Children Begin Receiving Benefits If you retire from the University at age 55 or later and have completed 10 or more years of continuous full-time service with the University after age 45, your eligible unmarried dependent children may continue to receive tuition remission benefits in an undergraduate degree program at the University pursuant to terms specified herein.

If you should die while employed at the University, or are receiving disability benefits from the University's Long-Term Disability Plan, your eligible unmarried dependent children may continue to receive tuition remission benefits through the semester in which your death occurred, subject to the Program's limits, as long as they remain eligible. In subsequent semesters, your years of continuous full-time service up to the time when you became disabled or died, will be used to determine the number of additional semesters up to a maximum of eight semesters for which each child is eligible in accordance with the following table:

Employee's years of continuous full-time service	Number of semesters per child
3 but less than 6	2
6 but less than 9	4
9 but less than 10	6
10 or more	8

For example, if you died with 10 or more years of continuous full-time service with Boston University and at the time of your death, your dependent child had received six semesters of tuition remission, he or she would be eligible for two more semesters of tuition remission, for a maximum of eight semesters.

Before Your Dependent Children Begin Receiving Benefits If you retire from the University at age 55 or later and have completed 10 or more years of continuous full-time service with the University after age 45, the University will provide your eligible unmarried dependent children with eight semesters of tuition remission benefits in an undergraduate degree program at the University pursuant to terms specified herein.

If you should die while employed at the University, or are receiving disability benefits from the University Long-Term Disability Plan, the University will provide your eligible unmarried dependent children with up to eight semesters of tuition remission benefits in an undergraduate degree program at the University depending upon your years of continuous full-time service at the point of your disability or death, in accordance with the following table:

Employee's years of continuous full-time service	Number of semesters per child
3 but less than 6	2
6 but less than 9	4
9 but less than 10	6
10 or more	8

#### Benefits During Authorized Absences from Work

The following applies to tuition remission benefits for you, your spouse, and your dependent children while you are on an approved leave of absence or sabbatical.

#### Paid Leaves of Absence and Sabbaticals

Tuition remission benefits continue while you are on an approved leave of absence with pay. Tuition remission benefits also continue if you are a faculty member on an approved sabbatical with pay. The period of time you are on leave of absence or sabbatical counts toward any service requirements specified in the program.

#### **Unpaid Leaves of Absence**

With prior approval from Human Resources, tuition remission benefits may be continued during an approved unpaid leave of absence that is taken for one of the following reasons:

- 1. Research purposes
- 2. Instruction

- 3. Government or other service deemed by the University to be in the public interest
- 4. Other activities as may be approved by the University

If you take an approved leave of absence without pay for any reason other than those explained above, tuition remission benefits will terminate for the duration of your leave on the earlier of the following dates:

- The beginning of a semester following or coincident with the first day of your leave; or
- 2. At the end of any semester in which you begin your leave.

While you are on approved leave of absence without pay, you can accrue service (up to 24 months) toward meeting the Program's service requirement.

#### **Extended Military Leave**

If you go on an extended military leave, you will accrue service toward meeting the Program's service requirements for the entire period of the leave, provided you return to regular, full-time employment with the University following military service and within the time when your veteran's re-employment rights are protected.

#### Medical Leave of Absence

During an approved leave of absence due to temporary disability, benefits continue for your dependent children until the end of a semester in which you complete six months of such leave without pay. You can accrue up to six months of service toward meeting the Program's service requirements while on a temporary disability.

#### Boston University Courses Excluded from the Tuition Remission Program

Benefits are not granted for the following:

- Applied music fees
- Courses offered through the School of Medicine (except for courses offered in the Division of Graduate Medical Sciences and master's degree program courses in the School of Public Health)
- Courses offered through the Goldman School of Dental Medicine
- Courses offered for all executive graduate programs, such as the Executive Master of Business Administration, the Executive Engineering Program, the Executive Master of Science in Investment Management Program, and the Executive Master in Business Administration in Health Care
- Courses offered for the Accelerated Master of Human Resource Education
- Non-credit courses or courses awarding Continuing Ed Units (CEUs)
- Online courses
- Room, board, and non-tuition portion of study abroad program (for example, air fare and books)
- Courses not offered for credit, such as the courses offered at the Center for English Language & Orientation Programs, Continuing Education, and some Certificate Programs at Metropolitan College.

#### **Income Tax Considerations**

The tuition remission benefits you, your spouse, or your dependent children receive may be subject to federal income taxes, Massachusetts state income taxes, and FICA taxes.

Under current tax laws, the following provisions apply:

Under current tax law effective January 1, 2002, up to \$5,250 in value for graduate tuition remission benefits for employees are, generally, not considered taxable income. Graduate tuition remission in excess of \$5,250 per calendar year for employees and all graduate tuition remission benefits for spouses are generally subject to federal, state, and FICA taxation.

Tuition remission benefits for undergraduate courses are generally tax-free.

Due to nearly continuous changes in the tax laws, please contact the Benefits Section of Human Resources for the current status concerning the taxability of tuition remission benefits. You may also want to consult with a tax advisor.

# Administrative Information About the Program

#### Type of Program

The Boston University Tuition Remission Program is an unfunded educational assistance program. It is not subject to the provisions of the Employment Retirement Income Security Act (ERISA) of 1974. Any determinations by Boston University regarding eligibility for the Tuition Remission Program or benefits thereunder are final, binding, and conclusive.

### Program Amendment or Termination

Boston University intends to continue the Tuition Remission Program indefinitely; however, the University reserves the right in its discretion to amend, suspend, or terminate the program at any time.

#### For Additional Information

For additional information concerning the Tuition Remission Program, contact the Benefits Section of Human Resources.



oston University is a member of the Tuition Exchange Program, Inc. (TE), a national organization that administers tuition scholarships for dependent children of employees from member colleges and universities.

Each year Boston University's agreement with the Tuition Exchange Program, Inc. permits up to 10 students who are planning to enter their first year of college the following academic year to enroll in undergraduate degree programs at over 580 participating colleges and universities located in 46 states and the United Kingdom.

#### **Eligibility**

Your dependent children are eligible to apply to participate in the Tuition Exchange Program if you are a regular full-time employee with an appointment of nine months' or more duration, and if you will have completed at least 16 months of service prior to the start of the fall semester at Boston University. Only one dependent per family may participate in the program at a time.

Your eligible dependent children are those whom you claim as exemptions on your federal income tax return during the calendar years in which they are enrolled in undergraduate degree programs through the Tuition Exchange Program. Only your unmarried dependent children or stepchildren who are under age 27 qualify for this program.

Your dependent children are not eligible for additional benefits as a dependent child of another employee eligible for Tuition Exchange benefits.

#### **Proof of Relationship Requirement**

Proof of relationship to the employee must be provided for eligible unmarried dependent children. The employee must provide the following:

- A copy of the dependent's birth certificate, or
- A copy of the adoption certification, or
- A copy of the most recent tax return listing your dependent

These documents will be kept in confidential files in the Benefits Section of Human Resources.

#### Age Limit for Dependent Children

Dependent children are no longer eligible for benefits under this program after the end of the semester in which they reach age 27. The exceptions to this provision are:

Military Service For unmarried dependent children who are honorably discharged veterans, the period of eligibility will be extended beyond age 27 by the number of months of their military service, up to a maximum of 48 months.

#### **How the Program Works**

Students must be admitted as full-time undergraduate degree candidates at Tuition Exchange member institutions in order to be eligible for this program.

All students must apply to the institution in which the dependent child is interested and meet all admissions criteria of the admitting institution. Scholarships are available for a maximum of four years (8 semesters/12 trimesters) of full-time academic study in an undergraduate degree program. Summer sessions are excluded from this scholarship.

Enrollment must be re-certified annually. This means that you must maintain eligibility for Tuition Exchange benefits at Boston University for the full duration of the scholarship period in order to receive full benefits under the Tuition Exchange Program.

Once you have satisfied the Boston University service requirement described above, each of your eligible unmarried dependent children may take up to 8 semesters or 12 trimesters through the Tuition Exchange Program, as long as they apply, are admitted to, and are enrolled in an undergraduate degree program at a participating Tuition Exchange institution. However, only one of your dependent children may participate in the Tuition Exchange Program at any given time.

Having a child participate in the Tuition Exchange Program does not preclude your other child(ren) from participating in the Tuition Remission Plan at Boston University, at the same time.

Boston University will award up to 10 new Tuition Exchange scholarships for undergraduate education in each academic year. Each scholarship is awarded for a maximum of 8 semesters or 12 trimesters to cover four academic years of full-time undergraduate study at participating Tuition Exchange institutions.

Because the University must balance the number of Tuition Exchange students it "exports" to other member institutions with those it "imports" for enrollment at Boston University, the number of scholarships available for eligible dependents of Boston University employees in any academic year is limited. Tuition Exchange scholarship availability is dependent on the availability of spaces at the admitting institution.

The maximum semesters available for Tuition Exchange benefits are aggregated with Tuition Remission benefits received at Boston University. Therefore, your eligible dependent child may not receive more than 8 semesters/12 trimesters of combined Tuition Remission and Tuition Exchange benefits.

If your employment ends before the first day of classes, and your dependent elects to enroll or continue enrollment at a participating institution, your dependent will be responsible for the full tuition for the courses taken that semester, as determined by the admitting institution. If your employment ends before the last day of classes during a given semester, your dependent's benefits will continue until the end of that semester.

#### **Scholarship Amount**

Each Tuition Exchange member institution determines the value of the scholarship it awards to each incoming student and records this on the Tuition Exchange Scholarship Certification Form. Benefits vary by member institution. There is a minimum amount set by the Tuition Exchange, Inc. (\$31,500 for the 2013/2014 academic year). Schools with tuition rates higher than this amount may opt to award only the minimum. Students are responsible for any costs which exceed the awarded benefit level.

# How to Apply for Tuition Exchange Benefits

- Review the list of Tuition Exchange institutions available at the Tuition Exchange, Inc. website at www.tuitionexchange.org.
- 2. Complete and submit the Boston University Tuition Exchange Preliminary Application to Human Resources. This application must be received by Human Resources no later than the deadline prior to the beginning of the academic year for which you are applying. Example: Applications for fall 2014 must be received by December 16, 2013.

 Tuition Exchange scholarship candidates must apply for admission to each member institution they wish to attend and complete any financial assistance documents required by that institution.

#### **Selection Process**

Up to 10 dependent children who are planning to enter their first year of college the following academic year will be selected from the applicant group each academic year as candidates eligible to apply for Tuition Exchange scholarships. Applicant decisions will be made following review of the application submitted by the deadline. All eligible applicants will be notified of their status no later than December 21.

First priority will be given to applicants whose sponsoring employee has the greatest length of employment service at Boston University. Length of service is based on years of continuous full-time service at Boston University. Among the applicants whose sponsoring employees have the same length of continuous service, priority will be determined by whether another dependent of the employee has used the scholarship. If all selection criteria are equal, a lottery system will be used. Applicants who are not selected will be placed on a wait list using length of service and will be notified if an opening becomes available.

Once a Tuition Exchange scholarship has been awarded, enrollment must be re-certified annually by the Boston University Tuition Exchange Liaison Officer. Certification must be confirmed for returning students no later than January 15 prior to the beginning of the next academic year. Renewing Tuition Exchange students must meet all required academic and behavioral standards of the admitting institution to qualify for re-certification. Completion of the application form for participation in the Tuition Exchange Program does not guarantee selection as a candidate, nor admission to the selected participating institutions. Selection as a candidate eligible to receive a Tuition Exchange scholarship also does not guarantee final selection as a Tuition Exchange scholarship recipient. Final selection is determined by the Tuition Exchange member institution. Your dependent children must meet admission requirements of participating Tuition Exchange institutions and are subject to all academic rules, regulations, and fees which may apply. They must also be accepted by the Tuition Exchange institution as an "import" student eligible for a Tuition Exchange scholarship.

In the event that any or all of the top qualified applicants are unable to enroll at an institution participating in the Tuition Exchange Program in the year of application, eligibility will be offered to applicants on the wait list.

Special Provisions Protecting Benefits for Dependent Children Once Your Dependent Children Begin Receiving Benefits If you retire from the University at age 55 or later and have completed 10 or more years of continuous full-time service with the University after age 45, your eligible unmarried dependent children may continue to receive tuition exchange benefits in an undergraduate degree program pursuant to terms specified herein.

If you should die while employed at the University, or are receiving disability benefits from the University's Long-Term Disability Plan, your eligible unmarried dependent children may continue to receive Tuition Exchange benefits through the semester subject to the program's

limits, as long as they remain eligible. In subsequent semesters, your years of continuous full-time service up to the time when you became disabled or die will be used to determine the number of additional semesters, up to a maximum of 8 semesters/12 trimesters, for which each child is eligible in accordance with the following table:

Employee's years of continuous full-time service	Number of semesters per child
3 but less than 6	2
6 but less than 9	4
9 but less than 10	6
10 or more	8

#### Paid Leaves of Absence and Sabbaticals

Tuition Exchange benefits continue while you are on an approved leave of absence with pay. Tuition Exchange benefits also continue if you are a faculty member on an approved sabbatical with pay. In addition, the period of time you are on leave of absence or sabbatical will count toward any service requirements specified in the program.

# Administrative Information About the Program

#### Type of Program

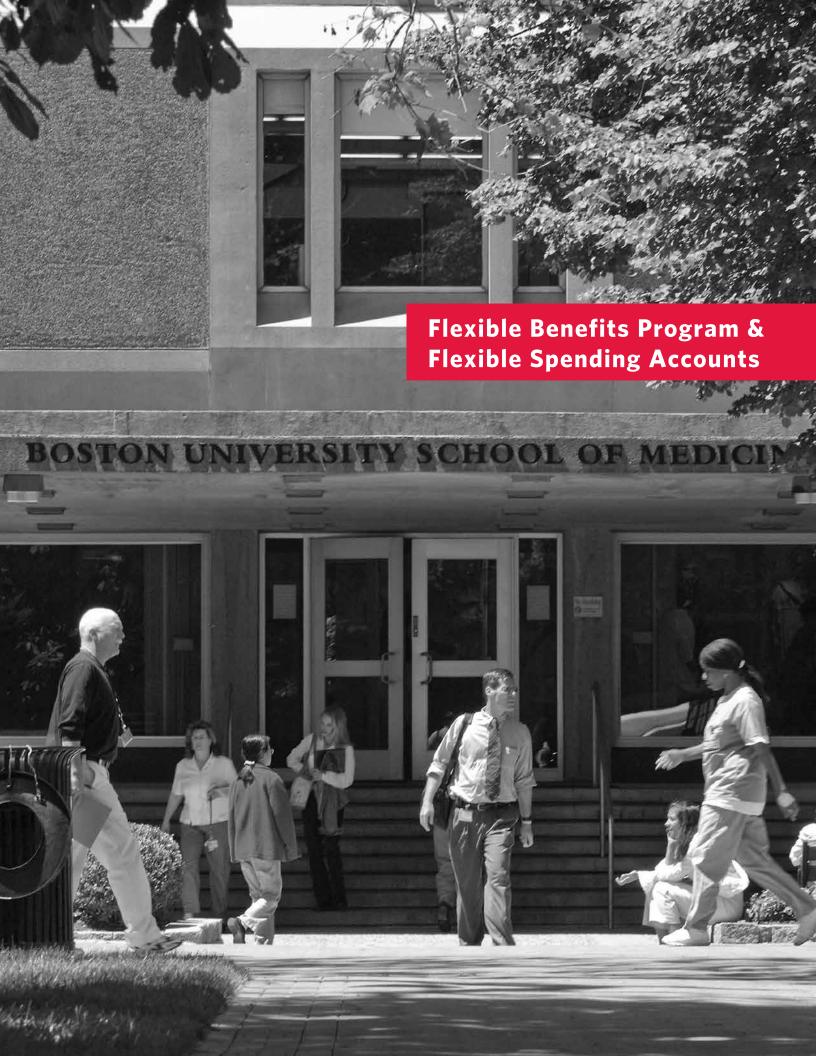
The Boston University Tuition Exchange Program is an unfunded educational assistance program. It is not subject to the provisions of the Employment Retirement Income Security Act (ERISA) of 1974.

#### **Program Amendment or Termination**

Boston University intends to continue the Tuition Exchange Program indefinitely; however, the University reserves the right in its discretion to amend, suspend, or terminate the program at any time.

#### For Additional Information

For additional information concerning the Tuition Exchange Program, contact the Benefits Section of Human Resources.



he Flexible Benefits Program offers you a substantial tax savings opportunity. It allows you to pay for eligible expenses using tax-free dollars—money taken out of your paycheck before income or Social Security taxes have been deducted.

The Flexible Benefits Program has three components:

- Automatic Before-Tax Health Care and Accident Insurance Contributions
   If you enroll in the Boston University Health Plan, the Boston
   University Dental Health Plan, or elect coverage under the Personal
   and Family Accident Insurance Plan, your share of the cost for these
   plans will automatically be deducted from your paycheck on a before tax basis.
- Flexible Spending Account—Dependent Care This account allows you to set aside before-tax dollars to help pay for day care services for your eligible dependents.
- Flexible Spending Account—Health Care This account allows you to set aside before-tax dollars to help pay for certain uninsured health care expenses.

Because of its tax-exempt features, the Flexible Benefits Program is strictly regulated by the federal government. If you would like to participate in the program, please read this section carefully, and also discuss how the program may benefit you with your own tax advisor or financial planner.

### **Eligibility**

You are eligible to participate in the Flexible Benefits Program if you are a regular employee of the University and your annual base salary is \$10,000 or more.

# **How the Program Works**

The Flexible Benefits Program allows you to use your annual base salary to your best advantage.

It offers the following components:

- Automatic Before-Tax Health, Dental, and Accident Insurance Contributions If you participate in the Boston University Health Plan, the Boston University Dental Health Plan, or elect coverage under the Personal and Family Accident Insurance Plan, you will automatically pay your insurance premiums with before-tax dollars. The Flexible Benefits Program does not change the eligibility, benefits, or other features of those plans; it just offers a way to pay the required employee premiums on a before-tax basis. (For information concerning these plans, read the "Health Plan," "Dental Plan," and "Survivor" sections of this handbook.)
- Flexible Spending Account—
   Dependent Care This voluntary reimbursement account is designed to help you pay for the cost of care for your eligible dependents.
- Flexible Spending Account—Health
  Care This voluntary reimbursement account is designed to help
  you pay for the cost of health

care expenses not covered by a group insurance plan.

Under current tax laws, contributions to the Flexible Benefits
Program are free from federal income taxes, state income taxes, and Social Security taxes.

# **Participation**

## Automatic Before-Tax Health, Dental, and Accident Insurance Contributions

If you elect coverage under any of the previously mentioned health, dental, and survivor insurance plans, your participation in this component of the Flexible Benefits Program is automatic. This means that your premium payments will be deducted from your paycheck using beforetax dollars.

# Dependent and Health Care Flexible Spending Accounts (FSAs)

Participation in these accounts is voluntary. You can choose to enroll in one or both. After you enroll, a dependent care reimbursement account and/or a health care reimbursement account will be established in your name and your contributions will be taken from your salary, using before-tax dollars.

### **Enrollment**

# Automatic Before-Tax Health and Accident Insurance Contributions

You enroll in the Automatic Before-Tax Health, Dental, and Accident Insurance Contributions component of the Flexible Benefits Program at the same time you enroll in group coverage under the eligible health, dental, and accident insurance plans. Enrollment forms are available from the Benefits Section of Human Resources.

## Flexible Spending Accounts (FSAs)

The open enrollment period for these accounts will be held each year from mid-November to mid-December or such earlier period as the Plan Administrator may specify.

If you enroll during an open enrollment period, your participation will become effective on the following January 1. If you are hired after the close of an open enrollment period, you will have 30 days from your benefit orientation date to enroll. In both cases, participation will continue through the following plan year:

- FSA—Dependent Care Plan Year—January 1 to December 31
- FSA—Health Care Plan Year— January 1 to March 15 of following year

When you complete a Flexible Spending Account enrollment, you must indicate the total amount of money you wish to put into the account during the plan year.

Once you have enrolled, your choices remain in effect until the next open enrollment period, unless:

- There is a Qualified Change in your family or employment status (examples of qualified changes are listed under "Changing or Stopping Your Contributions"), or
- You become ineligible to participate in the Flexible Benefits Program for any reason.

#### **Contributions**

# Before-Tax Health, Dental, and Accident Insurance Contributions

Your contributions are your portion of the cost for your coverage under the health, dental, and accident insurance plans you elect. Maximum contributions under this component of the Flexible Benefits Program are the sum of your monthly premiums for the plan year.

# Flexible Spending Account (FSA) Contributions

You may contribute up to \$5,000 to the FSA—Dependent Care and up to \$5,000 to the FSA—Health Care. (Beginning in 2013, the maximum will be reduced to \$2,500 for FSA—Health Care.) However, tax law rules may limit your FSA—Dependent Care maximum (see the heading "Maximum Contributions" later in this section).

# Changing or Stopping Your Contributions

Under current IRS regulations, you may change your participation status in the Flexible Benefits Program only during the annual open enrollment period or as the result of a Qualified Change in your family or employment status.

Qualified Changes include:

- Marriage
- · Birth or adoption of a child
- Start or loss of your spouse's employment
- Change in employment status (for you or your spouse) from part-time to full-time or from full-time to part-time
- Divorce
- Death of your spouse or other dependent

- Retirement
- Your death
- Leave of absence or sabbatical for you or your spouse
- Termination of your employment with Boston University

The change in your participation or contributions must be because of and consistent with the Qualified Change and must meet all IRS requirements for changing your election. You may not change from one health plan option to another at any time other than the annual Open Enrollment Period. You will have 30 days from the date the Qualified Change occurs to notify the Benefits Section of Human Resources and make any changes.

Your change will generally become effective on the effective date of the qualifying event except as otherwise required by law.

# Tax Advantages of the Program

The Flexible Benefits Program provides an opportunity for you to pay eligible health and dependent care expenses on a before-tax basis.

Advantages for Dependent Care
 Expenses Under the Internal
 Revenue Code, you can obtain
 a tax advantage for dependent
 care expenses by paying for
 them with the tax-free dol lars you put into your FSA—
 Dependent Care or by claiming
 them as a tax credit on your federal income tax return forms.

You Cannot Use Both Methods for the Same Expenses The amount you contribute to a FSA—Dependent Care will reduce, dollar-for-dollar, the amount you may claim as a tax credit. Consult a tax advisor for details.

If You Pay Federal Income Taxes,
Social Security Taxes, and
Massachusetts State Income
Taxes In many cases, the FSA—
Dependent Care will be more
advantageous than the federal
dependent care tax credit,
depending upon income level and
number of dependents.

We encourage you to talk to a tax advisor to help you determine whether the FSA—Dependent Care or the federal dependent care tax credit is more advantageous to you.

• Advantages for Health Care Expenses The FSA—Health Care will be appropriate for you if you expect to have eligible uninsured medical expenses below 7.5% of your adjusted gross income in the coming calendar year. Expenses below this level are not deductible for federal income tax purposes. As a result, the FSA—Health Care may offer you an advantage which you cannot duplicate on your tax return.

Of course, your own tax situation will dictate exactly what the Flexible Spending Accounts can do for you. For more specific information about how these Flexible Spending Accounts may apply to you, we encourage you to talk to a tax advisor.

# Potential Impact on Your Social Security Income

Your participation in the Flexible Benefits Program will have the effect of reducing your Social Security taxable wages by the value of your designated salary reduction amount. This results in an immediate tax savings to you. It could also serve to reduce your future Social Security benefits.

# How Flexible Spending Accounts Work

- You estimate what your uninsured medical and/or dependent care expenses will be for the coming year, and designate that amount on the appropriate enrollment form. You should estimate conservatively because amounts not used for eligible expenses during a plan year must be forfeited (this is an IRS rule).
- The amount you elect to contribute will come out of your paycheck in equal installments for the number of pay periods you designate.
- The portion of your salary that goes into an account will not count as taxable income, so you have an immediate tax savings.
- When you have an eligible expense, you file a claim to get reimbursed. You are responsible for paying providers; reimbursement checks will be made out in your name.
- Under federal law, if you make contributions to a reimbursement account which are not used to pay for eligible expenses incurred during that plan year, you will forfeit the unused balance after the end of the plan year.
- Also, expenses incurred before your participation commences or after you cease participation cannot be reimbursed.

# **Account Statements**

Reports showing your current account balance will be issued periodically. You should monitor your account closely toward the end of each plan year.

#### How to File a Claim

Claims for reimbursement may be filed at any time and must represent expenses incurred during the current plan year while you were participating in the Plan. Expenses incurred before you enroll cannot be reimbursed. A claim is "incurred" when the services relating to that claim were provided.

Claim forms are available from the Benefits Section of Human Resources or from the website at www.bu.edu/hr/home/forms/benefit-forms. When you complete a claim form, include any information or documentation required for the verification of health or dependent care expenses. You must submit an original invoice, or if you have paid in advance, an original receipt with your claim form.

Claim forms received by the 10th of a month will be processed that month. You will be reimbursed in the last paycheck of the month in which your claim form was received.

- For dependent care expenses, you
  will be reimbursed up to the balance in your account at the time
  your claim is submitted. If the
  expenses you submit are greater
  than your account balance,
  you will be reimbursed up to
  your account balance. Qualified
  expenses that were submitted
  but not paid will be carried over
  to the next month, and an additional payment will be issued to
  you during the next regular processing cycle.
- For health care expenses, you can be reimbursed up to the amount you choose to contribute (reduced by any prior reimbursements for the plan year).

Treatment of Year-End Expenses You have until March 31 following the

end of a given plan year to submit claims for reimbursement of expenses incurred during that plan year. Account balances remaining after that date will, by law, be forfeited. You may not use current plan year account balances to pay for expenses incurred in a prior plan year. Prior plan year expenses must be paid with prior plan year account balances. Also, unused amounts cannot be carried over and used to reimburse expenses incurred in a later year.

# If You Should Leave Boston University:

- FSA—Dependent Care You may continue to submit claims for reimbursement of eligible dependent care expenses incurred through the last day of your employment at Boston University. However, such claims must be submitted no later than March 31 following the end of that calendar year. Any account balances remaining after that date will, by law, be forfeited.
- FSA—Health Care In certain circumstances, you may elect to continue your participation in your account through federal health care coverage continuation provisions under COBRA but only to the extent required by COBRA. To do so, you must make your election within 60 days after the end of the month in which you leave Boston University. If you elect to continue your participation, your contributions will be made with after-tax dollars.

If you elect to discontinue your participation, your account balance will be frozen as of the date your employment ends. You may continue to submit claims for reimbursement of expenses incurred through the last day of your employment. However,

such claims must be submitted no later than March 31 following the end of that calendar year. Any account balance remaining after that date will, by law, be forfeited.

# If You Should Become Totally Disabled or Die

You or your survivors may continue to submit claims for expenses incurred before the time of total disability or death. However, such claims must be submitted no later than March 31 following the end of that calendar year. Any account balances remaining after that date will, by law, be forfeited.

### **Use of Forfeitures**

Forfeited account balances will remain part of the University's assets. Under no circumstances may any forfeitures be used to directly benefit any individual plan participant.

#### **Information to Remember**

Flexible Spending Accounts have some limitations. These limitations are based on federal regulations required because of the tax-exempt feature of the accounts. For example:

• You must re-enroll in the accounts during each annual open enrollment period. You do this by completing new enrollment forms. If you do not complete a new enrollment, your participation in the accounts will cease at the end of the plan year, and you will not be able to enroll again until the next open enrollment period (unless there is a Qualified Change in your family status).

- Flexible Spending Accounts can be used only for the purposes for which they are set up—that is, dependent care expenses or health care expenses, respectively.
- Your decisions regarding how much money you will contribute to the accounts for the plan year are fixed (unless there is a Qualified Change in your family status). You cannot choose to stop, reduce, or increase your contributions during the plan year.
- If the full values of the accounts are not used up during the plan year, you forfeit the remaining balances.

Because of the requirement to forfeit any unused account balances, Flexible Spending Accounts should be used only for predictable expenses. You should, therefore, estimate conservatively.

Following are specific details concerning the Dependent and Health Care Flexible Spending Accounts.

# Flexible Spending Account— Dependent Care

The FSA—Dependent Care is designed to help you pay for the cost of eligible expenses for the care of qualified dependents incurred in the calendar year during which and while you participate in this plan. An expense is "incurred" when the services relating to that expense were provided.

Because your individual situation determines whether or not the account is appropriate for you, we urge you to consult a tax advisor before enrolling in a FSA Dependent Care.

Eligible Expenses cover Qualifying Services to Qualifying Individuals.

Qualifying Services are workrelated dependent care services performed in order for you and your spouse, if you are married, to remain employed or look for work.

Qualifying Services can be provided:

- In your home
- Outside of your home, provided the dependent regularly spends at least eight hours per day in your household, or the dependent is under 13 years of age
- By a dependent care center or facility if it provides care to six or more individuals (excluding residents of the center) and receives a fee, payment, or grant for the services. These services qualify only if the center complies with all the applicable state and municipal laws and regulations.

You must make payments for child and dependent care to someone you (and your spouse) cannot claim as a dependent. If you make payments to your child, he or she cannot be your dependent and must be age 19 or older by the end of the year. You cannot make payments to:

- a. Your spouse
- b. The parent of your qualifying individual if your qualifying individual is your child and under age 13

Child and dependent care expenses must be work-related to qualify. Expenses are considered workrelated only if both of the following are true:

- They allow you (and your spouse if you are married) to work or look for work.
- They are for a qualifying individual's care.

Qualifying nursery school expenses can be reimbursed, but kindergarten and grade school tuition expenses and the cost of overnight camp cannot be.

If qualifying care is provided in your home, the provider could be a housekeeper, nanny, live-in, or other individual, as long as his or her primary job is to provide qualifying dependent care services. In such cases, eligible expenses may include food and lodging for the caregiver.

#### Qualifying Individuals are:

- Your qualifying child who is your dependent and who was under age 13 when the care was provided;
- 2. Your spouse who was not physically or mentally able to care for himself or herself and lived with you for more than half the year; or
- A person who was not physically or mentally able to care for himself or herself, lived with you for more than half the year, and either:
- a. Was your dependent, or
- b. Would have been your dependent except that:
- i. He or she received gross income of \$3,500 or more,
- ii. He or she filed a joint return, or

iii. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's income tax return.

### If You Are Divorced or Separated

If you are divorced or legally separated, or if you and your spouse lived apart for the last six months of the calendar year, your children under the age of 13 will generally be considered your dependents if you had custody of them for the greater portion of that calendar year. Consult your own tax advisor for more information.

#### **Maximum Contributions**

Federal tax laws place limitations on the amount you can contribute to a FSA—Dependent Care each plan year.

If you are:	Your maximum contribution is:
Single or married filing jointly	\$5,000
Married filing separately	\$2,500

#### **Other Contribution Limitations**

- If you are married, your contributions are limited to the least of the following:
- Your earned income (after reductions in pay for contributions to other benefit plans) for the plan year; or your spouse's earned income for the plan year.

Under federal law, if your spouse is not employed during a month that you incur eligible dependent care expenses, because he/she is a full-time student or is totally incapacitated, your spouse's earned income for that month will be treated as being either:

- \$250 if you incurred eligible expenses for one Qualifying Individual; or
- \$500 if you incurred eligible expenses for two or more Qualifying Individuals.
- 2. If you are single, your contributions may not be in excess of your earned income (after reductions in taxable pay for contributions to other benefit plans) for the plan year.
- 3. The federal maximum contribution limit applies to contributions made to this and other dependent care reimbursement accounts you or your spouse participate in during a given year. Therefore, if you start working at Boston University after the beginning of the plan year and would like to participate in the Dependent Care Reimbursement Account, you must consider any contributions made to your previous employer's dependent care plan when determining your maximum contribution limit for this account.

#### **Filing Claims**

You can be reimbursed from your account once a month by filing a claim form with the Benefits Section of Human Resources.

You do not have to pay for eligible dependent care expenses before being reimbursed for them. However, the Plan Administrator may ask you to verify your claims and can withhold payment if you do not forward the requested information.

**Note:** *IRS* regulations require substantiation of claim.

When you file claims for eligible dependent care expenses, you must include a Taxpayer Identification Number (TIN) for each provider. An individual's TIN is typically his or her Social Security number. Also, when you file your tax return, you will have to include a special form that will include the name(s) and TIN(s) of your caregiver(s). For additional information concerning TINs, contact the Benefits Section of Human Resources.

If you file a claim and it is denied, in whole or in part, you have a right to appeal the denial. Information about a denial of benefits is included in the "Administrative Information" section of this handbook.

# Flexible Spending Account— Health Care

The FSA—Health Care is designed to help you pay for eligible health care expenses incurred by you and your dependents in the plan year during which and while you participate in this plan. A claim is "incurred" when the services relating to that claim were provided.

### **Eligible Health Care Expenses**

Before opening a FSA—Health Care, you should be reasonably certain you will have eligible health care expenses during the year. As a guideline for the amount you should budget, you may wish to consider your health plan deductibles and the out-of-pocket expenses you might have to pay during the year.

Eligible expenses are those that are medically necessary and that are not covered by insurance; these generally include:

- Deductibles and coinsurance
- Unreimbursed dental care expenses
- Orthodontic treatment
- Vision care expenses, including eyeglasses and exams
- Routine physical exams
- Hearing aids and hearing care expenses
- Prescription drugs
- Over-the-counter medications for which you have a prescription
- Chiropractor services
- Osteopath services
- Podiatry services
- Medical equipment
- Acupuncture
- · Nursing care
- Organ transplants
- Convalescent home expenses for medical treatment
- Drug treatment center expenses
- Kidney donor expenses
- Institutional care required for a health condition (not custodial care only)
- Seeing Eye dog expenses
- Special expenses for physically and mentally handicapped children
- Laboratory examinations and tests

In addition, other health care expenses considered tax deductible under Section 213 of the Internal Revenue Code may be eligible for reimbursement through your account (but health insurance premiums are not eligible for reimbursement). However, any health care expenses you have deducted or intend to deduct on your income tax return cannot be submitted for reimbursement.

#### **Maximum Contributions**

You may elect to set aside any amount in your FSA—Health Care up to \$2,500 a plan year.

#### **Filing Claims**

You can be reimbursed from your account as often as once a month by filing a claim form with the necessary substantiation with the Benefits Section of Human Resources.

**Note:** *IRS* regulations require substantiation of claim.

If you file a claim and it is denied in whole or in part, you have a right to appeal the denial. Information about appealing a denial of benefits is included in the "Administrative Information" section of this handbook.

### **Leaves of Absence**

If you leave work for any reason for a prolonged period of time, you should always contact the Benefits Section of Human Resources to ask what effect your absence may have on your participation in this and other University-sponsored benefit plans.

- Leave of Absence with Pay If you are granted a leave of absence with pay, your participation will continue, provided your usual payroll deductions continue. If you wish to discontinue your participation, you may do so by obtaining the necessary forms from the Benefits Section of Human Resources or from the website at www.bu.edu/hr/home/forms/benefit-forms/.
- Leave of Absence Without Pay If you are granted a leave of absence without pay, you may continue your participation during your leave with limitations. The Benefits Section of Human Resources will provide you with the necessary information and forms to either continue or discontinue participation in this program during an unpaid leave of absence.

# When Your Program Participation Ends

Your participation in the Flexible Benefits Program ends the day your employment with the University terminates. It will also end when your status as a regular employee ends or, for the reimbursement accounts, if you do not re-enroll during the annual open enrollment period.

At that time you can be reimbursed for eligible expenses that were incurred before your date of termination of employment or other termination of participation.

# Closing Thoughts

The Flexible Benefits Program can be a valuable tool in your financial planning. You can realize significant tax savings by paying for eligible benefit expenses with before-tax dollars.

Every effort will be made to help you identify eligible expenses for reimbursement; however, Boston University cannot provide you with legal or tax advice. Also, the University will not be responsible if the treatment of a reimbursement amount is later challenged by the IRS.

The Flexible Benefits Program is intended to qualify under Section 125 of the Internal Revenue Code and other applicable Code Sections. Boston University reserves the right to modify or terminate the program at any time (including a change in the applicable tax laws).



ou have a variety of other benefits available as an employee of Boston University. These include:

- Child Care Facilities
- DASH for Health
- Economic Security Planner
- Faculty/Staff Assistance Office
- Family Resources Office
- Fitness & Recreation Center
- Income Solutions®
- New England Eye Benefit
- Personal Insurance Program
- QuitNet
- Real Estate Services
- Metro Credit Union

These benefits are provided to help you and your family live life to its fullest, both personally and professionally.

Finally, the University contributes toward additional benefits that have been established under state and federal statutes. These statutory benefits include Social Security, Unemployment Compensation, and Workers' Compensation.

# Child Care and Preschool Education Programs

Boston University offers two child care and preschool education programs:

 The Boston University Children's Center, Inc., has full-time and part-time programs for children two to six years old. For additional information and application forms, contact:

The Director
Boston University Children's
Center, Inc.
32 Harry Agganis Way
Boston, MA 02215
Phone: 617-353-3413

 The Early Childhood Learning Lab, a nursery school for children two years and nine months to five years old, is operated by the School of Education. Learning Lab programs run morning sessions, Monday through Friday. For additional information and application forms, contact:

The Director
Early Childhood Learning Lab
Boston University School of
Education
605 Commonwealth Avenue
Boston, MA 02215
Phone: 617-353-3410

Space in both programs is limited. If you are interested in them, we encourage you to talk to the directors as early as possible.

# **DASH** for Health

This program is designed to help you eat better, exercise better, lose weight, and lower blood pressure; it was developed by physicians at BU and Boston Medical Center.

# What is DASH for Health?

DASH for Health is an online nutrition and weight loss program that is FREE to all Boston University employees and up to three of their adult household members. Its aim is to help you learn better eating and exercise habits and it was designed right here at BU by a team of doctors and nutritionists lead by Dr. Tom Moore, on the Medical Campus.

New information is provided on the DASH website twice each week. Articles cover food, food preparation, eating out, losing weight, getting fit, and much more. In addition to providing new information each week, you have a web page especially for you where you can track progress in areas such as your weight, food intake, blood pressure, and exercise. The program has been tested with several thousand people and there is good evidence that people who use the program successfully reduce their weight, lower their blood pressure, and improve their eating habits. It's recommended by the American Heart Association.

#### **DASH Eatina**

All nutrition advice is based on the DASH Diet—a diet with more scientific proof behind it than any other eating plan. The DASH Diet is a well-balanced, easy-to-understand way of eating that gives you lots of choices, and it is scientifically proven to help you lose weight and lower blood pressure and cholesterol levels.

#### How do I Enroll?

To learn more about DASH for Health, go to www.bu.edu/hr/benefits/health-wellness/dash-for-health and enter your BU username and Kerberos password. You will see

the link that will connect you to the DASH for Health website where you can take a tour of the program and get more information about enrolling.

# **Economic Security Planner**

# Free for Boston University Employees—Two Versions Available

Traditional financial planning asks you to do all the hard work. It makes you set your own saving and life insurance targets. This puts you at risk. Set your targets too low and you'll under-save and under-insure. Set them too high and you'll oversave and over-insure.

Economic Security Planner (ESPlanner™), developed by Boston University Professor Laurence Kotlikoff and other leading economists, finds the right targets. It calculates your family's highest sustainable living standard and the amounts you need to save and insure to maintain that living standard through time.

- ESPlannerBASIC—a simplified on-line version of this lifetime, financial planning software. To learn more about ESPlannerBASIC, go to www. bu.edu/hr/benefits/finances/ retirement-planning-resourcestools/esplanner-financial-planning-tools and enter your BU login and Kerberos password. You will press the LOGIN button on the ESPlannerBASIC website. Once you create your personal account, you can return to it whenever you wish. Your information will be kept secure and confidential.
- ESPlannerPLUS—a detailed downloadable version of the

software is available at www. bu.edu/hr/benefits/finances/retirement-planning-resourcestools/esplanner-plus-financial-planning-software.

To learn more about ESPlanner and examine research studies based on ESPlanner, please visit www. esplanner.com.

# Faculty & Staff Assistance Office

The Boston University Faculty & Staff Assistance Office provides confidential counseling and referral services. It is available to you and your family members if you are experiencing personal, family, or work-related problems. Services are available without charge and include:

- Consultation
- Problem assessment
- Short-term psychotherapy
- Referral resource information

If you have a problem and are in doubt about the wisest course of action, we encourage you to contact the program. In response to your call, a counselor will meet with you to discuss your problems and consider solutions. If additional specialized counseling proves necessary, a referral will be made. Inquiries are confidential; no one will know you have used the Faculty & Staff Assistance Office unless you tell them.

For additional information or to schedule an appointment, call 617-353-5381. Appointments are generally scheduled between 9 a.m. and 5 p.m., Monday through Friday. After-hours appointments may be arranged upon request.

# **Family Resources Office**

The Family Resources Office is committed to helping Boston University faculty and staff become knowledgeable and informed about child care and elder care by providing a resource and referral service. For further information, contact the director at 617-353-5954.

# **Fitness & Recreation Center**

The Fitness & Recreation Center has membership plans and programming designed specifically for faculty and staff. Come work out, learn a new skill, recreate with your family, and enjoy over six acres of world-class fitness and recreation under one roof, including:

- Faculty/staff locker rooms and saunas
- Competition and recreation pools
- 8,000-square-foot fitness center
- Dance theater
- Elevated jogging track
- Racquetball and squash
- Seven courts of gymnasia
- 35-foot climbing wall
- Juice bar and lounge with wireless internet access
- Hundreds of recreational classes (at a significantly reduced rate if you are a member) in yoga, fitness, dance, martial arts, cycling, swimming, and much, much more.

The Fitness & Recreation Center offers highly competitive membership plans for faculty/staff, as well as spouses and dependents.

The Fitness & Recreation Center is located at 915 Commonwealth Avenue. Contacts: 617-353-2748, www.bu.edu/fitrec.

### **Income Solutions**

Income Solutions<sup>®</sup> is an income annuity purchase program. It is part of the Hueler Companies, which is a leading technology and research firm located in Minneapolis, Minnesota.

How Can Income Solutions Help

You? When you are ready to begin receiving your retirement income, an income annuity is one option you may want to explore. Income Solutions provides you with the tools necessary to easily convert all or a portion of your retirement assets into an annuity which provides a steady income stream you cannot outlive. Since Income Solutions is offered through Boston University, you are able to purchase income annuities at a group discount or wholesale prices compared to those offered in the retail marketplace.

An annuity is a long-term contract between an annuitant and an insurance company in which the annuitant receives income payments at regular intervals from a fixed date for a specific fixed period of time and/or until death in return for the premium that the annuitant pays to the insurance company.

# Use the Annuity Income Calculator

By accessing Income Solutions through Boston University's website, you will be able to use the income calculator. After you answer several questions, estimates for each of the immediate fixed income annuity options available through Income Solutions will be provided along with a definition of each type. You may want to try calculating several scenarios before determining which best meets your personal circumstances. Once you have an idea of what your needs are and which annuity option(s)

may make sense for you, you may request quotes.

Request Quotes Income Solutions provides you with a platform in which you can receive quotes from a broad group of high-quality insurance companies that participate in the Income Solutions program. Every quote request is competitively bid across the participating insurance companies to ensure that retirees receive the best available annuity quotes. All annuity quotes are provided on equal terms, ensuring comparison.

There is no cost to you to use the annuity income calculator or to request quotes; however, if you purchase an annuity through Income Solutions, Hueler Companies will receive a specified fee which is disclosed at the Income Solutions site.

How to Access Income Solutions For more information, log on to www. bu.edu/hr/benefits/finances/retirement-planning-resourcestools/income-solutions.

You will need to log on with your BU Kerberos password.

If you have any questions, please contact the Benefits Section of Human Resources at hrben@bu.edu or call 617-353-4488 or 617-353-5459.

# **New England Eye Benefit**

BU employees and their family members receive an enhanced eye care benefit through New England Eye (NEE) at the Commonwealth Avenue and Roslindale full-service eye clinics. NEE offers a full range of eye care services including comprehensive eye care exams, pediatric and vision therapy services, optical services, contact lens and cornea services, low vision and rehabilitative services, consultative ophthalmology, and laser vision correction evaluations.

# Features of the benefit:

 40% discount on eyewear and competitive pricing on contact lenses.

New England Eye is the patient care subsidiary of The New England College of Optometry.

For more information, contact New England Eye at 617-262-2020 or visit their website at www.newenglandeye.org.

#### **Personal Insurance**

This program offers a special discount on the cost of automobile and homeowners insurance for Massachusetts residents. It is currently underwritten by Liberty Mutual. You are eligible to participate in the program if you are a Massachusetts resident, provided you have not failed to pay an automobile insurance premium during the past 12 months. Enrollment is completely voluntary and is handled directly by Liberty Mutual.

### Coverage includes:

- Automobile coverage through a group discount plan
- Homeowners and renters insurance
- Umbrella coverage
- Premium payment by payroll deduction or monthly home billing (premium payments are on an after-tax basis)

For more information, contact Liberty Mutual at 1-888-480-4566 or go to www.libertymutual.com/ buemployee.

### QuitNet

QuitNet is an Internet-based service designed to help individual tobacco users through the quitting process. Launched as a smoking cessation service on the Web in 1995, QuitNet was created by Nathan Cobb, MD, and further developed at Boston University School of Public Health. QuitNet is now managed by Healthways.

Boston University faculty and staff and their family members who register with QuitNet can receive free stop-smoking medications. Participants may select from the Nicoderm Patch, Nicorette Gum, or Commit Lozenge for convenient home delivery.

QuitNet members may choose from the following support services:

- Comprehensive online support from QuitNet's website
- Expert support
- Printed guide to quitting
- Quit Tips email support delivered to your inbox

For more information, log on to www.bu.edu/hr/benefits/health-wellness/quitnet and select the "introduction" link. You will be able to view screen shots of pages on the QuitNet website before you join QuitNet.

If you decide that you want to join QuitNet, you can enroll yourself or your family members by going to www.bu.edu/hr/benefits/health-wellness/quitnet and clicking on the "log in" link. You will need to log on with your BU Kerberos password.

If you have any questions, please contact the Benefits Section of Human Resources at hrben@bu.edu or call 617-353-4488 or 617-353-5459.

# **Real Estate Services**

- Assistance with home finding and selling
- Mortgage services
- Relocation and moving services

For more information, contact the Real Estate Advantage Program at 1-800-396-0960.

### **Metro Credit Union**

Join 11,000 Boston University faculty, staff, students, and other supporters by becoming a member of Metro Credit Union (www. metrocu.org/home/home). As a member, you have access to numerous financial services, including checking accounts, savings accounts, IRAs, and auto and home loans. The Credit Union also provides financial calculators and other helpful tools.

Metro Credit Union is another University resource for you and your family. Employees, retirees, students, and all family members are eligible to become a Metro Credit Union member. And at Metro Credit Union, you stay a member for life—even if you retire or leave Boston University.

For more information, please call 1-877-MYMETRO or visit the Credit Union's main branch, located on the Charles River Campus at 922 Commonwealth Avenue. The Credit Union also has an office on the Medical Campus at 710 Albany Street.

# **Additional Benefits**

In addition to your Boston University benefits, federal and state laws require employers to provide you with certain other benefits. These statutory benefits include Social Security, Unemployment Compensation, and Workers' Compensation.

Boston University pays the entire cost of Unemployment Compensation and Workers' Compensation and also contributes to the cost of your Social Security benefits.

Statutory benefits may provide you and your family with financial assistance, in addition to University-sponsored benefits, when you are injured on the job, become disabled, retire, or die.

#### **Social Security**

The Social Security Act provides a range of programs to afford you a basic level of benefits in the event of your retirement, death, or disability. Most of these benefits are financed by payroll taxes.

Your Social Security benefits include:

- Retirement insurance
- Survivors' insurance
- Disability insurance
- Medicare
- Supplemental security income

Social Security benefits are adjusted frequently, and the rules and regulations change. You should contact your local Social Security office to obtain the latest information about the benefits to which you may be entitled.

# **Unemployment Compensation**

The University pays the Commonwealth of Massachusetts the cost of your unemployment compensation. You may be eligible to receive unemployment compensation benefits if you lose your job through no fault of your own. Unemployment compensation is coordinated through the Massachusetts Division of Unemployment Assistance, which determines your eligibility.

## Workers' Compensation

Massachusetts Workers' Compensation laws prescribe certain medical, hospital, disability compensation, rehabilitation, and death benefits to be paid in the event of injury or death due to work-related accidents or illnesses. Boston University pays the full cost of insurance to cover these benefits. You are automatically covered by this insurance while you are employed by the University.

If you are injured while you are at work, report the injury to your supervisor immediately. Remember, minor injuries (which at the time may seem trivial, but may later require medical attention) may also be covered, provided they are reported when they occur.

# **Severance Pay Plan**

A severance pay plan is available to eligible staff members. See your Employee Handbook for further details.



Il of the plans described in the previous sections of this handbook are sponsored and administered by Boston University. These plans were designed to provide you with an outstanding benefits package—one that is comprehensive and also responsive to the needs of all employees.

This section provides information regarding the administration of your benefits. It also explains your rights under the Employee Retirement Income Security Act of 1974 (ERISA).

### **About the Plans**

# **Sponsor for the Plans**

All of the plans described in this handbook are sponsored by the employer, Boston University, Boston, Massachusetts.

### Boston University's Employer Identification Number

For identification purposes, the Internal Revenue Service has assigned number 04-2103547 to Boston University. You will need to know this number if you write to a government agency about any of the plans.

# Types of Plans, Plan Numbers, and Plan Years

In addition to the University's Employer Identification Number, you need to know the following information:

- Types of Plans The plans described in this handbook are characterized by the federal government as either Defined Contribution Plans or Welfare Plans.
- Plan Numbers Boston University has assigned Plan Numbers to all of the plans.
- Plan Years The financial records of all plans are kept on a Plan Year basis. The Type of Plan, Plan Number, and Plan Year for each plan are listed on the following pages.

# **Administrator for All Plans**

The day-to-day administration of all plans is handled by the Benefits Section of Human Resources. However, if you have a question or a problem that cannot be resolved by the Benefits Section of Human Resources, you should contact the Plan Administrator.

The Plan Administrator for all plans can be reached by contacting:

Plan Administrator The Trustees of Boston University 25 Buick Street Boston, MA 02215 Phone: 617-353-4489

# Funding and Administration of All Plans

Boston University pays the entire cost of many of the benefit plans described in this handbook. In some cases you and the University share the cost. In others, you pay the entire cost.

Following is an explanation of how the plans are funded and who is responsible for paying benefits:

Defined Contribution
 Plans Contributions to the
 Retirement Plan and the
 Supplemental Retirement and
 Savings Plan go to the following
 investment entities, which hold
 the plan's assets and are responsible for paying benefits from
 the participants' accounts. The
 addresses and telephone numbers of these offices are:

Fidelity Investments Tax-Exempt Services Company (Fidelity) 82 Devonshire Street Boston, MA 02109 Phone: 1-800-343-0860

Teachers Insurance and Annuity Association (TIAA) 730 Third Avenue New York, NY 10017 Phone: 1-800-842-2733

College Retirement Equities Fund (CREF) 730 Third Avenue New York, NY 10017 Phone: 1-800-842-2733

Name of Plan	Type of Plan	Plan Number	Plan Year
Boston University			
Retirement Plan	Defined Contribution	002	January 1-December 31
Supplemental Retirement			
and Savings Plan	Defined Contribution	005	January 1-December 31
Boston University Health Plan	Welfare	502	January 1-December 31
Boston University Dental			
Health Plan	Welfare	703	January 1-December 31
Long-Term Disability Plan	Welfare	507	February 1-January 31
Basic Life Insurance Plan	Welfare	504	January 1-December 31
Group Supplemental Life			
Insurance Plan	Welfare	510	January 1-December 31
Travel Accident Insurance Plan	Welfare	505	May 1-April 30
Personal and Family			
Accident Insurance Plan	Welfare	506	January 1-December 31
Supplemental Death			
Benefit Plan	Welfare	509	July 1-June 30
Tuition Remission Program	Welfare	701	January 1-December 31
Flexible Benefits Program	Welfare	702	January 1-December 31
Automatic Before-Tax			
Health, Dental, and Accident			
Insurance			
Contributions Flexible Spending Account—			
Dependent Care			
Flexible Spending Account—			
Health Care			January 1-March 15 of following year
Severance Pay Plan	Welfare	704	January 1-December 31

• Welfare Plans Contributions to the Health Plan go to the following providers, who are responsible for processing claims for benefits. The addresses and telephone numbers of these processors are:

Blue Cross Blue Shield of Massachusetts Landmark Center 401 Park Drive Boston, MA 02215 1-800-814-4371

Medco/Express Scripts 100 Parsons Pond Drive Franklin Lakes, NJ 07417 1-800-230-0508

You pay for your portion of the cost of your health plan coverage with before-tax dollars.

Contributions to the Dental Health Plan are used by the University for paying plan benefits. The address and telephone number of the Dental Health Plan are:

Blue Cross Blue Shield of Massachusetts Landmark Center 401 Park Drive Boston, MA 02215 1-800-814-4371

Contributions to the Basic and Group Supplemental Life Insurance Plans go to The Prudential Insurance Company of America. Basic and Group Supplemental Life Insurance benefits are paid by Prudential through a contract it has with Boston University. The address and telephone number of the Prudential administrative office are:

The Prudential Insurance Company of America 800 Boylston Street, 14th Floor Boston, MA 02199 1-800-778-3827 You pay for the cost of your Group Supplemental Life Insurance Coverage with after-tax dollars.

Contributions to the Travel Accident Insurance Plan and the Personal and Family Accident Insurance Plan go to The Hartford. Benefits are paid by The Hartford through a contract it has with Boston University. The address and telephone number of the company's administrative office are:

The Hartford Group Benefits P.O. Box 2999 Hartford, CT 06104-2999 1-888-747-8819

You pay for the cost of your Personal and Family Accident Insurance coverage with before-tax dollars.

Long-Term Disability Plan benefits are processed by Liberty Mutual through a contract it has with the University. The address and telephone number of Liberty Mutual are:

Liberty Mutual P.O. Box 1525 Dover, NH 03821 1-800-210-0268, ext. 58535

Contributions to the Dependent Care and Health Care Flexible Spending Accounts are credited to your accounts by the University. Your contributions to these accounts are made with pre-tax dollars. The University is responsible for paying Flexible Spending Account benefits.

Finally, Accidental Death Benefit, Severance Pay Plan, and Tuition Remission Program benefits are paid out of the general assets of Boston University.

# **Agent of Legal Service**

The agent for the service of legal process for all plans is:

University Counsel 125 Bay State Road Boston, MA 02215

Legal process may be served on the plan administrator.

#### **Fraudulent Claims**

Submission of a claim for benefits under any of the plans described in this handbook includes a representation that the claim is bona fide and, to the best knowledge of the employee, dependent, or other claimant, proper for payment. Submission of a fraudulent or knowingly false claim by an employee or an employee's dependent participating in a plan will be grounds for disciplinary action against the employee or for termination of participation by the employee and/ or covered dependent(s) under the plan.

# Claims for Benefits/Appealing a Denial of Claims for Benefits

At the end of each benefit description contained in this handbook. there is a section that explains how to apply for benefits. When you apply for benefits, there are time periods within which you must receive a decision on your claim for benefits. If you or your beneficiary applies for benefits and either part or all of the request is denied, you have the right to appeal that decision, provided the appeal is made in accordance with the provisions of the plan and applicable laws (e.g., appeals must be filed within required time periods). Appeals are generally decided by the provider of the benefit involved, which is the insurance carrier or vendor for most benefits, or the University or its Plan Administration Committee for some benefits.

## Appeals to Insurance Carriers/ Claims Administrators/Other Vendors

For the following plans, appeals regarding benefits or other issues affecting plan participants or other persons should be made directly to the applicable provider under the Plan:

- The Health Plan
- The Dental Health Plan
- The Basic and Group Supplemental Life Insurance Plan
- The Travel Accident and Personal and Family Accident Insurance Plan
- The Long-Term Disability Plan

Details of claims and appeal procedures may vary, but generally the following procedures apply:

 If a claim for benefits is either wholly or partially denied, you

- will be notified in writing. The notice will state the reasons why the claim was denied and the deadline for requesting review, which is different for different types of plans and/or claims.
- If you wish to appeal, you are entitled to review all documents pertaining to your claim free of charge and may also submit comments pertaining to your claim.
- Your appeal of the denial should be addressed to the carrier as directed in the denial of benefits notice.
- The applicable provider will decide the claims and appeals in the time and manner required by law.
- Unless a different time period applies, claims will be decided within 90 days (180 days if special circumstances apply) and appeals for denied claims must be filed within 60 days of denial. A decision must be made within 60 days (or 120 days if special circumstances are present and you are notified).
- There are different time periods for filing and appealing claims for the Health Plan, Dental Health Plan, and Long-Term Disability Plan. Please refer to the Benefits Handbook sections for these plans for the specific time periods.

# Claims and Appeals to the University

For the following plans, appeals regarding benefits or other issues affecting plan participants or other persons should be made to the University's Plan Administration Committee:

• Supplemental Death Benefit

- The Boston University Retirement Plan
- The Supplemental Retirement and Savings Plan
- The Flexible Benefits Program
- The Severance Pay Plan

For the Tuition Remission Plan, appeals regarding benefits or other issues affecting plan participants or other persons should be made to the Office of the Senior Vice President and General Counsel.

For claims and appeals to the University's Plan Administration Committee, the following procedures will apply:

- If a claim for benefits is either wholly or partially denied, you will be notified in writing within 90 days after receipt of your claim (180 days if special circumstances apply). The notice will state:
  - o the reasons why the claim was denied,
  - the specific references in the plan document that support those reasons,
  - the information you must provide to verify your claim and the reasons why that information is necessary,
  - the Plan's review procedures, including your right to bring a civil action following an adverse benefit determination on review,
  - o and the deadline for requesting review.
- After receiving the notice, you or your beneficiaries may request, in writing, a review of your claim by the University's Plan Administration Committee or Senior Vice President and

General Counsel, as applicable, by submitting an appeal to:

Plan Administration Committee (or Senior Vice President and General Counsel), c/o Plan Administrator, Boston University Human Resources, 25 Buick Street, Boston, MA 02215.

- Your appeal of a denied claim must be submitted within 60 days after your claim has been denied. You (or your representative) may review Plan documents and submit issues and comments orally, in writing, or both.
- The Plan Administration Committee (or Senior Vice President and General Counsel) will conduct a full and fair review of your claim and appeal, and notify you of the final decision regarding your appeal within 60 days (120 days if special circumstances apply) after your request for review is received. The decision will be in writing and will include the specific reasons and the plan references on which the decision is based.

Appeals may be submitted to the following carriers:

The Health Plan

Blue Cross Blue Shield Member Grievance Program Blue Cross Blue Shield of Massachusetts One Enterprise Drive Quincy, MA 02171-2126 1-800-814-4371

Medco/Express Scripts Health Solutions of Irving Attn: Administrative Reviews 8111 Royal Ridge Parkway Irving, TX 75063 1-800-230-0508

#### • The Dental Plan

Blue Cross Blue Shield Member Grievance Program Blue Cross Blue Shield of Massachusetts One Enterprise Drive Quincy, MA 02171-2126 1-800-814-4371

 The Group Life Insurance Plan and the Group Supplemental Life Insurance Plan

The Prudential Insurance Company of America 800 Boylston Street, 14th Floor Boston, MA 02199 1-800-778-3827

 Travel Accident Insurance Plan and the Personal and Family Accident Insurance Plans

The Hartford Group Benefits P.O. Box 2999 Hartford, CT 06104-2999 1-888-747-8819

The Long-Term Disability Plan

Liberty Mutual P.O. Box 1525 Dover, NH 03821 1-800-210-0268, ext. 58535

# **Documents and Laws Governing All Plans**

The plan descriptions contained in this handbook were written from the documents that legally govern how the plans work.

In the event of any discrepancy between the plan descriptions in this handbook and the controlling contracts or plan documents, the language in the controlling contracts or plan documents will govern. If you would like a copy of any of these documents, please contact the Benefits Section of Human Resources.

The plans are also regulated by applicable provisions of applicable laws, which will govern in the event of any conflict between the law and the terms of the plans as described in either the documents or in the summary plan description.

# Equal Opportunity/Affirmative Action Policy

Since its founding in 1869, Boston University has been dedicated to equal opportunity and has opened its doors to students without regard to race, sex, creed, or other irrelevant criteria. Consistent with this tradition, it is the policy of Boston University to promote equal opportunity in educational programs and employment through practices designed to extend opportunities to all individuals on the basis of individual merit and qualifications, and to help ensure the full realization of equal opportunity for students, employees, and applicants for admission and employment. The University is committed to maintaining an environment that is welcoming and respectful to all.

Boston University prohibits discrimination against any individual on the basis of race, color, religion, sex, age, national origin, physical or mental disability, sexual orientation, genetic information, military service, or because of marital, parental, or veteran status. This policy extends to all rights, privileges, programs, and activities, including admissions, financial assistance, educational and athletic programs, housing, employment, compensation, employee benefits, and the providing of, or access to, University services or facilities. Boston University recognizes that non-discrimination does not ensure that equal opportunity is a reality. Accordingly, the University will continue to take affirmative action to

achieve equal opportunity through recruitment, outreach, and internal reviews of policies and practices.

The coordination and implementation of this policy is the responsibility of the Director of Equal Opportunity. The officers of the University and all deans, directors, department heads, and managers are responsible for the proper implementation of equal opportunity and affirmative action in their respective areas, and they are expected to exercise leadership toward their achievement. It is expected that every employee of Boston University will share this commitment and cooperate fully in helping the University meet its equal opportunity and affirmative action objectives.

Boston University has developed detailed procedures, described in its Complaint Procedures in Cases of Alleged Unlawful Discrimination or Harassment (www.bu.edu/eeo/policies-procedures/complaint), by which individuals may bring forward concerns or complaints of discrimination and harassment. Retaliation against any individual who brings forward such a complaint or who cooperates or assists with an investigation of such a complaint is both unlawful and strictly prohibited by Boston University.

Inquiries regarding this policy or its application should be addressed to the Director of Equal Opportunity, Equal Opportunity Office, 25 Buick Street, Boston, MA 02215, 617-353-9286.

# Amendment or Termination of the Plans

Boston University intends to continue maintaining the plans described in this handbook for the exclusive benefit of its employees. However, the University reserves the right to change or discontinue any of them, and to implement changes as required by federal, state, or local laws.

You will be informed of any material changes that are made to the plans. If a plan is terminated, your rights, on the date of the termination, would be governed by the provisions of the plan document.

## Your Rights Under ERISA

The following Boston University benefit plans are subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA):

- Health Plan
- Dental Health Plan
- Long-Term Disability Plan
- Basic Life Insurance Plan
- Group Supplemental Life Insurance Plan
- Travel Accident Insurance Plan
- Personal and Family Accident Insurance Plan
- Supplemental Death Benefit
- Retirement Plan
- Supplemental Retirement and Savings Plan
- Flexible Benefits Program
- Severance Pay Plan

ERISA provides the participants in these plans with certain rights and protections. The following statement is included here so that you will be aware of your rights under the law.

#### Under ERISA:

 You may examine, without charge, at the Benefits Section of Human Resources and at other specified locations, during normal business hours, all plan documents relating to the plans in which you participate. The documents that must be available for your review include insurance contracts, plan and trust documents, collective bargaining agreements, and all documents filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration, for example, detailed annual reports.

- If you wish, you may request your own copies of these plan documents by writing to the Benefits Section of Human Resources. You may have to pay a reasonable charge to cover the costs of copying.
- You will receive summaries
   of the plans' annual financial
   reports each year, free of charge.
   The administrator for the plans
   is required by law to furnish each
   participant with a copy of these
   summary annual reports.
- You may request a statement of your vested benefits under the Boston University Retirement Plan and the Supplemental Retirement and Savings Plan. This statement will be given to you free of charge and may be requested once each year.
- You have a right to receive a copy of any material change to a plan within 210 days of the plan year in which the change is adopted.

### Continue Health and Dental Coverage

You may continue health care or dental care coverage for yourself, your spouse, or your dependents if there is a loss of coverage under the Health Plan or Dental Health Plan as a result of a qualifying event. You or your dependents may have to pay for such coverage. Review the applicable section of this handbook and the documents governing the Health Plan and Dental Health Plan on the rules governing your COBRA continuation coverage rights.

You may reduce or eliminate exclusionary periods of coverage for preexisting conditions under the Health Plan, if you have creditable coverage from another plan. You should be provided a certificate of creditable coverage, free of charge, from your group health plan or health insurance issuer when you lose coverage under the Health Plan, when you become entitled to elect COBRA continuation coverage, when your COBRA continuation coverage ceases, if you request it before losing coverage, or if you request it up to 24 months after losing coverage. Without evidence of creditable coverage, you may be subject to a preexisting condition exclusion for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

#### **Plan Fiduciaries**

Besides giving you certain rights as a participant, ERISA places certain duties upon the people who are responsible for the management of the above-mentioned plans. These people are called "fiduciaries" under the law, and they have the duty to act prudently and in your best interests.

Under ERISA, no one may fire you or discriminate against you to prevent you from obtaining a plan benefit or exercising your rights under ERISA.

### **Enforcing Your Rights**

If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have a right to obtain copies, without charge, of documents relating to the decision, and to appeal any denial all within certain time schedules.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 for each day's delay until you receive the materials, unless the materials were not sent for reasons beyond the administrator's control. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with a plan's decision or lack thereof concerning the qualified status of a domestic relations order or medical child support order, you may file suit in federal court. If it should happen that plan fiduciaries misuse plan money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file suit in a federal court.

In a lawsuit, the court normally decides who pays the court costs and legal fees. If you are successful, the other party might have to pay. But, if you lose, the court might order you to pay these costs and fees, especially if the court finds your claim to be frivolous.

### Assistance with Questions

If you have any questions about this statement of your rights under ERISA, contact the Benefits Section of Human Resources. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest area office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, NW, Washington, DC 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

#### **A Final Note**

This handbook presents a summary of Boston University's benefits for faculty and staff. It is designed as a quick reference source and is not intended to cover every point of policy. In certain instances, the University may exercise discretion, with respect to the administration of the plans described in this handbook. For more in-depth information, contact the Benefits Section of Human Resources.

Periodically, the University may make changes in policy that may not be reflected immediately in this handbook.

Again, for complete and up-to-date information about any policy or benefit, you should contact the Benefits Section of Human Resources.

**Please note:** The policies described in this handbook are not intended to create an employment contract between Boston University and its employees. Therefore, they do not alter the University's rights regarding discharges and layoffs.

