



Employee Benefit Snapshot

April 1, 2010

Covenant Retirement Communities (CRC) provides a variety of benefits which offer flexibility and choice depending on individual needs. This brochure provides a brief summary and is presented for information only. Additional information can be found in the *Employee Handbook* and *New Employee Benefit Guide*. Specific terms and conditions of certain benefits are set forth in the summary plan descriptions that are available from the Human Resources office.

PAYCHECKS

Cash wage: your position is graded and paid according to the wage and salary administration program.

Pay Day: each pay period is two weeks in length, starting on Friday and ending on Thursday. Paychecks are distributed on alternate Thursdays following the end of the two-week pay period. There are 26 pay periods in the calendar year.



Direct deposit: an automatic/direct deposit of all or part of your paycheck to your personal checking, savings, credit union, and/or Pay N' Go Card (debit card) accounts are the options. CRC is 100% paperless for pay checks. This is a free service. Your money is immediately available to you on payday; you do not have to worry about picking up your paycheck if not working on the payday. You do not have to worry about a lost paycheck, waiting for a replacement, or paying the stop payment charge. Details are available in the Human Resources office.

Credit union: services available include free checking, savings accounts, Money Market accounts, ATM card, credit card, various loans and a variety of other banking services.

RETIREMENT

Social Security: the amount you pay (currently 6.2% of earnings up to \$94,200 for Social Security, 1.45% of all earnings for Medicare) is matched by the campus and paid to your account.

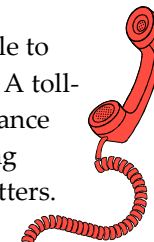
Pension plan: administered by Principal and funded entirely by the campus. Full-time and part-time employees who meet the eligibility requirements (one-year of employment and having reached age 25) participate at no cost. You are vested in the plan after 5 years of employment. For pension purposes, a year of employment requires 1248 paid hours including hours worked, paid time off and overtime (this is approximately 48 paid hours per two-week pay period). If you are enrolled you will receive an annual individual statement from Principal showing an estimate of your own pension benefit once vested.

Tax deferred savings accounts (TDSA): are available through VALIC and Lincoln Financial. Pre-tax dollars are deducted from your paycheck and are forwarded to your personal account. You may invest this money in a variety of investment options. Your contributions to your TDSA are not subject to Federal and State (if applicable) income tax, but are subject to Social Security and Medicare taxes.



EMPLOYEE ASSISTANCE

LifeBalance: is an employee assistance program available to employees and family members living in the household. A toll-free number (1-800-854-1446) is available to call for assistance with family and marital issues, substance abuse, parenting questions, legal or financial issues, and psychological matters. Counselors are available 24-hours a day, 7-days a week. All calls are handled in a confidential manner. LifeBalance may make referrals to a local clinic, medical agency or, self-help programs as appropriate. Referral service will be coordinated to the extent possible



with CRC employee benefits. A brochure is available from the Human Resources office.

EDUCATIONAL ASSISTANCE

Tuition reimbursement: Covenant Retirement Communities encourages professional growth through education. Employees are eligible for tuition reimbursement upon completion of six months of continuous employment. Reimbursement of 100% of approved courses (up to a maximum of \$1500 per year) is available to full-time employees. A pro-rated benefit is available to part-time employees. Reimbursement is for tuition, books and fees. The educational institution and course of study must be **approved in advance** each semester.

Dependent scholarship: post-high school scholarships for dependents of employees. Applications are available in the spring.



Paul V. Peterson scholarship: scholarships for full-time employees (with at least one full year of employment) enrolled in a program that supports and is beneficial to his/her employment with CRC and resident services. Applications are available in the spring.

Covenant Employee Discount: A discount on tuition at North Park University, Chicago, is available to full-time employees and their family members. For eligibility and information, contact North Park University for more information, 773-244-6200, www.northpark.edu.

PAID TIME OFF

Paid time off is paid at your base hourly rate of pay. Requests for time off require supervisor approval and are subject to the requirements of your department's operation.

Paid Time Off (PTO): both full-time and part-time employees accrue PTO for each base hour paid (regular time worked and paid time off, but not overtime), and is approximately 16 days per year for a new employee working 80 hours per two-week pay period. PTO accrual increases after five years and 12 years of employment. PTO accrues



from the date of employment. Total accrued PTO time may not exceed 1 ½ times the amount of PTO that can be earned in any 1 year. No additional PTO accrual will occur until the balance is again below the maximum. Employees are eligible to use PTO after six months of continuous employment.

CRC recognizes the necessity of rest and relaxation. You are expected to take at least half of your earned PTO each year as time away from your job. However, we do allow PTO Cash-In at 80% of your pay rate anytime throughout the year, as long as you meet the minimum balance requirements (see Employee Handbook for minimum balance requirements). PTO hours cashed-in will be deducted from your earned PTO bank, paid at 80% of your base hourly rate of pay and will not be available to use as paid time off at a later date. In order to cash-in any earned PTO, you must be eligible to use it (completed 6 months of continuous employment).

Holidays: full-time employees are granted six paid holidays per calendar year. They are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Bereavement Leave: In the event of a death in the employee's immediate family, full-time employees may be absent for up to 4 scheduled shifts with pay. Part-time *PLUS* employees may be absent for up to 2 scheduled shifts with pay. Part-time *PLUS* employees will be paid only for scheduled shifts missed. Employees requesting time off for funerals of other relatives or friends may use accrued PTO. Management may request proof of death, such as a newspaper obituary, funeral bulletin or wake card.

Jury Duty: CRC encourages employees to be responsible in their civic duties and pays (regular base pay) employees for normally scheduled hours spent in jury service on a day the employee would otherwise be scheduled to work.

INSURANCE

Information on employee contribution amounts (payroll deductions) for the various insurance benefits is available from the Human Resources office.

Medical*: insurance administered by Blue Cross Blue Shield of Illinois is available to both full-time and part-time PLUS employees and eligible dependents. There is a choice of two plans. One is a standard PPO (deductibles and co-pays are applicable), and the other is an Account-Based Health Plan (deductible and coinsurance are applicable) with a Health Savings Account.

Dental*: insurance administered by Delta Dental of Minnesota is available to both full-time and part-time PLUS employees and eligible dependents. Deductibles and co-pay are applicable.

Vision***: voluntary benefits through Spectera UnitedHealthcare are available to both full-time and part-time PLUS employees and eligible dependents.



Continuation of Coverage: Medical, dental and vision insurances can be continued through Continuation of Coverage if employment terminates or if a covered person is otherwise no longer qualified for the benefit.

Life, accidental death and dismemberment group insurance: available through UNUM is provided at no cost to full-time employees. The benefit is one time base annual earnings to a maximum of \$300,000 for both life and AD&D.

Additional Term Life, accidental death and dismemberment insurance (voluntary) **: administered by UNUM is available to full-time employees and their eligible dependents. There is a guarantee issue of \$150,000 for the employee upon first becoming eligible.

Short-term disability: available through UNUM is provided at no cost to full-time employees. (This insurance does not apply to

California employees.) The weekly benefit is 60% of the weekly base rate of pay to a maximum of \$1000 per week for up to 13 weeks.

California State Disability Insurance (SDI) ***: All California employees are automatically covered under the Disability Insurance Plan of the State of California. If you are unable to work because of illness or injury not connected with your work, you can collect insurance benefits from the State. Benefits begin after seven days unless you are confined to a hospital, in which case no waiting period is required.

Long-term disability (voluntary) ***: (full-time non-exempt employee) voluntary insurance through UNUM is available at a reasonable rate.

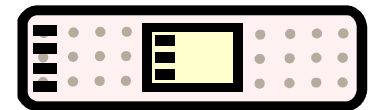
Long-term disability: (full-time, exempt employee) group insurance through UNUM is provided at no cost.



Long-term care (voluntary) **: (full-time exempt employee) insurance through UNUM.

Critical Illness with optional cancer rider (voluntary) **: insurance through UNUM. Employees and eligible dependents may purchase this insurance, which pays a lump sum benefit, based on the date of diagnosis, up to 100% of the policy's face amount. (Not available in Connecticut.)

Accident Insurance (voluntary) **: available through UNUM. Employees and eligible dependents may purchase this insurance which covers a wide variety of injuries. (Not available in Connecticut.)



Whole Life (voluntary) **: available through UNUM. Employees and eligible dependents may purchase this insurance which is designed to provide death benefits to your dependents if you pass away, but it also can build cash value that you can utilize while still alive.

Workers' Compensation: In the event of a work-related injury or illness, you are covered by workers' compensation insurance for the expenses incurred and the time lost as a result of your injury or illness in accordance with the workers compensation laws. The campus pays the full cost of this insurance and you are covered from the first hour of employment. Any injury, no matter how minor or insignificant it may seem at the time, must be **reported to a supervisory person immediately.**

Pre-tax payroll deductions: for medical, dental and vision. Pre-tax deductions may reduce your federal and state income taxes as well as Social Security tax. Pre-tax deductions are automatic unless you elect, in writing, after-tax deductions. Pre-tax deductions restrict the employee's ability to change or cancel applicable insurances. Employees are encouraged to discuss the pre-tax option with their financial or tax advisor, or the employee assistance program, *LifeBalance*. Your pre-tax deductions are not subject to Federal or State (as applicable) income tax, nor are they subject to Social Security or Medicare Tax.

Comments

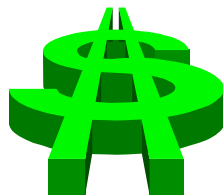
* The campus pays a portion of the cost of this benefit.

** The cost of this insurance is paid entirely by the employee through payroll deduction. This insurance belongs to the employee and may be continued after employment terminates, the employee becomes responsible to pay premiums directly to the insurance company.

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FLEXIBLE SPENDING ACCOUNTS

Full- and part-time *PLUS* employees are eligible for this benefit. The plan year is January 1 through December 31. You must enroll separately each year in which you want to participate in this benefit. You elect to have a portion of your pay go into a special pre-tax account. That money is then used to reimburse yourself for your eligible out-of-pocket



expenses. When you have an eligible expense, submit an FSA claim form along with proof that you had the expense. You will be sent a check (or direct deposit option) for that amount withdrawn from your tax-free account! Money not reimbursed is forfeited. Your contributions to your FSA are not subject to Federal or State (if applicable) income tax, nor are they subject to Social Security or Medicare Tax.

Health Care FSA: This account allows you to set aside up to \$5000 pre-tax dollars from your paycheck for you and your family's health care related expenses (for example: medical and dental insurance deductible, a doctor's office visit co-pay, dental co-pays, vision care including optometrist's fees and glasses/contacts, prescriptions, etc.). You can save for various expenses that may not be covered by your or your spouses' health insurance plan. This account can be set up with the PPO.

Limited-Purpose Health Care FSA: This account is similar to the Health Care FSA, but this is the account you may elect, if you have the Account-Based Health Plan. This account can be used for "permitted coverage" (such as dental or vision care expenses).

Dependent Care FSA: You can set aside up to \$5000 pre-tax dollars per year from your paycheck in your dependent (adult and/or child) daycare account. This account covers dependent daycare expenses that make it possible for you and your spouse to go to work or school.



DISCOUNT PURCHASES

An arrangement with Care Purchasing Services, Inc. is in place whereby employees can purchase certain items (for example: large appliances, computers, cell phones, vacuums) at discounted prices through certain vendors. Informational flyers with discount details are available from the human resources department.

EMPLOYEE CLASSIFICATION

Your classification as an employee determines your eligibility for insurance, PTO, leaves of absences and other benefits.

Full-time employee: A full-time employee normally works a schedule of 72 or more hours per two-week pay period on a regular assignment.

Part-time PLUS employee: A part-time *PLUS* employee normally works a schedule of less than 72 hours but more than 32 hours per two-week pay period on a regular assignment.

REGULAR Part-time employee: A *REGULAR* part-time employee normally works a schedule of less than 32 hours per two-week pay period on a regular assignment and is not eligible for benefits other than accrued vacation, TDSA contribution and workers' compensation insurance.

Occasional employee: Occasional employees are considered regular part-time employees but are not scheduled to work on a regular basis and can be called in to work as needed.

Temporary employee: A temporary employee is employed for a specified period of time, usually not more than 90 days. The temporary employee is not eligible for any benefits except workers' compensation.

Per Diem employee: Per Diem nurses are scheduled on an as-needed basis and are not eligible for benefits, except for the TDSA.

NOTES

Please refer to the *Employee Handbook* or *New Employee Benefits Guide* for other important information. This insurance and benefit information provides a brief summary and is presented for information only. Specific terms and conditions of certain benefits are set forth in the summary plan descriptions that are available from the Human Resources office. If the terms of this summary, the applicable summary plan description and/or the specific policy differ, the policy will govern.