

# **RUAN**

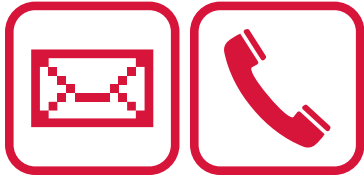
2013 Employee Benefits Guide



Human Resources Hotline: 1-800-845-6675

**benefit:**  
something  
that aids or  
promotes  
well-being

Our success depends on the health and well-being of each and every one of our team members. When you thrive, we thrive.



## Contact Information

### Wellmark Blue Cross Blue Shield

Customer Service: **1-800-211-6773** or [www.wellmark.com](http://www.wellmark.com)

BlueCard PPO Network: **1-800-810-BLUE** or [www.bcbs.com](http://www.bcbs.com)

Flexible Spending Accounts: **1-800-624-2755** or [www.wellmark.com/flex](http://www.wellmark.com/flex)

Report a Lost or Stolen Flex Debit Card: **1-866-679-7649**

Personal Health Assistant 24/7: **1-800-724-9122**

### Delta Dental

Customer Service: **1-800-544-0718** or [www.deltadentalia.com](http://www.deltadentalia.com)

### VSP

Customer Service: **1-800-877-7195** or [www.vsp.com](http://www.vsp.com)

### Disability

Disability Claims: **1-800-262-3283**

Employee Assistance Program: **1-800-356-7089** or [www.magellanhealth.com/member](http://www.magellanhealth.com/member)

### Principal Financial Group

401(k) TeleTouch: **1-800-547-7754** or [www.principal.com](http://www.principal.com)

### Bankers Trust

Health Savings Account: **1-800-362-1688** or [www.bankerstrust.com](http://www.bankerstrust.com)

### *Ruan Human Resources*

Toll-Free: **1-800-845-6675**

Fax: **515-558-3497**

[www.ruan.com/benefits](http://www.ruan.com/benefits)

*This guide is intended to provide an overview of the benefits available to you. Please note that not all plan provisions, exclusions and limitations have been included. Details of your **Benefits By Choice** plan can be found in the Summary Plan Descriptions (SPDs) or in the company's Administration Manual. If there are any discrepancies between this document and the plan document(s), the plan document(s) will govern in all cases.*

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# Overview

## Core Benefits

All eligible full-time employees receive core benefits free of charge after 60 days of employment. This includes:

### Life Insurance

Ruan provides one times your annual salary (up to \$50,000) in life insurance, including Accidental Death and Dismemberment. You also receive \$1,000 in spousal life insurance.

### Accidental Death and Dismemberment (AD&D)

For accidental injuries or death, Ruan may provide your beneficiary up to one times your annual salary (up to \$50,000). If your death results from an auto-related accident and you were wearing your seat belt, your beneficiary will receive an additional \$10,000 benefit.

### Short-term Disability (STD)

You may be eligible to receive STD benefits after a seven-day waiting period for non-work-related illnesses or injuries. The plan pays a weekly benefit up to \$200 for qualified drivers, mechanics and warehouse workers. Benefits for exempt and hourly administrative workers will be a percentage of wages based on years of service. STD benefits may continue for up to 26 weeks from the date of disability. For employees in California, Rhode Island, New York, New Jersey and Hawaii, the plan may supplement state-provided benefits, up to the amount you would receive if you were covered only by Ruan.

### Long-term Disability (LTD)

If you exhaust all of your STD benefits and remain ill or injured from a non-work-related condition, you may be eligible for LTD benefits. LTD benefits equal 50 percent of your weekly wages, minus all other sources of income (Social Security, individual policies, etc.).

### Paid Time Off

Ruan provides six paid holidays each year. In addition, employees receive earned vacation based on years of service.

### Wellness Reimbursement

Employees and covered spouses may have 50 percent of their expenses reimbursed (up to \$200 per year per family) when they participate in an exercise, smoking cessation or weight loss program.

### Tuition Reimbursement

After one year of service, employees may have 75 percent of their actual tuition expenses (after scholarships, grants and awards) reimbursed up to \$2,000 per year when they take courses that are job related or qualify them for advancement within the company.

### Employee Assistance Program

This Employee Assistance Program is a 24 hours a day, seven days a week resource that offers consultation, information and personalized community referrals. It provides assistance for family, financial, legal and work issues, emotional well-being and more.

# Flexible Benefits

You may elect flexible benefits and pay your portion of the premium through payroll deduction.

## **Medical**

Ruan offers three medical and prescription drug plans from which to choose. All medical plans are administered by Wellmark Blue Cross Blue Shield and utilize the worldwide BlueCard PPO network. Premium discounts are available if all covered members under the plan are smoke- and tobacco-free.

## **Dental**

Ruan offers two comprehensive dental options. Differences among the two options include employee cost, deductibles, co-insurance, annual maximums and lifetime orthodontia maximums.

## **Vision**

Ruan's vision plan provides allowances toward an annual exam and hardware expenses once per year.

## **Health Savings Account (HSA)**

When paired with our Basic plan, an HSA provides a tax-free medical savings account that carries over year-to-year. Participation is voluntary, and contributions may be made through payroll direct deposit.

## **Flexible Spending Account (FSA)**

Employees may place money aside on a pre-tax basis to cover out-of-pocket health or dependent care expenses. There is a two-and-a-half month grace period available on the medical FSA to use any remaining balance at the end of the plan year. Any unused funds at the end of the grace period will be forfeited.

Employees electing the Choice Savings medical plan are automatically enrolled in a company funded health care FSA to help members pay for out-of-pocket medical expenses.

## **Supplemental Life Insurance**

Employees may purchase additional life and AD&D benefits in increments of \$10,000 up to five times their annual wages (maximum \$500,000). Those employees who purchase life insurance for themselves may also purchase life insurance for their spouse and/or children.

## **Supplemental Short-term Disability (STD)**

Drivers, mechanics and warehouse workers may purchase additional STD coverage equal to 60 percent of their annual wages (minus the core benefit). If approved by the insurance carrier, the plan may supplement state-provided benefits, up to the amount you would receive if you were covered only by Ruan.

## **Supplemental Long-term Disability (LTD)**

Employees may supplement their core benefit by purchasing additional LTD coverage equal to 60 percent of their annual wages (minus the core benefit and all other sources of income).

## **401(k) Retirement Plan**

Ruan's 401(k) plan provides both pre-tax and Roth after-tax savings toward a retirement account. Eligibility begins on the first pay period following 60 days of employment. Company matches begin the first pay period after one year of employment. New hires will automatically be enrolled at 3 percent pre-tax and invested in the T. Rowe Price Retirement Fund unless instructed otherwise by the employee.

# Eligibility and Waiting Periods

## Eligibility

Regular full-time employees who have completed 60 days of service are eligible to participate in the **Benefits By Choice** program. Employees may also enroll dependents in medical, dental, vision and life insurance coverage. Eligible dependents include you:

- Spouse
- Dependent children under age 26
- Incapacitated, dependent adult children (subject to medical approval)

## Enrollment

Newly hired eligible employees have **60 days from their hire/re-hire date to enroll** in **Benefits By Choice** with coverage effective on the 61st day. Once you elect benefits and coverage begins, **your elections must remain in place for the remainder of the calendar year**. You will have the option each fall during open enrollment to add, drop or change your elections for the following year.

If you sign up after your 60-day enrollment period (late enrollee), you may only elect medical, dental and vision benefits at that time. Coverage will be effective on the day you enroll. In addition, late enrollees have a longer pre-existing condition exclusion period and must wait for open enrollment to sign up for other benefits.

Certain family events may allow you to enroll in the plan, or add/drop dependents to an existing election, other than when first hired or at open enrollment. These family status events, or special enrollment periods, allow you to make related changes within 30 days of the family event unless otherwise indicated. Qualified family status events include:

- Marriage or divorce
- Birth or adoption of a child (submit change within 90 days to enroll a newborn)
- Death of a spouse or child
- Loss of a dependent or gain of a dependent for tax purposes
- Former dependent again meets the plan definition of dependent
- A change in your spouse's employment
- Loss of other coverage, including COBRA
- Eligibility for Medicare
- An unpaid leave of absence by you or your spouse
- A change from full-time to part-time employment status or vice versa by you or your spouse (eligibility requirements may still apply)
- A significant plan change to the coverage your spouse received due to his/her work
- The employee's or dependent's Medicaid or state children's health insurance program coverage is terminated as a result of loss of eligibility (submit change up to 60 days from loss of coverage)
- The employee or dependent becomes eligible for a premium assistance subsidy under Medicaid or a state children's health insurance program (submit change within 60 days of when eligibility is determined)

**It is your responsibility to enroll within the appropriate deadlines.** Failure to enroll in a timely manner may limit your options, extend your pre-existing condition exclusion period and/or require you to wait for the next open enrollment period. If you have any questions regarding enrollment into the plan, please contact Human Resources at 1-800-845-6675.

## Frequently Asked Questions

### Where can I find additional details, forms and/or provider listings regarding my benefits?

There are several ways to access information, including:

- **Ruan Intranet Portal** — provides enrollment materials, claim forms, insurance carrier information and links to provider networks. From the homepage, simply click on “Employee Benefits” and follow the related links.
- **www.ruan.com/benefits** — educational tools and a link to online enrollment are available for you and eligible family members to view and/or print 24 hours a day, seven days a week.
- **Insurance companies** — ask detailed questions about a specific plan. Each insurance company’s name, phone number and website are listed on the inside cover of this booklet.
- **Summary Plan Descriptions (SPDs)** — each insurance plan has a written certificate describing the program in detail. All SPDs are located on the Intranet Portal and reflect the most current plan provisions. You may also request an SPD from Human Resources at 1-800-845-6675.
- **Ruan Human Resources** — to ask general questions or request printed materials, simply call the Human Resources Hotline at 1-800-845-6675 during business hours.

### If my employment status changes, when will my benefits end?

If you change from full-time to part-time status or if your employment terminates for any reason, your **benefit coverage will cease at the end of the pay period in which you last worked as a full-time employee**. At that time, you have the right to elect COBRA continuation benefits. If you change from part-time to full-time status, coverage may begin after completing 60 days of full-time employment from the most current hire/re-hire date. If you are on an approved leave of absence, your benefits may continue for up to 12 weeks provided you pay the employee portion of your benefits.

### How do my benefit elections affect my taxes?

Many of your **Benefits By Choice** elections are paid for on a pre-tax basis. This means the cost of certain benefits will come out of your paycheck before any federal or state income taxes or Social Security taxes are withheld. This reduces the amount of your taxable income, meaning you owe less tax. Pre-tax benefit deductions are indicated on your paystub with an asterisk (\*).

### Which medical plan is right for my family and me?

Ruan cannot make this decision for you; however, we can provide the information you need to make an educated decision. While all plans offer quality health care, choosing between them depends on your personal and family situation.

The **Basic** plan is provided free of charge if all covered members do not smoke or use tobacco. This qualified high deductible health plan (HDHP) allows employees to add a tax-free health savings account (HSA) for qualified medical expenses. It is designed for those who desire greater control of their family’s health care while still providing a safety net for unforeseen or catastrophic events.

The **Choice Savings** plan provides a consumer-driven health plan combined with a company funded flexible spending account (FSA). A flex debit card will be issued to help pay for out-of-pocket health care expenses such as deductibles, prescription drug co-pays, dental and vision expenses. A premium discount is available if all covered members are smoke- and tobacco-free.

The **Premier** plan offers no deductible and lower co-pays, co-insurance and out-of-pocket maximums. This plan is designed to provide a higher level of coverage for those who have serious medical conditions or anticipate high medical expenses. The Premier plan also comes with a higher price tag; however, a premium discount is available if all covered members are smoke- and tobacco-free.

### If I elect a medical plan, do I also have to elect dental and vision?

No. Under **Benefits By Choice**, each benefit option is an independent election. This allows you to pick and choose the coverages you need to create a custom benefits program to meet the needs of you and your family.

# Health Care Options

## Medical Coverage

Ruan offers several medical options, allowing employees to choose the plan that best meets their needs.

	Premier		Choice Savings Single		Choice Savings Family	
	You Pay In-Network PPO	You Pay Out-of-Network	You Pay In-Network PPO	You Pay Out-of-Network	You Pay In-Network PPO	You Pay Out-of-Network
<b>Office Visits</b>	\$15 co-pay	30%	\$0 after deductible/OPM	0% after deductible/OPM	\$0 after deductible/OPM	0% after deductible/OPM
<b>Preventive Services*</b>	\$0	30%	\$0	\$0 after deductible/OPM	\$0	\$0 after deductible/OPM
Annual Exam	\$0	30%	\$0	\$0 after deductible/OPM	\$0	\$0 after deductible/OPM
Mammogram	\$0	30%	\$0	\$0 after deductible/OPM	\$0	\$0 after deductible/OPM
Colonoscopy	\$0	30%	\$0	\$0 after deductible/OPM	\$0	\$0 after deductible/OPM
* This benefit applies to services provided based on evidence-informed preventive care, including those rated A or B in the current recommendations of the U.S. Preventive Services Task force. Does not apply to services not directly related to preventive care, even if provided during the same visit. A preventative exam or procedure that becomes diagnostic must apply to the deductible. Examples include a colonoscopy that finds and removes a polyp or a mammogram that discovers a lump.						
<b>Annual Deductible</b>	\$0		\$2,000 single	\$3,000 single	\$4,000 family	\$6,000 family
<b>Hospital Inpatient*</b>	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
Physician Services	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
Hospital Services	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
*Must obtain Pre-Admission Certification. Failure to do so will result in a 50% benefit payment.						
<b>Hospital Outpatient</b>	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
Physician Services	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
Hospital Services	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
<b>Emergency Room*</b>	\$50 co-pay, then 10%	\$50 co-pay, then 30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
* Emergency Room co-pay waived if admitted to hospital. You must obtain Pre-Admission Certification within two working days following admission. Out-of-network provider claim(s) may be processed at in-network level if a true medical emergency.						
<b>Ambulance*</b>	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
* Out-of-network claim(s) may be processed at in-network level if a true medical emergency.						
<b>Chiropractic Care</b> (\$400/yr limit)	\$15 co-pay	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
<b>Maternity Care</b>	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
Inpatient/Outpatient	\$15 co-pay	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
Office Visits	\$15 co-pay	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
<b>Well Baby Care</b> (Up to 24 months)	\$0	\$0	\$0	\$0	\$0	\$0
<b>Infertility Treatment*</b>	10%	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
Inpatient/Outpatient	\$15 co-pay	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
Office Visits	\$15 co-pay	30%	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM	\$0 after deductible/OPM
*no coverage for transfer procedures.						
<b>Out-of Pocket Maximum</b>	\$1,500 single \$3,000 family	\$2,000 single \$4,000 family	\$2,000 single	\$3,000 single	\$4,000 family	\$6,000 family

### Notations:

- 1) Mental Health and Chemical Dependency claims are processed under the medical plan and are subject to the same office co-pays, deductibles and/or co-insurance.
- 2) Even though a facility may be in-network, some of the providers within may be out-of-network.
- 3) A complete listing of all plan benefits and exclusions is available in the Summary Plan Description (SPD).



	Basic Single		Basic Family	
	You Pay In-Network PPO	You Pay Out-of-Network	You Pay In-Network PPO	You Pay Out-of-Network
<b>Office Visits</b>	\$30 co-pay after deductible	30% after deductible	\$30 co-pay after deductible	30% after deductible
<b>Preventive Services*</b>	\$0	30% after deductible	\$0	30% after deductible
Annual Exam	\$0	30% after deductible	\$0	30% after deductible
Mammogram	\$0	30% after deductible	\$0	30% after deductible
Colonoscopy	\$0	30% after deductible	\$0	30% after deductible
	<i>* This benefit applies to services provided based on evidence-informed preventive care, including those rated A or B in the current recommendations of the U.S. Preventive Services Task force. Does not apply to services not directly related to preventive care, even if provided during the same visit. A preventative exam or procedure that becomes diagnostic must apply to the deductible. Examples include a colonoscopy that finds and removes a polyp or a mammogram that discovers a lump.</i>			
<b>Annual Deductible</b>	\$2,500 single		\$5,000 family	
<b>Hospital Inpatient*</b>	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Physician Services	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Hospital Services	20% after deductible	30% after deductible	20% after deductible	30% after deductible
	<i>*Must obtain Pre-Admission Certification. Failure to do so will result in a 50% benefit payment.</i>			
<b>Hospital Outpatient</b>	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Physician Services	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Hospital Services	20% after deductible	30% after deductible	20% after deductible	30% after deductible
<b>Emergency Room*</b>	\$100 co-pay after deductible, then 20%	\$100 co-pay after deductible, then 30%	\$100 co-pay after deductible, then 20%	\$100 co-pay after deductible, then 30%
	<i>* Emergency Room co-pay waived if admitted to hospital. You must obtain Pre-Admission Certification within two working days following admission. Out-of-network provider claim(s) may be processed at in-network level if a true medical emergency.</i>			
<b>Ambulance*</b>	20% after deductible	30% after deductible	20% after deductible	30% after deductible
	<i>*Out-of-network claim(s) may be processed at in-network level if a true medical emergency.</i>			
<b>Chiropractic Care</b> (\$400/yr limit)	\$30 co-pay after deductible	30% after deductible	\$30 co-pay after deductible	30% after deductible
<b>Maternity Care</b>	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Inpatient/Outpatient	\$30 co-pay after deductible	30% after deductible	\$30 co-pay after deductible	30% after deductible
Office Visits	\$30 co-pay after deductible	30% after deductible	\$30 co-pay after deductible	30% after deductible
<b>Well Baby Care</b> (Up to 24 months)	\$0	\$0	\$0	\$0
<b>Infertility Treatment*</b>	20% after deductible	30% after deductible	20% after deductible	30% after deductible
Inpatient/Outpatient	\$30 co-pay after deductible	30% after deductible	\$30 co-pay after deductible	30% after deductible
Office Visits	\$30 co-pay after deductible	30% after deductible	\$30 co-pay after deductible	30% after deductible
	<i>*no coverage for transfer procedures.</i>			
<b>Out-of Pocket Maximum</b>	\$4,000 single	\$5,000 single	\$8,000 family	\$10,000 family

**Notations:**

- 1) Mental Health and Chemical Dependency claims are processed under the medical plan and are subject to the same office co-pays, deductibles and/or co-insurance.
- 2) Even though a facility may be in-network, some of the providers within may be out-of-network.
- 3) A complete listing of all plan benefits and exclusions is available in the Summary Plan Description (SPD).

**Important Facts About High Deductible Plans**

While both the Basic and Choice Savings plans look similar to a traditional PPO plan, there are significant differences in the way the deductible is applied. Under both plans, **ALL medical services and prescription drugs are subject to the deductible**, with the exception of preventive care services or medications.

In addition, single deductible amounts are not allowed under an Employee + One or Family election. **The family unit as a whole must reach the higher family deductible before insurance benefits will begin on any one member.**

**Coordinating High Deductible Plans with Medical Savings Accounts**

The Basic plan is a qualified high deductible plan, allowing members to voluntarily participate in a health savings account (HSA).

Employees in the Choice Savings plan are automatically enrolled in a company funded health care flexible spending account (FSA). Those eligible for the health care FSA may not contribute to an HSA.

### BlueCard PPO Networks

Employees who are covered under a Ruan medical plan have a special link to Blue Cross Blue Shield's BlueCard PPO network throughout the world. Therefore, should you or covered dependents require medical care while away from home, you may still conveniently access the network. By using a network BlueCard PPO provider, you receive in-network savings, a higher benefit paid by the company, and claims are filed automatically. Non-network providers may charge above Usual, Customary and Reasonable (UCR) prices and will most likely require that you pay the entire amount up front and seek reimbursement yourself. In some instances, providers participate by filing claims for you but do not provide network discounts. Even though a facility may be in-network, some of the providers within the facility may not be PPO or participating providers. Therefore, you should verify that your doctor, hospital or health care provider is a network "BlueCard PPO provider" before receiving services.

### Locating Your BlueCard PPO Network Providers

Directories are not printed for each employee; however, a current listing is easy to access. Simply call **1-800-810-BLUE** for a verbal listing or visit the Blue Cross Blue Shield website at [www.bcbs.com](http://www.bcbs.com) to view and/or print a custom directory. Both provide 24 hours a day access to the most current listing of in-network providers in your area. **Search tip:** For new employees who have not yet received an insurance ID card, use "RUA" when asked for the first three letters of the ID number.

### Pre-existing Condition Exclusion Notice

Ruan's medical plans will not cover any health conditions you may have had prior to your hire date for the first 12 months; or, if you are a late enrollee, the plan will not cover any health conditions you may have had prior to your effective date for the first 18 months. This restriction is called a pre-existing condition exclusion period. (Note that this restriction does not apply to prescription benefits.) A pre-existing condition can only apply to conditions for which medical advice, diagnosis, care or treatment was recommended or received within the six-month look-back period prior to your hire date (or effective date if you are a late enrollee). To better understand the timeline regarding your pre-existing condition exclusion period, please review the example below:



*Please note: A late enrollee will start his or her exclusion period on the first day of active health coverage and will have an extended exclusion period of 18 months.*

The following are **not** considered pre-existing conditions:

- Pregnancy
- Conditions found in a member under the age of 19
- Conditions discovered as a result of genetic testing, but which have not manifested themselves in conditions requiring treatment

In accordance with the Health Insurance Portability and Accountability Act (HIPAA), Ruan will reduce the length of your exclusion period by subtracting any prior creditable health coverage. However, if your health coverage was interrupted for 63 days or more, such coverage will not be counted. Any period of time that you had to wait to be eligible under an employer's plan is not considered a break in coverage.

When enrolling in the plan for the first time, you should provide Ruan with a “Certificate of Creditable Coverage” stating the beginning and ending periods for which you had prior creditable coverage. Creditable health coverage is:

- A group health plan
- Health insurance coverage
- Part A or B of Medicare
- Medicaid, except coverage solely for pediatric vaccines
- The Indian Health Service
- The Peace Corps Act
- A state health benefits risk pool
- State children’s health insurance programs
- A public health plan
- Public plans of foreign government
- Chapter 55 of title 10, health coverage for current or former members of the armed forces and their dependents
- Chapter 89 of title 5, health insurance for federal employees and their dependents

You have the right to provide evidence of creditable coverage, including any waiting periods that were applied. You may request a former employer, plan sponsor, health insurer or HMO to provide you with a Certificate of Creditable Coverage documenting the periods you had health coverage. If you are having trouble obtaining a certificate or have questions regarding your HIPAA portability rights, please contact Human Resources at 1-800-845-6675.

### **Maintenance of Benefits**

If an employee or dependent is covered by more than one plan, the plan that covers the individual as primary pays its benefits first. Any unpaid portion of the claim can be submitted to Ruan’s plan. The total amount paid by Ruan will be reduced by the benefits provided by the primary plan. **Under no circumstance will the Ruan plan pay more than it would have paid if there was no other coverage.** For example, if the primary plan pays 80 percent and the Ruan option you chose pays 90 percent, the Ruan plan would pay 10 percent of the charges (bringing the total paid to 90 percent). Therefore, if you are considering using the Ruan group plan as a secondary medical plan, you should thoroughly review the maintenance or coordination of benefits rules for both plans to determine if the additional coverage, if any, outweighs the added premium costs and administrative burden.

### **Women’s Health and Cancer Rights Act**

All health plans that cover a mastectomy must also cover reconstructive surgery. Based on consultation between the attending physician and patient, the health plan covers:

- 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
- Protheses
- Treatment of physical complications in all stages of mastectomy, including lymphedema

Coverage of breast reconstruction benefits may be subject to the same deductibles and co-insurance limitations that are consistent with other plan benefits. For additional information on your rights under the WHCRA, please contact Wellmark Blue Cross Blue Shield at 1-800-211-6773.

### **Quality Transplant Centers**

Quality Transplant Centers are prestigious medical centers throughout the country that specialize in transplants. They have proven track records regarding survival rates and minimal complications resulting from transplants. Transplant patients covered under the plan will be required to utilize these quality centers.

# Prescription Drug Coverage

All Ruan medical plans provide prescription coverage under the Blue Rx Preferred network. Your prescription costs depend on your medical plan and the drug classification of the medication you are taking. Covered medications are classified into three tiers. In many situations, there is more than one drug available to treat a medical condition. Therefore, as a consumer, you should consult with your provider to determine which medication is not only the most effective but also the most affordable.

The Wellmark Drug List, sometimes referred to as a formulary or preferred list, identifies medications that provide the most appropriate treatment for the best price. Your lowest cost is to use Tier 1 generic medications, which contain the same active ingredients, strength, purity and stability as their brand name counterpart. If there is no generic available, speak to your doctor about specially selected brand name drugs that are on Tier 2. If you and your health care provider elect a brand name drug under Tier 3, you may still use that drug, but your costs will be higher. **The drug list is subject to change without notice.** Therefore, prior to filling any brand name prescription, you should verify the tier of your drug by calling Wellmark Customer Service at 1-800-211-6773 or visiting [www.wellmark.com](http://www.wellmark.com).

Your prescriptions may be filled with generic drugs unless indicated “dispense as written” by your doctor. **In addition, if there is a generic drug available and you choose to receive a brand name drug, you will be responsible for the higher co-pay and the difference in price.**

## Pharmacy Program

Under the Premier plan, you pay a co-payment at the time you pick up your prescription. This is also the case under the Basic and Choice Savings plans IF the prescription is classified as preventive care (deductible is waived). Drugs not listed on the High Deductible Health Plan Preventive Drug List, available at [www.ruan.com/benefits](http://www.ruan.com/benefits), are subject to the medical plan’s annual deductible. **This means that until your deductible has been met, you will pay the full price of the medication minus any network discounts.** After meeting your Basic or Choice Savings plan’s out-of-pocket maximum, prescriptions will be paid at 100 percent.

To locate a network pharmacy, please call the number on your card. Prescriptions filled at foreign pharmacies are not covered; however, they may be reimbursed through a health care FSA.

	Premier	Choice Savings— Preventive <sup>1</sup>	Choice Savings— All Others	Basic— Preventive <sup>1</sup>	Basic— All Others
	In-Network <sup>2</sup>	In-Network <sup>2</sup>	In-Network <sup>2</sup>	In-Network <sup>2</sup>	In-Network <sup>2</sup>
<b>Tier 1— Generic</b>	\$10 or 25% (whichever is greater)	\$15 or 25% (whichever is greater)	\$0 after deductible/OPM	\$20 or 25% (whichever is greater)	\$20 or 25% (whichever is greater) after deductible
<b>Tier 2— Select Brands</b>	\$25 or 25% (whichever is greater)	\$30 or 25% (whichever is greater)	\$0 after deductible/OPM	\$35 or 25% (whichever is greater)	\$35 or 25% (whichever is greater) after deductible
<b>Tier 3— All Other</b>	\$40 or 25% (whichever is greater)	\$45 or 25% (whichever is greater)	\$0 after deductible/OPM	\$50 or 25% (whichever is greater)	\$50 or 25% (whichever is greater) after deductible

1) The Preventive Drug List is available at [www.ruan.com/benefits](http://www.ruan.com/benefits), on the Ruan Intranet Portal or by calling Human Resources at 1-800-845-6675.

2) Out-of-network (or non-participating) pharmacy rates equal your co-pay or 50% (whichever is greater) and is subject to Usual, Customary and Reasonable charges. A complete listing of plan benefits and exclusions is available in the Summary Plan Description (SPD).

Please note that specialty drugs or self-administered injectables (i.e. Betaseron, Humira, Lovenox, Enbrel, Gleevec and others) are sometimes received through your local doctor’s office, home infusion therapy provider or outpatient. However, specific specialty drugs will require you to obtain a written prescription to be filled at a retail or Caremark specialty pharmacy in order to be covered under the plan. (This does not apply to inpatient services or the Basic medical plan.) You will pay an \$85 co-pay for these drugs. If you are receiving a specialty drug or self-administered injectable, please visit [www.wellmark.com](http://www.wellmark.com) or contact customer service at 1-800-211-6773 to verify benefits or ask questions about the specialty drug program.

### Mail Order Program

The mail order program offers the convenience of filling your maintenance drugs less often and home delivery. In addition, mail order prescriptions are not subject to the “or 25 percent whichever is greater” clause, allowing for additional savings on high cost drugs. Maintenance medications are considered ongoing prescriptions (i.e., high blood pressure, cholesterol medication or birth control pills) that are taken on a regular basis. By using the maximum 90-day prescription (plus refills) under the Premier plan, you simply pay your three-month supply co-pay.

You also pay a flat co-payment under the Basic and Choice Savings plans IF the prescription is classified as preventative care (deductible is waived). Drugs not listed on the High Deductible Health Plan Preventive Drug List are subject to the medical plan’s annual deductible. Once the deductible has been met, members under Basic pay a co-payment. After meeting your out-of-pocket maximum under the Basic or Choice Savings Plans, your prescription costs will be paid 100 percent.

	Premier	Choice Savings— Preventive <sup>1</sup>	Choice Savings— All Others	Basic— Preventive <sup>1</sup>	Basic— All Others
<b>Tier 1— Generic</b>	\$30 up to 90 day supply	\$45 up to 90 day supply	\$0 after deductible/OPM up to 90 day supply	\$60 up to 90 day supply	\$60 after deductible up to 90 day supply
<b>Tier 2— Select Brands</b>	\$75 up to 90 day supply	\$90 up to 90 day supply	\$0 after deductible/OPM up to 90 day supply	\$105 up to 90 day supply	\$105 after deductible up to 90 day supply
<b>Tier 3— All Other</b>	\$120 up to 90 day supply	\$135 up to 90 day supply	\$0 after deductible/OPM up to 90 day supply	\$150 up to 90 day supply	\$150 after deductible up to 90 day supply

1) The Preventive Drug List is available on [www.ruan.com/benefits](http://www.ruan.com/benefits), on the Ruan Intranet or by calling Human Resources at 1-800-845-6675. A complete listing of plan benefits and exclusions is available in the Summary Plan Description (SPD).

### Medicare Part D: Prescription Drug Coverage

All Medicare prescription drug plans provide a standard level of coverage set by Medicare. Ruan’s prescription coverage under the Premier, Choice Savings and Basic plans are creditable coverage for purposes of Medicare’s drug program. This means that the benefits received under the Ruan plan are, on average, as good as or better than the standard Medicare prescription drug coverage.

Should you lose your creditable coverage, or the coverage becomes no longer creditable, you may enroll in a Medicare drug plan without penalties. However, be advised that **if your creditable prescription coverage lapses for 63 days or longer and you do not immediately enroll in a Medicare prescription drug plan, your Medicare drug plan’s monthly premium will increase at least 1 percent for each month you were not covered.** You will pay this higher premium as long as you have Medicare and may have to wait until the next Medicare enrollment period to apply.

This is a brief summary of how your Ruan prescription benefits affect Medicare drug coverage. For complete information, please reference the “Notice of Prescription Creditable Coverage” under the Legal Notices document at [www.ruan.com/benefits](http://www.ruan.com/benefits). Notices will be sent annually, or you may view and/or print a copy from the Ruan Intranet Portal or call Human Resources at 1-800-845-6675 to request a written copy.

## Choosing a Medical Plan

With three medical options, all with a different deductible, co-insurance, co-pay, prescription drug plan and premium amounts, how do you choose the better plan? When it comes to insurance, one size does not fit all. The best plan for you should meet your basic health care needs and be cost effective. To help determine your insurance needs, first ask yourself:

- How many office visits do I/we typically have in a year?
- How many prescriptions do I/we take each month? Which drug tier is it under?
- Is there any medical equipment I/we need to purchase or maintain?
- Is there a good chance of a hospital stay or outpatient procedure in the coming year?

*Tip: If you haven't been tracking your out-of-pocket medical expenses, ask your most recent insurance company for a Member Responsibility Report (or claims list). It will show each claim received for the given plan year, total amount charged, how much the insurance plan paid and your net cost.*

Next, consider the financial aspects of each plan. This includes:

- Premiums (payroll deductions)
- Deductibles
- Co-insurance and co-pays
- Available pre-tax medical savings accounts

Now you're ready to sit down and do the math. Below are a few examples of different people with different health care needs. Follow the steps they used to show which plan would save them the most money in the long run. It is highly recommended that you spend a little bit of time going through a similar process based on your own health history and financial situation.

### Example 1: Single Coverage, Rarely Uses Benefits

	You Pay Basic	You Pay Choice Savings	You Pay Premier
<b>Annual Exam</b>	\$0	\$0	\$0
<b>Office Visits</b> Average two per year, \$100 per visit	\$200	\$200	\$30
<b>Prescriptions</b> One preventive, \$17 generic	\$204	\$180	\$120
<b>Misc. Outpatient/Lab</b> \$150 after network discount	\$150	\$150	\$15
<b>Subtotal</b>	<b>\$554</b>	<b>\$530</b>	<b>\$165</b>
<b>-FSA Account</b>		(\$420)	
<b>Out-of-Pocket Medical</b>	\$554	\$110	\$165
<b>Annual Premiums*</b>	\$0	\$1,020	\$2,640
<b>Total Annual Cost</b>	<b>\$554</b>	<b>\$1,130</b>	<b>\$2,805</b>

*\*based on non-smoker discounted rates*

In example one, the Basic plan turned out to be the best option. This individual could save even more by placing the money he/she would have been spending on premiums into a pre-tax HSA. At \$100 per month, he/she would save \$1,200 by year end. Even after subtracting the \$554 annual cost, he/she would still have a \$646 net savings that could be rolled over to cover next year's expenses.

**Example 2: Employee + One, Anticipates High Cost Claims**

	You Pay Basic	You Pay Choice Savings	You Pay Premier
<b>Annual Exam (2)</b>	\$0	\$0	\$0
<b>Office Visits</b> Combined 12 visits, \$100 per visit	\$1,200	\$1,200	\$180
<b>Prescriptions</b> Two preventive, \$17 generic Three regular, \$70 select brand	\$408 \$2,520	\$360 \$2,520	\$240 \$900
<b>Misc. Outpatient/Lab</b> \$10,000 after network discount	\$10,000	\$10,000	\$1,000
<b>Subtotal</b>	<del>\$14,128</del> \$6,826	<del>\$14,880</del> \$4,000	\$2,320
<b>-FSA Account</b>		(\$840)	
<b>Out-of-Pocket Medical</b>	\$6,826	\$3,160	\$2,320
<b>Annual Premiums*</b>	\$0	\$2,400	\$5,580
<b>Total Annual Cost</b>	\$6,826	\$5,560	\$7,900

Under Basic, the member paid the \$5,000 deductible, then 20 percent co-insurance.

Choice Savings' deductible and out-of-pocket maximum are the same at \$4,000.

\*based on non-smoker discounted rates

The Choice Savings plan comes out ahead in example two. Since this member knows he/she will have expenses over the \$840 company contribution to the FSA and most likely reach the annual deductible/OPM, it would be wise to add a personal FSA pledge of \$2,500 for the plan year. This gives the member a total FSA account of \$3,340 that is available right away on their effective date (similar to a cash advance). This helps alleviate cash flow concerns of having to come up with a large amount of money all at once to cover a high deductible. *Caution: FSAs are designed to cover qualified expenses for the current plan year only. Therefore, you should estimate your personal annual pledge carefully and conservatively.*

**Example 3: Family of Five, Average User of Benefits**

	You Pay Basic	You Pay Choice Savings	You Pay Premier
<b>Annual Exam (5)</b>	\$0	\$0	\$0
<b>Office Visits</b> Combined 12 visits, \$100 per visit	\$1,200	\$1,200	\$180
<b>Prescriptions</b> Two preventive, \$17 generic One regular, \$70 select brand	\$408 \$840	\$360 \$840	\$240 \$300
<b>Misc. Outpatient/Lab</b> \$2,500 after network discounts	\$2,500	\$2,500	\$250
<b>Subtotal</b>	\$4,948	<del>\$4,900</del> \$4,000	\$970
<b>-FSA Account</b>		(\$840)	
<b>Out-of-Pocket Medical</b>	\$4,948	\$3,160	\$970
<b>Annual Premiums*</b>	\$0	\$3,420	\$8,160
<b>Total Annual Cost</b>	\$4,948	\$6,580	\$9,130

Choice Savings' deductible and out-of-pocket maximum are the same at \$4,000.

\*based on non-smoker discounted rates

The most cost effective option in example three is the Basic plan. This individual could also save on his/her income taxes by participating in a pre-tax HSA. The HSA funds can later be used to pay for eligible out-of-pocket medical expenses.



## Dental Coverage

The **Benefits By Choice** program includes two options through Delta Dental. The two options vary in terms of the cost to you and the deductible, co-insurance, annual maximum and lifetime orthodontia maximum. Maintenance of benefits applies to both dental options.

	Premier	Standard
<b>Preventative Care</b> (includes two exams and cleanings, x-rays and topical fluoride applications per year)	You Pay: 0%	You Pay: 20%
<b>Annual Deductible</b>	\$25 per person	\$50 per person
<b>Basic Care</b> (includes cavity repair, tooth extraction, oral surgery, root canals, gum and bone disease)	Co-insurance: 20% after deductible	Co-insurance: 20% after deductible
<b>Major Care</b> (includes restorations such as crowns, inlays and onlays, dentures and bridges)	Co-insurance: 50% after deductible	Co-insurance: 50% after deductible
<b>Annual Plan Maximum</b>	\$2,000 per person	\$1,000 per person
<b>Orthodontia Care</b> (dependent children under 19 only. Separate orthodontia deductible.)	Ortho Deductible: \$50 Co-insurance: 50% Lifetime Max: \$1,500	Ortho Deductible: \$50 Co-insurance: 50% Lifetime Max: \$1,000

1) Coverages listed are for services done by an in-network dentist. Services from a non-network provider may be subject to Usual, Customary and Reasonable charges. A complete listing of plan benefits and exclusions is available in the Summary Plan Description (SPD).

### Dental Network

Your **Delta Premier** network provides you access to quality dental services at a discounted price. These dentists have also agreed to file your claims. Non-network dentists may have you pay the entire amount up front and then file your own claim for reimbursement. To protect yourself from paying charges that could be above Usual, Customary and Reasonable, it is best to use an in-network dentist.

### Locating a Delta Premier Dentist

Printed books are not provided to employees; however, you can access the information by calling Delta Dental at **1-800-544-0718** or visiting **www.deltadentalia.com**. Both resources provide the most current listings available. You should verify that your dentist is in-network before each visit.



## Vision Coverage

Vision coverage provides benefits for the cost of a routine exam and supplies rendered or prescribed by an ophthalmologist or optometrist once per year. Maintenance of benefits applies.

	Maximum Benefit <sup>1</sup>
Routine Exam	\$40 per person
Frames/Lenses or Contact Lenses	\$125 per person

1) Any leftover or unused benefit will be forfeited. To ensure maximum hardware benefits, make all purchases at one time. A complete listing of plan benefits and exclusions is available in the Summary Plan Description (SPD).

### Vision Network

Your **VSP Signature Network** provides nationwide access to quality vision care and supplies at discounted rates. In addition, in-network providers agree to file claims for you. Non-network providers may not offer discounts, require you to pay for services or supplies at the time of your appointment and make you file your own claim. You have six months from the date of service to submit an itemized paid receipt to VSP for reimbursement.

### Locating a VSP Provider

Printed books are not provided to employees; however, you can access the information by calling VSP at **1-800-877-7195** or visiting **www.vsp.com**. Both resources provide the most current listings available. You should verify that your vision provider is in-network before each visit. While ID cards are not issued for the vision plan, you may print off a wallet card at **www.vsp.com**.

## COBRA Continuation

Ruan complies with all federal COBRA and/or state continuation laws, as required. Terminated employees or covered dependents who lose their health coverage may be eligible to buy group coverage for themselves and any qualified beneficiaries for limited periods of time. You have 60 days from the date of termination or from the date of the notice (whichever is later) to elect COBRA continuation coverage.

The length of your COBRA coverage depends on the qualifying event and the qualified beneficiary involved with the loss of coverage:

Qualifying Event	Maximum COBRA	Beneficiary
Termination of Employment	18 months <sup>1</sup>	Employee, spouse, dependent child
Reduction of Hours	18 months <sup>1</sup>	Employee, spouse, dependent child
Divorce or Legal Separation	36 months	Spouse, dependent child
Death of Covered Employee	36 months	Spouse, dependent child
Employee Entitled to Medicare	36 months	Spouse, dependent child
Loss of Dependent Child Status	36 months	Dependent child

1) Disabled beneficiaries may extend the 18-month limit an additional 11 months. Individual must be determined to be totally disabled by the Social Security Administration (SSA), and the date for initial disability must be a) prior to the original COBRA effective date or b) within 60 days after the original COBRA effective date. Notice of disability determination from the SSA must be provided within 60 days of the determination and before the initial 18-month COBRA coverage ends. The extension will end if you are determined to be no longer disabled during the 11-month extension.

An employee and/or family member must notify Human Resources within 60 days of a divorce, legal separation or a child's loss of dependent status to be eligible for COBRA. Proper notification consists of completing online enrollment through [www.benxpress.com/ruan](http://www.benxpress.com/ruan). Secondary events occurring while on COBRA (death of employee or spouse, divorce, legal separation or Medicare entitlement) may allow you to extend coverage to 36 months. For more information, please reference the "Continuing of Health Coverage Notice" included in the Legal Notices document posted at [www.ruan.com/benefits](http://www.ruan.com/benefits) and/or your Summary Plan Description.

# Summary of Your Privacy Rights

## Ruan's Legal Duty

Ruan is required to maintain the privacy of your medical information. During the course of business, we may, however, use and/or disclose your medical information as follows:

- **Treatment** — to a doctor or hospital which asks us to assist in your treatment.
- **Payment** — to pay claims from doctors, hospitals and other providers, to determine eligibility, to coordinate benefits, to examine medical necessity and the like.
- **Health Care Operations** — to rate our risk and determine premiums for your health plan, to conduct assessment and improvement activities, to engage in care coordination or case management, to manage our business and the like.
- **Disaster Relief** — to assist in disaster relief efforts, we may disclose your name, location and general condition or death to an organization authorized by the law or by its charter.
- **Death, Organ Donation** — we may disclose the medical information of a deceased person to a coroner, medical examiner, funeral director or organ procurement organization for certain purposes.
- **Research** — for research purposes in accordance with certain safeguards.
- **Public Health and Safety** — to the extent necessary to avert a serious and imminent threat to your health or safety or of others.
- **Required by Law** — when we are required to release medical information by law. For example, Workers' Compensation or U.S. Department of Health and Human Services.
- **Process and Proceedings** — in response to a court or administrative order, subpoena, discovery request or other lawful process, in accordance with procedural safeguards.
- **Law Enforcement** — under certain circumstances, we may disclose your medical information to law enforcement officials.
- **Military and National Security** — under certain circumstances, we may disclose your medical information to military authorities, armed forces personnel or federal officials required for lawful intelligence, counterintelligence and other national security activities.
- **Your Authorization, Family and Friends** — we must disclose your medical information to you. You may also give us written authorization to disclose medical information to other persons involved in your care or payment for your care that is directly relevant to their involvement. If you give us authorization, you may revoke it in writing at any time.

## Your Rights

You, as an employee of Ruan, have the following rights regarding your medical information:

- **Access** — the right to examine or receive copies of your medical information, with limited exceptions. You must make your request in writing.
- **Disclosure Accounting** — the right to receive a list of instances wherein we, or our business associates, disclosed your medical information for purposes other than for treatment, payment, health care operations and limited other activities.
- **Restriction Requests** — the right to request that we place additional restrictions on our use or disclosure of your medical information for treatment, payment, health care operations or to persons you identify. We are not required to agree to these additional restrictions, but if we approve any agreements, it must be in writing by a person authorized by the company.
- **Confidential Communications** — the right to request that we communicate with you about your medical information by alternative means or to an alternative location. You must make your request in writing, and you must state that the information could endanger you if it is not communicated in confidence as you request.
- **Amendment** — the right to request that we amend your medical information. Your request must be in writing, and it must explain the reasons for amending the information. We may deny your request if we did not create the information you want amended or for certain other reasons. If we deny your request, we will provide you with a written explanation.

## Questions and Complaints

Should you have any questions or concerns regarding Ruan's privacy policies, if you feel we may have violated your privacy rights or if you disagree with a decision we made regarding a written request, you may contact Human Resources. We will not retaliate in any way if you choose to file a complaint. You may also submit a written complaint to the U.S. Department of Health and Human Services.

For complete information, please reference the "Notice of Privacy Rights" included in the Legal Notices document posted at [www.ruan.com/benefits](http://www.ruan.com/benefits). You may also view and/or print a copy from the Ruan Intranet Portal or call Human Resources at 1-800-845-6675 to request a written copy.

# Medical Saving Plans

## Health Savings Accounts

This option is only available to employees electing the Basic medical plan. For those who seek greater control of their health care dollars without sacrificing quality coverage, Ruan offers a health savings account (HSA) under the **Benefits By Choice** program. When paired with a qualified high deductible health plan (HDHP), such as the Basic plan, an HSA can provide you with a tax-favored health savings account that you personally manage. The benefits of an HSA include:

- Tax-free contributions to your account and on medically related withdrawals
- Control of how your money is spent and more responsibility for medical decisions
- Balances may rollover from year-to-year—money cannot be lost or forfeited
- Portability — you keep the account should you leave Ruan
- Provides tax-advantaged retirement savings for future medical expenses

With greater control of your health savings and spending comes greater responsibility. If you elect an HSA through **Benefits By Choice**, Ruan will serve as a sponsor by providing a qualified high deductible health plan (Basic plan) and allow employees to make pre-tax contributions through payroll direct deposit. You will be responsible for managing the account, providing documentation of withdrawals if audited by the IRS and complying with all current and future regulations regarding HSA accounts. For the most current rules governing HSAs, you may visit [www.irs.gov](http://www.irs.gov) or consult your tax advisor.

### HSA Eligibility

Before you may contribute to an HSA account, you and any covered dependents must be enrolled in a qualified HDHP plan on the first of the month. In addition, you may not have secondary coverage that is not a qualified HDHP (i.e., through a spouse's plan or a general purpose health care flexible spending account), be entitled to Medicare or be claimed as a dependent under another person's tax return.

### Your Contributions

Your account will be administered by Bankers Trust similar to a checking account. To enroll in an HSA for the first time, please refer to the HSA Three Step Enrollment Instructions available at [www.ruan.com/benefits](http://www.ruan.com/benefits). Additional banking paperwork will be sent to your home address. Upon completion of all forms, an account will be opened and you will be provided with personal checks and/or a debit card to access your account. The monthly account fee will be waived while you are an active employee and participating in the program, although other banking fees may apply. Should you decide to stop contributing to your account, you may still access funds in your account.

Once enrolled, you may increase, decrease or stop contributions to your account at any time by completing an HSA change form, located on the company's Intranet Portal or at [www.ruan.com/benefits](http://www.ruan.com/benefits). Contributions made through the **Benefits By Choice** plan are direct deposited into your account, pre-tax, on the last paycheck of the month. Total contributions to your 2013 account cannot exceed \$3,250 for single coverage or \$6,450 for family coverage. If your medical coverage starts after January 1, you may still contribute the full annual maximum, provided you stay in the HSA-eligible medical plan the following year; otherwise, your limit may be prorated. Employees age 55 and over may make additional catch-up contributions in excess of the annual limit. In 2013, the maximum catch-up is \$1,000. *Please note: Use of a grace period under a general purpose health care FSA will delay your eligibility to participate in an HSA, lowering your annual limit.*

### Rollovers

If you have an HSA account at a different bank, you may rollover your account balance to another qualified plan once per 12-month period. Please contact your HSA banking administrator if you would like more information on this option.

### Withdrawals From Your Account

Qualified health care expenses may be paid through your HSA account tax-free. You are not required to submit receipts, invoices or bills to claim money from your account—simply use your checks or debit card to access your account up to the current balance. However, you should keep such documentation on file should you be audited by the IRS.

Qualified health care expenses include out-of-pocket amounts and most medically necessary items. This includes: deductibles, co-insurance, co-pays, prescription drugs, dental expenses, vision exams and hardware, doctor's bills, medical supplies and equipment, hospital services, laboratory fees, nursing care, therapy and more. In addition, unlike flexible spending accounts, an HSA allows you to pay for some types of insurance premiums from the account. This includes COBRA premiums, long-term care insurance and medical insurance while unemployed or laid off. However, you may not use your HSA to pay for medical premiums while actively employed. For a complete list, you may visit [www.irs.gov](http://www.irs.gov), Publication 502, or contact your tax advisor.

While an HSA is designed to save for health care expenses, current regulations give the account owner the option to withdraw funds for non-medical expenses. This type of withdrawal is subject to regular income taxes and a 20 percent penalty. The additional 20 percent penalty is removed for persons age 65 or older, providing additional tax-deferred retirement savings.

### Can I have both an HSA and a Health Care Flexible Spending Account (FSA)?

Not under the Ruan's *Benefits By Choice* plan. You may elect a FSA or HSA, but not both.

### HSA Termination

Should you cancel or lose your qualified HDHP coverage, you will no longer be able to contribute to the account. However, you may still use the remaining funds to pay for future health care expenses. In the case of your death, any remaining money in your HSA will go to your beneficiary. A spouse may keep the account for her/his own medical expenses. Other dependents will receive a cash distribution that is treated as income for taxation purposes.

## Health Care Flexible Spending Accounts (FSA)

The health care FSA can help you save money on out-of-pocket expenses such as co-pays, deductibles, co-insurance, prescription drugs, dental and vision expenses on a pre-tax basis. FSAs are like savings accounts that you can access when you have an eligible expense. Money is deposited pre-tax by the company and/or employee payroll deduction. When you add your own money to an FSA, your contributions are made before federal, state and Social Security taxes are withheld, lowering the amount of tax you owe and increasing your spendable income.

**The IRS requires that any unused balance be forfeited; therefore, you should estimate your annual out-of-pocket expenses carefully and conservatively.** FSAs do not rollover and therefore must be re-elected each year. You may not transfer money from one FSA account to another. To check your FSA account balance, review your debit card transactions, view a list of eligible expenses or download a claim form, visit [www.wellmark.com/flex](http://www.wellmark.com/flex) or contact Wellmark's Flexible Benefits office at 1-800-624-2755.

### FSA Eligibility

Full-time employees eligible for the *Benefits By Choice* program may participate in a health care FSA. You do not have to be enrolled in one of the company sponsored medical plans to take advantage of the FSA. *Please note: If you are contributing to a Ruan HSA, you may not enroll in a Ruan FSA.*

### Company Contributions

Employees electing the Choice Savings medical plan will be automatically enrolled in a health care FSA. Ruan will fund each employee's account according to their coverage level: \$840 annually for Family or Employee + One elections or \$420 annually for Employee Only. New employees enrolled after January 1 will be eligible for a prorated company contribution based on the number of months remaining in the year: \$70 per month for Family/Employee + One or \$35 per month for Employee Only.

## Employee Contributions

If you are enrolled in the Choice Savings medical plan and anticipate health care costs in excess of the company's funding amounts, you may add your own pre-tax dollars to the account. You may contribute up to \$2,500 in addition to the company contribution. If you have chosen a plan other than Choice Savings, or have waived medical coverage altogether, you may still enroll in a health care FSA by making your own pre-tax pledge. The minimum employee annual pledge is \$100 with a maximum of \$2,500.

## Qualified Expenses

Below are examples of qualified flexible plan expenses that can be paid for through a health care FSA. A full list is available at [www.wellmark.com/flex](http://www.wellmark.com/flex). Claims from eligible dependents also qualify for reimbursement from the account.

Eligible Health Care FSA Expenses		
○ Acupuncture	Doctor's fees, (cont.): - Gynecologists - Neurologists - Obstetricians - Ophthalmologists - Osteopaths - Pediatricians - Podiatrists - Psychiatrists - Psychologists - Surgeons	○ Lodging for Medical Care
○ Alcohol & Drug Addiction Treatment		○ Marriage Counseling
○ Ambulance Service		○ Nursing Home (if for medical reasons)
○ Braille Books and Magazines		○ Operations
○ Chiropractor Fees		○ Orthodontics
○ Christian Science Practitioner Fees		○ Oxygen Equipment
○ Contact Lenses and Solution		○ Prescription Drugs
○ Co-pays and Deductibles		○ Prosthesis
○ Counseling Services		○ Psychoanalysis
○ Crutches		○ Eyeglasses
○ Dental Expenses (not cosmetic)	○ Hearing Aids	○ Sterilization
○ Doctor's fees, including: - Anesthesiologists - Chiropractors - Dentists - Dermatologists	○ Hospital Services	○ Telephone/Television Equipment for the Deaf
	○ Home for Mentally Retarded	○ Therapy (Physical or Occupational)
	○ Laboratory Fees	○ Wheelchair
	○ Lasik Eye Correction Surgery	○ X-Ray Fees

## Withdrawals: Flex Debit Card or Automatic Reimbursement

Employees enrolled in a health care FSA will automatically receive a flex debit card to pay for qualified expenses. It provides instant access to your account at the point of sale instead of paying out-of-pocket, filing a claim and waiting for reimbursement. The flex debit card can be used at doctor's offices, pharmacies, dentist, eye care, hospitals and other health care providers that accept Visa. Ruan will pay the initial card fee, but the employee must pay for any replacement charges resulting from a lost or stolen card.

Your personalized flex debit Visa card will be sent to your home address in a plain white envelope. It will self-activate the first time you use it at a qualified location. When it comes time to pay, simply give the card to the provider or swipe the card. The system will identify qualified expenses and deduct the cost from your health care FSA account, up to your annual pledged amount. You do not need a PIN number; ask the merchant to process the payment as a credit instead of a debit transaction.

**It is important to keep all itemized receipts and transactions related to your flex debit card as you may be asked to provide documentation to substantiate the expense, per IRS guidelines.** Should your purchases include ineligible items, they will be separated out and an alternate form of payment requested for those items. Eligible expenses that are paid for out-of-pocket (not using the flex debit card) may be submitted by completing a reimbursement claim form. When submitting your claim form, remember to attach the itemized receipt showing your out-of-pocket cost.

Note that you may opt out of receiving a flex debit card and choose to file individual claim forms or sign up for Automatic Reimbursement (claims sweep). With Automatic Reimbursement, after the insurance carrier has processed your medical claim and has calculated your out-of-pocket expense, the information is forwarded to the carrier's flex department for processing. Your claim is automatically reimbursed, up to your annual pledge, without having to submit additional documentation. However, under a claims sweep, you will still need to file a paper claim form for any non-medical expenses such as dental and vision. To opt out of the flex debit card, please mark the "opt out" statement when completing your online enrollment. To sign up for Automatic Reimbursement, please complete the Automatic Reimbursement Authorization Form, available on at [www.ruan.com/benefits](http://www.ruan.com/benefits), at [www.wellmark.com/flex](http://www.wellmark.com/flex) or through Human Resources at 1-800-845-6675.

### Filing Deadlines

Expenses incurred on or before December 31 have until March 31 to file for reimbursement. If you have money remaining in your health care FSA after the end of the plan year, there is a "grace period" until March 15 to incur eligible expenses and 45 days thereafter to file for reimbursement. **Any unused, unreimbursed funds after the grace period will be forfeited.**

### Termination of Health Care FSA

Should your employment status change and you are no longer eligible, you will only be able to seek reimbursement for eligible expenses incurred prior to your benefits cancellation date. In some cases, you may be able to continue your FSA account through COBRA, provided you still have a positive balance in your account (i.e., did not withdraw more than the contributions made year-to-date). If you are eligible to continue your FSA through COBRA, a continuation form will automatically be mailed to your home address after processing your termination and all final paychecks have been issued.

## Pre-tax Savings Example

	Pre-tax	After-tax
<b>Total Income</b>	\$30,000	\$30,000
<b>Contributions</b> (medical & dependent FSA)	- 5,300	- 0
<b>Taxable Wages</b>	<b>Subtotal \$24,700</b>	<b>\$30,000</b>
<b>Estimated Taxes*</b>	- 4,200	- 5,500
<b>After-tax Earnings</b>	<b>Subtotal \$20,500</b>	<b>\$24,500</b>
<b>Eligible Expenses</b>	- 0	- 5,300
<b>Spendable Income</b>	<b>Total \$20,500</b>	<b>\$19,200</b>

**Pre-tax Savings: \$1,300**

\* Tax rates will vary by state and by personal exemptions.

## Medical Spending Worksheet

Use this worksheet to estimate your out-of-pocket medical care expenses for the 2013 plan year. This may help determine how much to contribute to one of the eligible medical savings plans listed above.

Estimated Medical Expenses	
<b>A. Office co-pays</b>	\$
<b>B. Deductibles</b>	\$
<b>C. Co-insurance</b>	\$
<b>D. Prescription costs</b>	\$
<b>E. Expenses not covered under the medical plan (i.e., hearing aids, marriage counseling, chiropractor expenses above the plan limit, etc.)</b>	\$
<b>F. Dental expenses not covered under the plan (i.e., deductibles, co-pays, orthodontia or other expenses above the plan limit)</b>	\$
<b>G. Vision expenses</b>	\$
<b>H. Other</b>	\$
<b>Total Expenses</b>	<b>\$</b>

# Medical Savings Comparison Chart

Use this comparison chart to determine the savings option(s) available to you and your family.

	Health Savings Account (HSA)	Flexible Spending Account (FSA)
<b>Eligibility</b>	Enrollment in Ruan's Basic plan (qualified high deductible health plan, or HDHP), do not have secondary non-HDHP coverage, including Medicare, and not a dependent under another person's tax return. <b>Note: participation in a general purpose health care FSA disqualifies a member from participation in an HSA.</b>	Any full-time employee eligible for the <b>Benefits By Choice</b> program.
<b>Who Funds the Account?</b>	The employee funds the account.	The employee and/or the company fund the account.
<b>How Are Funds Deposited?</b>	Direct deposit from payroll into your personal account and/or individual deposits to the bank.	Payroll deduction only.
<b>Account Limits</b>	No minimum Maximum contribution per year \$3,250 single coverage \$6,450 family coverage If coverage starts mid-year, may still contribute the maximum provided you remain in the HDHP medical plan the following year.	Annual Minimum \$100 Annual Maximum \$2,500 (Company contributions may be added to this limit.)
<b>Company Contributions</b>	None.	Employees enrolled in the Choice Savings medical plan are automatically enrolled. Company contributions are based on coverage levels: Single: \$420 annual Employee + One: \$840 annual Family: \$840 annual New employees starting coverage after January 1 will have a prorated amount.
<b>Excess Funds at End of the Year</b>	Remains in the account—cannot be lost or forfeited.	Forfeited if funds are not used up by the end of the grace period (March 15th of the following year).
<b>Account Draws Interest?</b>	It may, depending on the bank issuing the account.	No interest on account.
<b>Mid-Year Changes</b>	Yes. May increase, decrease or stop your contributions at any time within the maximum contribution limits.	May only make related changes following a qualified family status event.
<b>Portability</b>	Yes. May keep the account or rollover once per 12-month period.	No.
<b>Account After Death</b>	Transferred to assigned beneficiary. A spouse may keep the account for medical expenses; other dependents will receive a cash distribution after taxes are withheld.	Qualified expenses incurred prior to death may be submitted for reimbursement; remaining balance is forfeited.
<b>Tax Benefit</b>	Contributions pre-tax; withdrawals pre-tax for qualified medical expenses.	Contributions pre-tax; withdrawals pre-tax for qualified medical expenses.
<b>Availability of Funds</b>	Up to current account balance only.	Full annual pledge is available on the effective date.
<b>Withdrawals</b>	For qualified health care expenses; allows for non-medical expenses minus income taxes and 20% penalty (penalty waived if 65 or older). Funds accessed through checks or debit card.	Exclusively for qualified health care expenses. Funds accessed through a flex debit card, claims sweep or reimbursement claim form with accompanying documentation.
<b>Catch-Up Provision for Age 55 and Over</b>	Yes. \$1,000 for 2013 plan year.	No.
<b>Use Funds for Premium Payments?</b>	Only for COBRA, health premiums while unemployed or laid off and/or long-term care.	No.
<b>Additional Fees?</b>	There is no monthly administration fee while you are actively participating in the HSA. You are responsible for any other banking fees.	Ruan pays the initial set-up fee for a debit card and all claims processing fees. Employee pays any fees to replace a lost or stolen debit card.
<b>Can I have more than one of these accounts under the Ruan plan?</b>	No, you may not combine an HSA with a Ruan health care FSA.	No.



# Dependent Care Savings Plan

## Dependent Care Flexible Spending Account (FSA)

Ruan offers a dependent care flexible spending account (FSA) to help you save on expenses such as daycare so that you and your spouse, if you are married, can work or attend school. Your contributions are pre-tax, lowering the amount of taxes you owe and increasing your spendable income. You may elect to contribute anywhere from \$100 to \$5,000 (\$2,500 if married but filing separately) of your pre-tax salary each year to your dependent care FSA. FSAs do not rollover and therefore must be re-elected each year. **The IRS requires that any unused balance by the end of the plan year be forfeited; therefore, you should estimate your annual out-of-pocket expenses carefully and conservatively.** You may not transfer money from one FSA account to another.

### Eligible Dependents

You may use your dependent care FSA to pay for the care of:

- Dependent children under the age of 13
- Dependent children age 13 or older who are physically or mentally incapable of self-care
- Your spouse, parent or in-law who is incapable of self-care and spends at least eight hours a day in your home

Eligible Dependent Care FSA Expenses	Ineligible Dependent Care FSA Expenses
<ul style="list-style-type: none"> <li>○ Nursery School</li> <li>○ Pre-schools</li> <li>○ Licensed daycare centers</li> <li>○ Care for disabled dependents at your home or approved government center</li> <li>○ Care provided by an individual, provided you can furnish a taxpayer identification number for that person</li> </ul>	<ul style="list-style-type: none"> <li>○ Any expense for which you claim a dependent care tax credit on your income tax</li> <li>○ Expenses that are not incurred for the well-being of the dependent</li> <li>○ A dependent's personal expense, such as food and clothing, unless they cannot be separated from the cost of care</li> <li>○ Payment for care given by your spouse for children younger than 19 or any person you claim as a dependent on your tax return</li> <li>○ Payment for care given for eligible dependent(s) when your spouse is not employed outside of the home, or is not a full-time student</li> </ul>

### Reimbursement and Filing Deadlines

Dependent care FSA reimbursement differs from health care accounts. If your dependent care account balance is below the amount requested for reimbursement, you will receive only those funds available in the account at the time. As more funds are deposited into your account from your paycheck, you are eligible to receive the balance of your request. Expenses incurred on or before December 31 have until March 31 to file for reimbursement. **There is no grace period or flex debit card option under a dependent care FSA.** Claim forms are available on the Intranet Portal, at [www.wellmark.com/flex](http://www.wellmark.com/flex) or through Human Resources.

### Dependent Care FSA vs. Tax Credit?

Dependent care expenses reimbursed from your flexible spending account are not eligible for a Dependent Care Tax Credit when you file your income taxes. Although your personal situation may vary, in general, if your adjusted family gross income is less than \$39,000, the Federal Tax Credit on your income tax return is most likely to your advantage. It is a good idea to consult your tax advisor to be sure you are making the decision that is right for your personal situation.



# Income Protection Benefits

## Short-term Disability Benefits

Full-time regular employees are eligible for core short-term disability (STD) insurance after 60 days of employment. STD benefits provide income to a member while off work due to a non-work-related illness or injury. You will not receive STD coverage if you are receiving Workers' Compensation benefits for your disability. If you qualify, after a seven-day waiting period the plan pays a weekly maximum benefit for up to 26 weeks from the disabling event. Your STD core benefits are based on your job classification and years of service, as listed below:

Job Classification	Core Benefit < 5 Years Service	Core Benefit 5+ Years Service
Driver, Mechanic or Warehouse	\$200 per week	\$200 per week
Exempt or Hourly Administrative	75% of weekly wages	100% of weekly wages

Employees in California, Rhode Island, New York, New Jersey and Hawaii have state-provided disability programs. If approved by the insurance carrier, the plan may supplement state-provided benefits, up to the amount you would receive if you were covered only by Ruan.

Note: The disability plan has a pre-existing condition exclusion. There is a three-month look-back period from the date your coverage becomes effective. If your condition is pre-existing (diagnosed, treated or received medical advice during the look-back period) and you become disabled during the first 12 months of coverage, benefits will not be paid. Only if your pre-existing condition becomes disabling after 12 months of continuous coverage will benefits be payable.

### Supplemental STD

Drivers, mechanics and warehouse workers may purchase additional coverage equaling 60 percent of your annual benefits salary (ABS), minus the core benefit, up to a maximum total benefit of \$2,300 per week. Your ABS is equal to one times your annual wages, rounded up to the nearest \$1,000. Drivers that are not paid an hourly rate will have an ABS of prior year's wages, rounded up to the nearest \$1,000. Newly hired/re-hired drivers will have a beginning ABS of \$33,000 for the remainder of the calendar year; the ABS will be adjusted their first January to reflect prior year's wages or \$33,000, whichever is greater.

In no event will your total disability benefit, when combined with all other sources named in the insurance certificate (including Social Security benefits), be more than 60 percent of your basic weekly pay up to the maximum. While the core benefit is subject to state and federal income taxes, supplemental premiums are deducted after tax. Therefore, any supplemental STD income will not be taxed.

## Long-term Disability Benefits

Ruan provides free core long-term disability (LTD) benefits for regular full-time employees after 60 days of employment. If you exhaust your STD benefits, you may be eligible to receive LTD benefits with approval from the insurance carrier. LTD benefits begin after 26 weeks of continuous disability or injury and provide 50 percent of your basic monthly pay up to a maximum of \$10,000 per month. If approved, your long-term disability benefit will be considered income and, therefore, subject to state and/or federal taxes. Pre-existing condition exclusions apply.

### Supplemental LTD

Employees in all job classifications have the option to add to the company provided LTD benefits by purchasing an additional 10 percent LTD benefit, raising the total to 60 percent of your annual benefits salary. In no event will your total disability benefit, when combined with all other sources named in the certificate (including Social Security benefits), be more than 60 percent of your basic monthly pay up to the maximum. While the core benefit is subject to state and federal income taxes, supplemental coverage premiums are deducted after tax. Therefore, any supplemental LTD income will not be taxed.

# Life Insurance Benefits

All eligible full-time employees receive a core life insurance benefit equal to one times your annual salary, rounded to the next \$1,000 (maximum \$50,000). New hire drivers will be covered for an average benefit salary of \$33,000 until they have worked a full calendar year. All life insurance is term coverage and has no cash value. Your life insurance policy also includes:

- **Accelerated Death Benefits** — if you are terminally ill, you may qualify to receive a portion of your life insurance benefits prior to death.
- **Accidental Death and Dismemberment (AD&D)** — if you have an accident that results in the loss of your life or the loss of a limb, you may qualify for additional benefits.
- **Seat Belt Benefit** — if you die in an automobile accident where AD&D benefits are payable and you were wearing your seat belt or protected by an airbag, there is an additional benefit of \$10,000.
- **Additional Services** — beneficiaries may be eligible for additional services such as grief support or help planning their financial future with the proceeds from the life insurance policy.

All life amounts for members age 70 and over will have a reduced benefit. At the time of death, participants ages 70 to 74 will receive 65 percent of the benefit; ages 75 and over will receive 50 percent.

## Supplemental Life Insurance

Eligible full-time employees may choose to supplement your core life insurance and AD&D coverage by purchasing additional coverage in increments of \$10,000 up to five times your annual wages (maximum of \$500,000). During your initial election period as a new hire, you are guaranteed up to \$150,000 of supplemental life coverage without medical underwriting. **Amounts over the guaranteed issue, or new elections/increases made at a later date, will be subject to medical underwriting at your own expense.**

## Dependent Life Insurance

The company provides \$1,000 in life insurance for your spouse at no cost to you. If you purchase additional life insurance benefits on yourself, you may also purchase additional life insurance for your spouse and/or children. AD&D coverage is not available for spouse or dependent life insurance.

Spouse life coverage can be purchased in \$5,000 increments up to one-half of your own supplemental life election (maximum \$250,000). During your initial election period as a new hire, you are guaranteed up to \$25,000 of spouse life coverage without medical underwriting. **Amounts over the guaranteed issue, or new elections/increases made at a later date, are subject to medical underwriting at your own expense.**

You may purchase dependent life insurance on children under age 26 in \$2,000 increments up to the maximum of \$10,000 or half of your supplemental life election, whichever is less. A maximum benefit for children from live birth to six months is \$2,000.

## Continuation of Life Insurance

If you leave the company or move to part-time status, you may continue your life and/or dependent life insurance. You may choose to port your existing coverage OR convert to an individual whole life policy.

- **Portability** — offers term coverage without age reductions; however, benefits will end after reaching a certain age or specified years of coverage. Applicants who port coverage lose their right to waiver of premium. You must return your application and premium payment within 30 days of cancellation in order to continue this option.
- **Conversion** — may convert the coverage into an individual whole life policy. There are no age reductions, and the policy accumulates a cash value. Premiums for life conversion are significantly higher than portability rates. You must return your application and premium payment within 30 days of cancellation in order to continue this option.

Upon cancellation of your coverage, Ruan will mail additional information about these options.

# Paid Time Off

## Paid Holidays

All full-time employees receive the following paid holidays:

- New Year's Day
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- Christmas Day

Please note that some locations may observe different holidays due to on-site customer scheduling, a collective bargaining unit or other agreements.

## Vacation

Ruan provides a vacation benefit to allow employees an opportunity to relax and enjoy leisure time. Vacation is earned throughout the year. All vacations must be arranged with, and are subject to approval by, your supervisor. Upon termination of employment, employees are paid for any earned but unused vacation time.

In some situations, an employee may have a different vacation package than the Ruan vacation plan. Examples include, but are not limited to: employees covered under a collective bargaining unit, customer agreements or written hiring agreements. Therefore, you should check with your manager to determine the vacation you may be eligible to take.

### **Drivers**

New drivers who are not paid on an hourly basis and have not worked a full calendar year will have their vacation accrual based on \$33,000. In addition, drivers will earn or accrue vacation dollars instead of hours or days.

### **Selling Earned Vacation**

Drivers, mechanics, warehouse and hourly administrative employees not covered by another time off agreement with three or four weeks of earned vacation may sell back unused vacation time, provided the manager approves and has a business need for the employee to work that week. An eligible employee earning three weeks may work for one week of their vacation in exchange for an extra week's pay; two weeks for employees earning four weeks. This option is not available to exempt employees or those earning only one or two weeks of vacation per year.

## Other Programs

Additional programs may be available such as jury duty, funeral leave or flex time. Please reference the company's Time Off Policy for more information and to determine if you qualify for any of these benefits.

# Other Benefits

## Employee Assistance Program

Magellan Health is an employee assistance program that offers confidential consultations, information and personalized referrals. Counselors may assist with work life balance, substance abuse, family relationships, health and wellness, financial planning and more. The service is available 24 hours a day, seven days a week for you and your family. Simply call toll-free **1-800-356-7089** or visit **[www.magellanhealth.com/member](http://www.magellanhealth.com/member)** and reference Ruan Transport as the employer.

## Tuition Reimbursement

An educational fund has been established to assist employees in furthering their education. Full-time regular employees are eligible following one year of employment. After scholarships, grants or awards, Ruan will reimburse work-related classes 75 percent of the tuition expenses (maximum \$2,000 per person per year). Applications are available on the Ruan Intranet Portal or through the benefits department and should be submitted and approved prior to enrollment.

Before the reimbursement check can be released, the employee must provide a receipt for tuition payment and proof of a “C” or better grade. If employment is terminated for any reason within one year following course completion, the employee must repay the amount reimbursed.

## Wellness Reimbursement

Ruan promotes healthy lifestyles; therefore, we provide a benefit for participation in an approved fitness facility, weight loss program or smoking cessation course. The company will reimburse an eligible, full-time employee and/or covered spouse 50 percent up to a maximum of \$200 per year per family. Sports equipment, apparel, shoes, diet foods/supplements or expenses for recreational activities (i.e., volleyball, bowling, softball teams or children’s activities) are not covered. You have until March 31 to file for reimbursement on expenses incurred the prior year. Forms are available on the Ruan Intranet Portal or by calling Human Resources at 1-800-845-6675.

## Direct Deposit

Ruan offers employees the benefit of payment through direct deposit. Any employee with a savings or checking account may participate. In this program, you authorize your pay to be automatically deposited into the account(s) of your choice every payday. You will still receive an earnings statement with your personal payroll information. There is no charge for using direct deposit. Forms are available on the Ruan Intranet Portal or through the Payroll Department.

## Referral Bonus

Ruan encourages employees to refer and recommend quality applicants for possible employment. If the candidate you refer is hired, you receive a bonus: \$1,000 for drivers and technicians or \$500 for all other positions. A Referral Bonus Form must be completed prior to employment of your candidate. Complete rules are listed on the Ruan Intranet Portal or you may contact Human Resources at 1-800-845-6675.

## Employee Discounts

Employees may qualify for discounts on various goods and services including Avis Rent-a-Car, Dell computers, floral and gift basket arrangements, Microsoft products, wireless plans, select GM vehicles, HP and Compaq. Some discounts or promotions change regularly, so please check the Ruan Intranet Portal for a list of the most current discounts available.

## Holiday Savings Club

Employees who wish to put money aside for use during the holiday season may set up a special savings account through Ruan's partnership with Bankers Trust. You decide how much to save each pay period, and your contributions will be placed into your personal account via direct deposit. There is no minimum balance requirement, and you may be eligible to earn interest on your account. Note that the monthly account fee will be waived while you are an active employee and participating in the program, although other banking fees may apply.

You will receive quarterly banking statements to monitor your account totals. In addition, you may access your account information 24 hours a day for free at [www.bankerstrust.com](http://www.bankerstrust.com). To enroll in the Holiday Savings Club for the first time, please complete the Bankers Trust New Account Worksheet available at [www.ruan.com/benefits](http://www.ruan.com/benefits). To change your deposit amount, please complete a Payroll Automatic Deposit form. All forms are available on the Ruan Intranet Portal or through Human Resources.

# 401(k) Retirement Plan

Ruan Employees' Profit Sharing and Savings Plan, or 401(k), provides a tax advantaged retirement savings opportunity for employees. The company will match your contributions after one year of employment to help you prepare for retirement. In addition to quarterly reports, you may access your account balance, change your deferral percentage, change your investment mix or initiate a loan 24 hours a day by using Principal Financial Group's TeleTouch system at **1-800-547-7754** or online at **www.principal.com**. Ruan's group/contract number is **381756**.

## Employee Savings

You are eligible to participate in Ruan's 401(k) program on the first pay period following 60 days of employment, provided that you are not participating in a union pension program. Once you meet the eligibility requirements, you may enter the plan at any time. You will contribute a percentage of your gross pay (including overtime, commissions and bonuses) each pay period through payroll deduction.

### Automatic Enrollment with Annual Step-up

Eligible new hires will be automatically enrolled into the Ruan 401(k) plan. Three percent of your gross pay will be designated toward your personal account and invested in the T. Rowe Price Retirement Advisor Fund that most closely matches your normal retirement date. If you wish enroll at a different percentage, invest in other funds or waive participation altogether, you must call Principal's TeleTouch system at 1-800-547-7754 or visit [www.principal.com](http://www.principal.com) before your effective date.

In addition, eligible employees who are deferring less than 6 percent will have their contribution automatically increased 1 percent each July 1 until they reach a maximum of 6 percent. This annual step-up allows members to gradually increase their retirement savings and helps ensure employees are taking full advantage of company matching. Employees subject to this increase will receive a notice prior to the step-up date along with instructions on how to opt out should they decide to decline participation in the program.

### Pre-tax Deferrals

You may elect 401(k) deferrals to be deducted on a pre-tax or post-tax basis. A traditional pre-tax 401(k) deferral deducts money from your paycheck before taxes are withheld, lowering your current tax liability. Your contribution, plus any company matching you may be eligible for, is placed into your personal retirement account. Your account, plus any gains or losses, remains tax free until you begin to withdraw funds from the account. Only the amount of the withdrawal is subject to taxes. If you withdraw money before reaching retirement age, or age 59 ½ if still working, any withdrawals will be subject to taxes and a 10 percent early withdrawal penalty.

### Roth 401(k) Deferrals

Roth 401(k) deferrals are deducted from your paycheck after taxes have been withheld. Because you have already paid taxes on this money, your account, plus any gains or losses, is not subject to state or federal taxes when you withdraw funds from the account. There is, however, a 10 percent early withdrawal penalty if you remove money from your account prior to retirement, or age 59½ if still working. Generally, Roth contributions may be a better option if you have several years until retirement (more than five), anticipate that you will be at a higher tax bracket when you retire and have been actively saving toward retirement. If you are considering a Roth 401(k), check with your tax advisor to see which deferral option best meets your retirement goals.

### Deferral Changes and Limits

Eligible employees may contribute to both a pre-tax and Roth 401(k) account at the same time; however, you may not combine accounts. You may change or stop your salary deferral at any time by using TeleTouch at 1-800-547-7754 or by visiting [www.principal.com](http://www.principal.com). The change will take effect on the first payroll following your request. While there is no maximum on the amount you may defer each pay period, the IRS limits your annual contribution to \$17,500 for the 2013 plan year.

### Catch-Up Contributions

Employees age 50 or older are able to contribute additional deferrals over the annual IRS limit toward their 401(k) account. The catch-up limit for 2013 is \$5,500.

## Investments

You may invest the money in your retirement account among several different investment funds ranging from low risk to high risk. Investment returns and detailed listings of each account are available through TeleTouch system at 1-800-547-7754 or by visiting [www.principal.com](http://www.principal.com). In addition, you may use these same resources to check your personal account returns and/or change your investment mix at any time. Please note that some funds may charge a small redemption fee and/or limit the number of times you may transfer between accounts.

If you are not comfortable selecting your own investments, try the T. Rowe Price Retirement Advisor Fund closest to your retirement age. Each account contains a mix of stocks, bonds and other investments based on your projected retirement age. An account manager will oversee the portfolio and periodically adjust the investment mix. As you move toward retirement, the account will become more conservative to help reduce large swings in value due to market fluctuations. If you do not make an investment election, your money will be invested in the T. Rowe Price fund closest to your normal retirement date.

## Company Contributions (Matches)

Ruan will begin matching 50 percent of your deferrals, up to 6 percent, after one year of employment. Company contributions will be placed into your pre-tax retirement account; Roth contributions will be matched in the same manner. Executive management may also offer additional discretionary contributions; however, discretionary matches are not guaranteed.

### 401(k) Matching Example

#### Employee Contribution

Annual Wages \$40,000 x 6% deferral = \$2,400

#### Company Contributions

Employee Deferral \$2,400 x 50% match = \$1,200

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**Total Annual Contributions** **\$3,600**

## Vesting

You are always 100 percent vested in the contributions you choose to defer. Company matches are vested based on years of service, as shown below. You must also be employed with the company through the end of the year in which the match was made.

Years	< 2	2	3	4	5	6 +
Vesting	0%	20%	40%	60%	80%	100%

# Withdrawals

Participants may receive benefits at retirement (age 62 or older), death, disability or termination of employment. Your personal 401(k) account is designed to provide retirement income, so there are restrictions on withdrawing funds while you are still working for the company. Depending on the type of withdrawal, you may have to pay interest, income taxes and/or a 10 percent penalty. You should compare and consider other types of loans or lending agencies before accessing your 401(k) retirement account.

## Loans

You may take up to two loans per 12-month period. There is a minimum loan amount of \$1,000 and a maximum of 50 percent of your vested account balance or \$50,000 (whichever is less). Each loan will have a separate payment deduction from your paycheck and payback schedule. In addition, you may not have more than three outstanding loan balances at any given time.

You will sign an agreement to pay back the principal and interest into your account. You also agree to have a loan origination fee and quarterly recordkeeping fees deducted from your account. The loan payback period varies with the amount you borrow with a maximum of five years. If you do not pay back your loan, you will pay taxes and possibly a 10 percent penalty on the outstanding balance. If your employment terminates prior to paying back the loan, you will have 60 days to pay the remaining balance in full. Otherwise you will be responsible for taxes and penalties.

Loans may be requested through TeleTouch at 1-800-547-7754 or [www.principal.com](http://www.principal.com). Allow two to three weeks processing time for your loan application to be completed.

## 59½ Withdrawal

Employees age 59 ½ or older who are still working for the company may withdraw their deferral contributions at any time. Regular income taxes and a 10 percent early withdrawal penalty may apply. Withdrawal forms are available from Principal Financial Group. Allow two to three weeks processing time for your withdrawal application to be completed.

## Hardship Withdrawal

If you do not qualify for a loan or have exhausted all available loan money and have not reached age 59 ½, you may qualify for a hardship withdrawal of your deferral contributions. The Ruan 401(k) plan defines a financial hardship as an immediate and severe financial need that you are unable to meet any other way. IRS guidelines also limit the use of a hardship withdrawal to the following reasons:

- Purchase of a primary residence
- Prevent foreclosure of your primary residence
- Repair damages to your primary residence
- Unreimbursed medical expenses
- Tuition, room and board for you or immediate family member for the upcoming post secondary school year
- Funeral expenses

Other rules and/or restrictions may apply. Withdrawal forms are available from Principal Financial Group. In addition to your hardship withdrawal form, you must also submit supporting documentation showing the qualifying reason (from the list above) and the amount needed to cover the financial need. If your request is approved, hardship withdrawals may be subject to regular income taxes and a 10 percent early withdrawal penalty. Allow two to three weeks processing time for your hardship request.



# Glossary of Terms

Provided below is a list of definitions for the terms most commonly used when administering benefits:

**401(k):** Defined contribution plan allowing tax-advantaged savings for an employee's retirement.

**Annual Benefits Salary (ABS):** Calculated as one times your annual wages, rounded up to the nearest \$1,000. Drivers that are not paid an hourly rate will have an ABS of prior year's wages, rounded up to the nearest \$1,000. Newly hired/re-hired drivers will have a beginning ABS of \$33,000 for the remainder of the calendar year; the ABS will be adjusted their first January to reflect prior year's wages or \$33,000, whichever is greater.

**Benefits Plan Year:** Ruan's 12-month benefit period beginning January 1 and ending December 31.

**Consolidated Omnibus Budget Reconciliation Act (COBRA):** A federal law that requires group health plans to allow employees and certain dependents to continue their group insurance for a stated period of time following a qualifying event that causes loss of coverage.

**Co-insurance:** Your share of the costs of a covered health care service, calculated as a percent (for example, 20 percent) of the allowed amount for the service. You pay co-insurance **plus** any deductibles you owe. For example, if the health insurance or plan's allowed amount for an office visit is \$100 and you've met your deductible, your co-insurance payment of 20 percent would be \$20. The health insurance or plan pays the rest of the allowed amount.

**Company Contribution:** Money the company provides toward a particular benefit plan.

**Co-payment (Co-pay):** A fixed amount (for example, \$15) you pay for a covered health care service, usually when you receive the service. The amount can vary by the type of covered health care service.

**Deductible:** The amount you owe for health care services your health insurance or plan covers before your health insurance or plan begins to pay. For example, if your deductible is \$1,000, your plan won't pay anything until you've met your \$1,000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services.

**Deferral:** Monies that an employee contributes to a plan through payroll deduction.

**Dependent:** An employee's legally married spouse, children under age 26 or incapacitated adult children (subject to medical approval).

**Explanation of Benefits (EOB):** Provided by the insurance company, this document details the way in which benefits were paid on a particular claim.

**Family Status Event (also Family Status Change):** A family event that may require an update or change to a benefit(s) election. A list of qualified family status events is located in the "Eligibility and Waiting Periods" section of this booklet.

**Family and Medical Leave Act (FMLA):** If eligible, an employee may receive up to 12 weeks of job protected leave.

**Flexible Spending Account (FSA):** A reimbursement account to which employees contribute pre-tax dollars for payment of health and/or dependent care expenses. **Benefits By Choice** offers both a health care and dependent care FSA. Employers may choose to contribute to employees' health care FSAs.

**High Deductible Health Plan (HDHP):** A medical insurance plan with a high annual deductible. A HDHP will not provide benefits until a minimum deductible is met, with the exception of preventative and well-baby care. There are statutory minimum deductibles and out-of-pocket maximums that are subject to annual cost of living adjustments.

**Health Insurance Portability and Accountability Act (HIPAA):** A federal law improving access to health insurance when changing jobs by restricting certain pre-existing condition limitations and protecting the privacy and standardization of medical records.

**Health Savings Account (HSA):** A tax-favored health care savings account, managed by the individual, which accumulates and carries over from year to year. Qualified expenses may be paid tax-free from the account. Eligibility requirements apply.

**Inventory Information Approval System (IIAS):** An IRS approved retail inventory system that only allows qualified FSA items to be approved for payment with a flex debit card.

**Long-term Disability (LTD):** Disability benefits that may begin after short-term disability benefits have been exhausted.

**Maintenance of Benefits (MOB):** Applies when an employee or dependent is covered by more than one insurance policy. It is a method of limiting insurance payments to no more than 100 percent of the approved charges.

**Maintenance Medication:** Prescription medications taken regularly to treat chronic conditions.

**Medicare Secondary Payer (MSP):** If an employee or dependent has coverage through both Medicare and a group health plan, in most cases, the group plan will pay primary and Medicare secondary on a covered service.

**Open Enrollment:** The opportunity each fall to choose the benefits and coverages desired for the upcoming benefits plan year. Also known as Annual Benefits Enrollment.

**Out-of-Pocket Maximum:** The most you pay during a policy period (usually a year) before your health insurance or plan begins to pay 100 percent of the allowed amount. This limit never includes your premium, balance-billed charges or health care your health insurance or plan doesn't cover. Some health insurance or plans don't count all of your co-payments, deductibles, co-insurance payments, out-of-network payments or other expenses toward this limit.

**Pre-Existing Condition:** An injury, illness or medical condition (other than pregnancy) for which medical advice, diagnosis, care or treatment was recommended or received within a certain time period prior to becoming eligible for benefits.

**Preferred Provider Organization (PPO):** A PPO is a group of health care providers who have an agreement to provide quality health care at discounted rates.

**Premium:** The amount that must be paid for your health insurance or plan. You and/or your employer usually pay it monthly, quarterly or yearly.

**Summary Plan Description (SPD):** A booklet or certificate describing each benefit in greater detail including eligibility, covered services, payment schedules, limitations or exclusions, etc.

**Spouse:** Person of the opposite sex to whom a covered employee is legally married, as determined by the laws of the state of the covered employee's residence. In addition, if you have a common law marriage, coverage for your spouse and dependent children may be obtained.

**Specialty Drugs:** High-cost injectable, infused, oral or inhaled drugs for the ongoing treatment of a chronic condition. These drugs generally require special handling and storage with close supervision and monitoring of the patient's drug therapy.

**Short-term Disability (STD):** A benefit providing income to a participant while off work due to a non-work-related illness or injury.

**Usual, Customary and Reasonable (UCR):** The amount paid for a medical service in a geographical area based on what providers in the area usually charge for the same or similar medical service. The UCR amount sometimes is used to determine the allowed amount.

**Underwriting (for life insurance):** A process of identifying potential risk for either approval or denial of coverage.

# Summary Plan Descriptions

A Summary Plan Description (SPD) is a booklet or certificate that describes each benefit in greater detail. All SPDs are located on the Ruan Intranet Portal and reflect the most current document and/or plan changes. Therefore, when accessing this information online, please be assured that the content is accurate.

Available SPDs include:

- Medical
- Dental
- Vision
- Short-term Disability
- Long-term Disability
- Life Insurance
- Flexible Spending and Pre-tax Savings Accounts
- Ruan 401(k) Retirement

For assistance in accessing SPDs on the Intranet Portal, or if you would like to order a printed copy of any of the aforementioned SPDs, please contact Human Resources at 1-800-845-6675.

# Price List

MEDICAL PLANS		BENEFIT PRICE	RUAN PAYS	EMPLOYEE PRE-TAX COST
			Smoker / Non-Smoker <sup>2</sup>	Smoker / Non-Smoker <sup>2</sup>
Employee Only	Basic <sup>1,2</sup>	\$450	\$400 / \$450	\$50 / Free
	Choice Savings <sup>2,3</sup>	\$550	\$400 / \$465	\$150 / \$85
	Premier <sup>2</sup>	\$675	\$400 / \$455	\$275 / \$220
Employee + One	Basic <sup>1,2</sup>	\$730	\$640 / \$730	\$90 / Free
	Choice Savings <sup>2,3</sup>	\$910	\$630 / \$710	\$280 / \$200
	Premier <sup>2</sup>	\$1,180	\$645 / \$715	\$535 / \$465
Family	Basic <sup>1,2</sup>	\$995	\$875 / \$995	\$120 / Free
	Choice Savings <sup>2,3</sup>	\$1,250	\$850 / \$965	\$400 / \$285
	Premier <sup>2</sup>	\$1,600	\$850 / \$920	\$750 / \$680

- 1) Enrollment in the Basic plan may qualify you for participation in a health savings account (HSA). To sign up for the first time, please refer to the HSA Three Step Enrollment Instructions available at [www.ruan.com/benefits](http://www.ruan.com/benefits). To change a deposit amount to an existing account, please use an HSA Change form.
- 2) Non-smoker discount must be re-elected each year. To apply for this discount, please agree to the Non-Smoker Discount statement when completing your online benefits enrollment.
- 3) Enrollment in the Choice Savings plan includes a company funded health care flexible spending account (FSA) to help pay for eligible out-of-pocket expenses. See the Employee Benefits Guide for details.

DENTAL PLANS		BENEFIT PRICE	RUAN PAYS	EMPLOYEE PRE-TAX COST
Employee Only	Standard	\$20.07	\$16.69	\$3.38
	Premier	\$32.32	\$16.69	\$15.63
Employee + One	Standard	\$42.14	\$34.91	\$7.23
	Premier	\$68.35	\$34.91	\$33.44
Family	Standard	\$69.70	\$57.81	\$11.89
	Premier	\$117.58	\$57.81	\$59.77

VISION PLAN		EMPLOYEE PRE-TAX COST
Employee Only		\$4.87
Employee + One		\$9.74
Family		\$15.69

SUPPLEMENTAL DISABILITY		EMPLOYEE AFTER TAX COST
<b>Short-term:</b> $\{(\text{Annual Benefits Salary} \times .014) \div 12\} - \$20.22$ core benefit = <i>Example: <math>\{(\\$33,000 \times .014) \div 12\} - \\$20.22 = \\$18.28</math></i>		\$ _____
<b>Long-term:</b> $(\text{Monthly Benefit Salary} \times \$0.17) \div 100 =$ <i>Example: <math>(\\$2,750 \times \\$0.17) \div 100 = \\$4.68</math></i>		\$ _____

SUPPLEMENTAL LIFE & DEPENDENT LIFE INSURANCE				EMPLOYEE AFTER TAX COST
Employee Rate per \$1,000		Spouse Rate per \$1,000		Self: \$ _____  Spouse: \$ _____  Child: \$ _____
Age < 30	\$0.17	Age < 30	\$0.14	
Age 30 – 39	\$0.23	Age 30 – 39	\$0.20	
Age 40 – 49	\$0.35	Age 40 – 49	\$0.32	
Age 50 – 59	\$0.69	Age 50 – 59	\$0.66	
Age 60 – 64	\$1.15	Age 60 – 64	\$1.12	
Age 65 – 69	\$1.85	Age 65 – 69	\$1.82	
Age 70 +	\$2.99	Age 70 +	\$2.96	
Child Rate per \$1,000 \$0.20  <b>Formula:</b> $\frac{\text{Rate} \times \text{Election}}{\$1,000} =$  <b>Example:</b> $\$0.35 \times \$50,000 = \$17.50$ $\$1,000$				
<b>Employee Maximum:</b> \$10,000 increments up to 5x annual wages (max. \$500,000). <b>Spouse Maximum:</b> \$5,000 increments up to ½ of employee's supp. amount (max. \$250,000). <b>Children Maximum:</b> \$2,000 increments up to ½ of employee's supp. amount (max. \$10,000).				

FLEXIBLE SPENDING ACCOUNTS		EMPLOYEE PRE-TAX COST
<b>Formula:</b> Annual Pledge ÷ months remaining in year =		
<b>Health Care:</b> (minimum \$100; maximum \$2,500) <i>Members enrolled in the Choice Savings medical plan will be automatically enrolled in a company funded FSA. See your Employee Benefits Guide for details. Any personal elections will be added to your Ruan contribution.</i>		\$ _____
<b>Dependent Care:</b> (minimum \$100; maximum \$5,000 or \$2,500 if married but filing separately)		\$ _____

Note: Deductions will be adjusted accordingly for a bi-weekly or weekly pay cycle.

# ***RUAN***

INTEGRITY. DEDICATION. TEAMWORK. ENJOYMENT.

## **EMPLOYEE BENEFITS DEPARTMENT**

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