2014 Benefits Guide

For Employees of the Louisiana State University System

▪ Health Insurance ▪ Voluntary Benefits ▪ Flexible Benefits ▪ Retirement Plans ▪

LOUISIANA STATE UNIVERSITY SYSTEM

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WELCOME TO THE LSU SYSTEM

Employee Benefits Offered Through the LSU System

In recognition of the diverse needs of its employees, the Louisiana State University System offers a variety of employee benefit programs, allowing you to select a level of protection and security best suited to your personal situation. This booklet provides an overview of the following Benefit Plans:

- Medical Plans
- Flexible Benefit Programs
- Voluntary Benefits
- Retirement Plan Options

Your Human Resource/Benefits Department has additional Plan information and enrollment forms available in their office. In an effort to keep you informed of your benefit options, they will also provide benefit information periodically using other methods of communication, including memoranda, meetings, and newsletters. You can also find this information, and more, on the LSU System website: www.lsusystem.edu/index.php/faculty-staff/employee-benefits/. Although the LSU System hopes to offer participation in these Plans indefinitely, it has the right to amend or terminate any Benefit Plan.

Each Plan described in this booklet is governed by a legal document called the Plan Document. The LSU System has taken care to accurately present the information contained in each Plan Document in a way that is easily understood. The following descriptions and information are not intended to be all-inclusive or supersede the individual Plan Documents, rules or policies. Therefore, in the event of a discrepancy between this booklet and the Plan Documents, the Plan Documents will be followed.

It is important for you to have a good understanding of each Benefit Plan that is offered. Please review this booklet carefully, and if you have any questions, please contact your local Human Resource/Benefits Department.

HEALTH INSURANCE BENEFITS

Eligibility

Any active employee of the LSU System is eligible for health insurance provided the following:

- Employed at 75% of full-time effort per pay period (avg. of 30 hours/week) or greater
- Appointed for a duration of at least one semester or 120 days or greater

Effective Date of Coverage

Timely Applicant*: If you enroll within your first thirty (30) days of full-time employment, your coverage will be effective the first of the month following your first full calendar month of employment.

- For example: Date of Hire = August 20th, Effective Date = October 1st

Late Applicant*: If you enroll yourself and/or your dependents into a Health Plan after your first thirty (30) days of employment, you are considered a late applicant. Enrollment forms must be received by your Benefits Representative and the Office of Group Benefits no later than the 14th of the month for coverage to be effective the first of the following month.

- For example: For coverage effective October 1st, applications are due by September 14th

Dependent Coverage

An eligible dependent is defined as set forth below:

- The covered Employee's legal spouse;
- A Child from date of birth up to 26 years of age;
- The Employee may also enroll an eligible Dependent during the year if a court orders the Employee to cover an eligible Dependent (e.g., a QMCSO). See the Section entitled "Qualified Medical Child Support Order" for more details regarding a QMCSO. Coverage will take effect the first day of the month following the date of receipt by your Employer of all required forms prior to the fifteenth of the month, or the first day of the second month following the date of receipt by your Employer of all required forms on or after the fifteenth of the month.
- Overage Dependents. If a Dependent Child is incapable (and became incapable prior to attainment of age 26) of self-sustaining employment by reason of mental retardation or physical incapacity, and is dependent upon the covered Employee for support, the coverage for the Dependent Child may be continued for the duration of incapacity.
    - Prior to the Dependent Child reaching age 26, an application for continued coverage with current medical information from the Dependent Child's attending Physician must be submitted to the Plan Administrator to establish eligibility for continued coverage as set forth above. The Plan Administrator, in its discretion, may consider applications and attending Physician's information submitted after the Child reaches age 26, if the application and information indicate that the Child's incapacity was present prior to the Child reaching age 26, but was not apparent or diagnosed until after the Child reached age 26.
    - Upon receipt of the application for continued coverage, the Plan Administrator may require additional medical documentation regarding the Dependent Child's mental retardation or physical incapacity as often as he may deem necessary thereafter.

Dependent Certification Requirement for all Health Plans and Group Benefits Life Insurance:

To deter fraud, abuse, and assure the proper use of public funds and Plan Members' premium dollars, The Office of Group Benefits and LSU First joins the majority of public and private health benefit programs by requiring proof that the dependents covered are legal dependents of the Employee.

All active and retired employees are required to provide written proof that each dependent covered under the Employee's health Plan is his/her actual legal dependent. All employees must present appropriate written verification for all currently covered dependents to their Human Resources (HR) /Benefits Department on his/her campus.

Written Verification Required for Dependents:

Active Plan Members must provide proof of the status of each covered dependent to your HR/Benefits Department on your campus. Failure to comply with these requirements will result in cancellation of your dependents' coverage. Below is a list of categories of dependents and the proof that must be presented at the time of enrollment to cover these dependent(s):

1. Spouse
   - Certified copy of marriage license indicating date and place of marriage.

2. Dependent child under age 26 or Natural or legally adopted child of Plan Member.
   - Certified copy of birth certificate listing Plan Member as parent or,
   - Certified copy of legal acknowledgment of paternity signed by Plan Member or,
   - Certified copy of adoption decree naming Plan Member as adoptive parent.

3. Stepchild
   - Certified copy of marriage license to spouse and birth certificate listing spouse as natural or adoptive parent.

4. Child placed with your family for adoption by agency adoption or irrevocable act of surrender for private adoption.
   - Certified copy of adoption placement order showing date of placement or,
   - Copy of signed and dated irrevocable act of surrender.

5. Child for whom you have been granted guardianship or legal custody, including provisional custody.
   - Certified copy of signed legal judgment granting you legal guardianship or custody.

6. Grandchild for whom you do not have legal custody or guardianship but who is dependent on you for support and whose parent is a covered dependent.
   - Certified birth certificate or adoption decree showing parent of grandchild is a dependent child and certified copy of birth certificate showing dependent child is a parent of grandchild.

7. Never-married child age 26 or older who is incapable of self-sustaining employment due to mental retardation or physical incapacity who was covered prior to age 26.
   - Certified copy of birth certificate listing Plan Member as parent or,
   - Certified copy of legal acknowledgment of paternity signed by Plan Member or,
   - Certified copy of adoption decree naming Plan Member as adoptive parent.
   - Must also apply for continued coverage prior to age 26 and provide supporting medical documentation.
   - Must provide additional medical documentation of child's condition periodically upon request by Plan Administrator.

If you have questions about the dependent verification policy, contact OGB Customer Service toll-free at 1-800-272-8451 or call or visit your local HR/Benefits Department.

It may take several months to obtain necessary documents to verify the status of your dependents. For information about recovering copies of lost vital records, visit the OGB website at www.groupbenefits.org.

Adding New Dependents

To add newly eligible dependents acquired through marriage, birth, or adoption, you must submit a change form to your HR/Benefits Department within 30 days of the event. Coverage will be effective as of the date of the event when a change form is submitted within 30 days. Failure to submit paperwork within that timeframe will result in a delayed effective date of coverage and the dependent will be considered a Late Applicant.

IMPORTANT NOTE: Newborns are not automatically added to your policy. You must complete a change form in order to effectively add them to your coverage.

Deleting Dependents:

In order to delete a dependent, you must submit a change form to your HR/Benefits Department within 30 days of losing eligibility for any of the following events:

- Divorced spouse
- Over-age children
- Children no longer dependent on you or your spouse for support
- Deceased spouse or child

Section 125 Tax Implications

Through the Tax-Saver Premiums Flexible Benefits Plan, if you participate in a Health Plan through The Office of Group Benefits or LSU, your premiums may be deducted on a pre-tax basis, thereby reducing your tax liability. For more information, see page 19. However, there are some important conditions per Internal Revenue Service regulations:

1. If you enroll as a Late Applicant in absence of a qualifying event (see page 19), you will not be allowed to tax shelter your healthcare premiums with before-tax payroll deductions through the Tax-Saver Premiums Only Plan.
2. If you enroll for health coverage with premiums paid on a before-tax basis and you later elect to increase your level of coverage (i.e. Single to Family coverage), you will not be allowed to tax shelter the additional healthcare premium amount through the Tax-Saver Premiums Only Plan unless the change is in connection with a qualifying event (see page 19).
3. If you enroll for health coverage with premiums paid on a before-tax basis, you may not discontinue or reduce the level of coverage (i.e. Family to Single coverage) during the year unless the change is in connection with a qualifying event (see page 19).

Annual Enrollment

Each year during the month of October, eligible employees have an opportunity to change their Health Plan elections or elect new health coverage for an effective date of January 1st.

Termination of Medical Coverage

Your health insurance coverage under any of the plans will end on the earliest of the following dates:

- On the date the program terminates.
- On the last day of the month in which your employment terminates.*
- On the last day of the month in which your work hours are permanently reduced to less than 30 hours per week or less than 75% of full-time effort.
- On the last day of the month in which you elect to cancel coverage.
- On the last day of the month of the covered employee's death.

**If you are an academic employee who terminates employment at the end of the academic year, your coverage may be extended through September 30th of the same year. See your Benefits Representative for more details.*

NOTE: If your contributions are paid on a before-tax basis, you may not discontinue or reduce your level of coverage (i.e. Family to Single coverage) during the Plan Year, unless the change is in connection with a family status change. (See section on Tax-Saver Flexible Benefits Plan.)

Continuation of Medical Coverage

At Termination of Employment or Ineligibility of a Dependent

COBRA (Consolidated Omnibus Budget Reconciliation Act) is a federal law, which requires that group plans offer covered employees and dependents the opportunity to continue health insurance coverage when coverage would normally end for certain specified reasons. The following provisions outline the requirements for continued coverage in accordance with the law:

- You and your covered dependents may continue coverage for up to 18 months if coverage ends because of either a permanent reduction in the number of hours worked or termination of employment for any reason other than gross misconduct. You and/or your covered dependent must apply within 60 days of the date coverage ends or the date you are notified of your continuation rights, whichever is later.
- Your dependents may continue their coverage under the group plan for up to 36 months if their coverage ends for any of the following reasons:
  - Divorce from the employee
  - Death of the employee, or
  - Dependent child reaches the maximum age or otherwise ceases to qualify as a dependent under the Plan.

Coverage would be effective the first of the month following the event.

As a Surviving Spouse or Dependent

Upon your death, your surviving legal spouse may continue his/her health insurance coverage by completing an application within 60 days of your death and paying the applicable monthly premium. Coverage would be effective the first of the month following the event.

Your surviving dependent children may continue coverage until they are no longer eligible as a dependent on Health Plans offered by the LSU System. If your surviving spouse or dependent later becomes employed through the State of Louisiana and thereby gains eligibility as an employee, they will no longer be eligible for coverage as a surviving spouse or dependent.

At Retirement:

You may continue your medical plan upon retirement if you meet the eligibility requirements for age and years of service under the Teachers' Retirement System of Louisiana (TRSL) or Louisiana State Employees' Retirement System (LASERS). If you are a Member of TRSL's Optional Retirement Plan, you must meet the eligibility requirements, as defined by the TRSL, to continue coverage.

If you began participating in a Health Plan through the State of Louisiana on or after January 1, 2002, the state subsidy of your premium after retirement will be based on the number of years you have participated in a Group Benefits program. If your spouse and/or dependents began participating in a Health Plan through the State of Louisiana on or after July 1, 2002, the state subsidy of their premium after your retirement (**and** upon your death) will be based on the number of years they have participated in a Group Benefits program. The following schedule is used in determining the state's subsidy of a retiree's premium:

- 10 years or less of participation: 19% of premium paid by the State.
- More than 10 but less than 15 years of participation: 38% of premium paid by the State.
- More than 15 but less than 20 years of participation: 56% of premium paid by the State.
- 20 or more years of participation: 75% of premium paid by the State.

**If you elect to cancel medical insurance as a retiree, coverage can only be reinstated under very limited provisions (see Plan Document for explanation).*

HEALTH INSURANCE PLAN OPTIONS

The LSU System offers employees and their eligible dependents financial protection against a wide range of health care expenses resulting from illness or injury. As part of our continuing effort to provide benefits to meet the varying needs of our employees, the System offers you a choice of health insurance plans. The premiums are eligible for tax sheltering under the Tax-Saver Premiums Only Flexible Benefits Plan.

This section summarizes the main points of the Health Plans offered to employees of the LSU System, each of which is governed by a legal document called a Plan Document. In the event of a conflict between this summary and the Plan Document, the terms of the Plan Document will be the governing document that the LSU System will follow.

Types of Health Insurance Plans

1. **Consumer Directed Health Plan (CDHP) -** The LSU System Health Plan (LSU First) is a fully-funded self-insured plan that utilizes Aetna as the Claims Administrator and Medical Manager, Express Scripts as the Pharmacy Benefits Manager, and Verity HealthNet for local and First Choice Provider network administration (see pages 14-15 for more details), *Nationwide.*
   - Consumer-driven health plans give you choice and control on how to spend your healthcare dollars. LSU First includes up-front benefit dollars in a Health Reimbursement Account (HRA), online and phone-based tools to support decision-making. You can also see a specialist without a referral.
   - Option 1 vs. Option 2: The difference between Option 1 and Option 2 in LSU First is the Member Responsibility is higher under Option 2. The monthly premium is lower as a result of the higher out-of-pocket responsibility of the Member under Option 2. Option 2 may be a good choice if you have rollover dollars from a previous Plan Year or if you know you will have minimal healthcare costs during the Plan Year.

2. **Preferred Provider Organization (PPO) -** The PPO plan is administered by Blue Cross Blue Shield of Louisiana and provides a nationwide network . There are no referrals required to see a specialist. The Member pays an up-front deductible, and coverage is based on in-network versus out-of-network care, with in-network benefits being greater. (See pages 10-13 for more details), *Nationwide.*

3. **Health Maintenance Organization (HMO) -** Administered by Blue Cross and Blue Shield of LA, the OGB HMO Benefit Plan for the State of Louisiana Employees and Retirees is a comprehensive group health plan with benefits similar to a point-of-service plan. It has copayment, deductible and co-insurance benefits. A Member may choose to receive benefits from a network provider or a provider outside the network (non-network provider). A Member will usually pay a copayment when seeking care from a network provider, and will pay deductible and co-insurance for services received from a non-network provider. The Member's choice of a provider usually determines whether a copayment or deductible/co-insurance applies. (See pages 10-13 for more details), *Nationwide.*

4. **Region 5, 6, 7, 8 and 9 Medical Home HMO Plan -** Insured by Vantage Health Plan, *Baton Rouge, Alexandria, Shreveport and Monroe areas [Regions 5, 6, 7, 8, and 9] who live in a zip code where plan is offered – in Ascension, Avoyelles, Bienville, Bossier, Caddo, Caldwell, Catahoula, Claiborne, Concordia, DeSoto, East Baton Rouge, East Carroll, East Feliciana, Franklin, Grant, Iberville, Jackson, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Ouachita, Pointe Coupee, Rapides, Red River, Richland, Sabine, Tensas, Union, Vernon, Webster, West Baton Rouge, West Carroll, West Feliciana and Winn parishes).*

   One of Vantage's main goals is providing cost effective and comprehensive primary health care for children, youth and adults. Vantage encourages partnerships between individual patients and their personal Physicians, and when appropriate, the patient's family. Rather than being a "gatekeeper" who restricts patient access to services, a personal physician coordinates and facilitates the care of patients and is directly accountable to each patient.

   All Vantage Members are required to select a PCP upon enrollment in the Vantage Regional HMO Plan. Each Vantage Member has an ongoing relationship with a personal Physician trained to provide first contact and assist you in obtaining access to ongoing and comprehensive health care. The Primary Care Physician is your personal Physician and will work with you to coordinate all of your health care. Your personal Physician, or PCP, leads a team of clinical health care professionals who collectively take responsibility for your immediate and ongoing health care needs. Health care professionals may also include a variety of other clinical professionals, such as nurses, social workers, dieticians and nutritionists.

Your PCP will also be responsible for arranging appropriate care with other qualified health care professionals, Specialty Care Providers or facilities, such as radiologists, laboratories, surgeons, and Hospitals. Your PCP will assist you in providing or arranging for all of your health care needs, including acute care, Chronic care and preventive services across all elements of the complex health care system (e.g., subspecialty care, Hospitals, home health agencies, nursing homes) and the patient's community (e.g., family, public and private community-based services). Care is facilitated by the Vantage Medical Management department which will work closely with your PCP to facilitate communication among the various Participating Providers involved in your health care.

5. **Consumer Driven Plan (CD-HSA) -** Administered by Blue Cross Blue Shield, *Nationwide.* Plan members who enroll in the Consumer Driven Health Plan can also choose to open a Health Savings Account (HSA) and use pre-tax dollars to make contributions to the HSA. The HSA can be used to pay eligible medical and pharmacy expenses for you and your family until you meet your deductible for the plan year. It can also help you save for future health care expenses.

   If you choose to utilize the HSA option, the state will contribute $200 per plan year to help jump-start your savings—and will match your tax-free contributions made through payroll deduction dollar for dollar, up to an additional $575 per plan year. For the 2013 calendar year, the U.S. Internal Revenue Service limits total tax-free HSA contributions to $3,250 for employee coverage and $6,450 for family coverage—plus an additional $1,000 if you are age 55 or older. To receive these matching dollars, however, you must set up an HSA with Bankcorp Bank, which is affiliated with Blue Cross Blue Shield, the CD-HSA plan administrator.

The following pages include a table with a brief summary of the Health Plans that are offered by the LSU System. For more detailed information and to search for providers in each Plan, you may contact the Health Plans directly.

For more information on the Health Plans and/or a list of providers:

Provider	Customer Service Phone Number	Website Provider Search
LSU First Health Plan	1-855-346-LSU1	www.lsufirst.org
Blue Cross Blue Shield PPO	1-800-392-4089	http://www.bcbsla.com/ogb
Blue Cross and Blue Shield of LA HMO Plan	1-800-392-4089	www.bcbsla.com/ogb
Vantage Health Plan Regions 5, 6, 7, 8 & 9 (Baton Rouge, Alexandria, Shreveport & Monroe) Regional HMO Plan	1-888-823-1910	http://employees.vhp-stategroup.com
Blue Cross Blue Shield CD-HSA Plan	1-800-392-4089	http://www.bcbsla.com/ogb

JANUARY 1 – DECEMBER 31, 2014 HEALTH PLAN SUMMARY

For the 2014 Plan Year, employees of the LSU System will have five (5) health plan options from which to choose coverage. We recommend that you review your plan options to ensure you have the coverage that best meets your needs. Below is a summary of benefits for January 1 – December 31, 2014.

<table>
<tr><th></th><th>LSU First
Administered by LSU</th><th>PPO
Administered by Blue Cross & Blue Shield of LA</th><th>HMO Plan
Administered by Blue Cross & Blue Shield of LA</th><th>Medical Home HMO Plan (Regions 5, 6, 7, 8 & 9; must choose a PCP)
Insured by Vantage Health Plan</th><th>CDHP-HSA Plan (Consumer Driven Plan with Health Savings Account)
Administered by Blue Cross & Blue Shield of LA
(only active employees eligible to enroll)</th></tr>
<tr><td>Network Type</td><td>Nationwide</td><td>Nationwide</td><td>Nationwide</td><td>Regions 5, 6, 7, 8 & 9</td><td>Nationwide</td></tr>
<tr><td>Referral Required</td><td>No</td><td>No</td><td>No</td><td>Yes</td><td>No</td></tr>
<tr><td>Lifetime Maximum</td><td colspan="5">Unlimited</td></tr>
<tr><td>Health Reimbursement Account (HRA)</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>No, but HSA Available</td></tr>
<tr><td>HRA Rollover (maximum)</td><td>Up to $8,000</td><td>No</td><td>No</td><td>No</td><td>No</td></tr>
<tr><td>First Choice Provider</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>No</td></tr>
<tr><td>Life Insurance and AD&D Included</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>No</td></tr>
<tr><td>Critical Illness Benefit</td><td>Yes</td><td>No</td><td>No</td><td>No</td><td>No</td></tr>
<tr><td>Deductible</td><td>You pay $0 for First Choice Providers and Generic Drugs
No Medical Plan co-pays.
All Employee and Dependent claims accumulate to meet the Deductible
<table>
<tr><th></th><th>Option 1</th><th>Option 2</th></tr>
<tr><td>Employee</td><td></td><td></td></tr>
<tr><td>LSU pays</td><td>$1,000</td><td>$1,000</td></tr>
<tr><td>You pay</td><td>500</td><td>1,500</td></tr>
<tr><td>Total</td><td>1,500</td><td>2,500</td></tr>
<tr><td>+Spouse</td><td></td><td></td></tr>
<tr><td>LSU pays</td><td>1,500</td><td>1,500</td></tr>
<tr><td>You pay</td><td>750</td><td>2,250</td></tr>
<tr><td>Total</td><td>2,250</td><td>3,750</td></tr>
<tr><td>+Child(ren)</td><td></td><td></td></tr>
<tr><td>LSU pays</td><td>1,500</td><td>1,500</td></tr>
<tr><td>You pay</td><td>750</td><td>2,250</td></tr>
<tr><td>Total</td><td>2,250</td><td>3,750</td></tr>
<tr><td>Family</td><td></td><td></td></tr>
<tr><td>LSU pays</td><td>2,000</td><td>2,000</td></tr>
<tr><td>You pay</td><td>1,000</td><td>3,000</td></tr>
<tr><td>Total</td><td>3,000</td><td>5,000</td></tr>
</table></td><td>$500 active; $300 retired
Family unit maximum:
3 individuals
Does not include co-pays</td><td>None
Does not include co-pays</td><td>None
Does not include co-pays</td><td>Must meet deductible before Co-insurance applies
Employee - $1,250
Employee plus one (spouse or child) - $2,500
Family - $3,000
Does not include co-pays</td></tr>
<tr><td>In-Network Out of Pocket Maximum</td><td>
<table>
<tr><th></th><th><u>Opt1</u></th><th><u>Opt 2</u></th></tr>
<tr><td>Employee</td><td>$2,000</td><td>$2,000</td></tr>
<tr><td>+Spouse</td><td>3,000</td><td>3,000</td></tr>
<tr><td>+Child(ren)</td><td>3,000</td><td>3,000</td></tr>
<tr><td>Family</td><td>4,000</td><td>4,000</td></tr>
</table>
You pay $0 for First Choice Providers and Generic Drugs.
No medical co-pays.
All Employee and Dependent medical claims accumulate to meet the Out of Pocket Maximum.
(Does not include prescription drug co-pays or deductible amount).</td><td>$1000 per person</td><td>$1000 per person/$3000 per family</td><td>$1000 per person/$3000 per family</td><td>$2000 per person</td></tr>
</table>

[1]After deductible is met
[2]Member also pays the difference between the billed amount and the fee schedule (also known as the Usual and Customary rate)
[3]Age and/or time restrictions apply
[4]Precertification required

	LSU First *Administered by LSU*	PPO *Administered by Blue Cross & Blue Shield of LA*	HMO Plan *Administered by Blue Cross & Blue Shield of LA*	Medical Home HMO Plan (Regions 5, 6, 7, 8 & 9; must choose a PCP) *Insured by Vantage Health Plan*	CDHP-HSA Plan (Consumer Driven Plan with Health Savings Account) *Administered by Blue Cross & Blue Shield of LA* *(only active employees eligible to enroll)*
Prescription Drug Generic	$0 for a 30-day or 90-day supply	$0 for a 31-day supply, after $1,200 per person per year	$0 for a 31-day supply, after $1,200 per person per year	**(Tier 1)** Low-cost generic drug - $3 co-pay **(Tier 2)** Non-preferred generic drug - $10 co-pay	**Level 1** Generic: 31-day supply; $10 co-pay after deductible
Prescription Drug Brand Name	After a Member reaches the Deductible: For a 30-day supply, Member will be responsible for a $40 co-pay for brand drugs and a $120 co-pay for specialty medications. If a Member chooses a brand name drug when a generic equivalent is available, the Member will also be responsible for the difference between the brand name drug and the generic. Specialty medications are delivered by CuraScript, an Express Scripts specialty pharmacy. **Members may only receive a 30-day supply at retail.** **Members must utilize home delivery for a 90 day supply.**	Member pays 50%; maximum $50 per 31-day fill; after $1200 per person per plan year, co-pay $15 brand **NOTE: Plan member who chooses brand name drug for which approved generic version is available, pays cost difference between brand name drug and generic plus 50% co-pay amount for brand name drug; cost difference will not apply to $1,200 out of pocket maximum** (administered by Catamaran, formerly Catalyst Rx)	Member pays 50%; maximum $50 per 31-day fill; after $1200 per person per plan year, co-pay $15 brand **NOTE: Plan member who chooses brand name drug for which approved generic version is available, pays cost difference between brand name drug and generic plus 50% copy amount for brand name drug; cost difference will not apply to $1,200 out of pocket maximum** (administered by Catamaran, formerly Catalyst Rx)	**(Tier 3) Preferred brand-name drug:** $45 co-pay **(Tier 4) Non-preferred brand -name drug:** $95 co-pay **(Tier 5) Specialty drugs:** 33% co- insurance (Administered by Catamaran)	**Level 2** Preferred Brand: 31-day supply; $25 co-pay **Level 3**- Non-preferred Brand: 31-day supply; $50 co-pay **Level 4**- Specialty: 31-day supply; $50 co-pay **All Levels**: co-pays apply after deductible is met. **Maintenance Drugs**: - 31-day supply - not subject to deductible; - subject to applicable co-payment levels 1 through 4 above; (administered by Express Scripts)
Drug Formulary	No	No	No	Yes	Yes
Prescription Drug Home Delivery (Mail Order)	Same as above with the exception that Member receives a 90-day supply through Home Delivery. **Member will be responsible for three co-pays for a 90-day supply.** Home Delivery of maintenance medications is encouraged. Members must make an active selection to fill maintenance medications at retail.	Same as above	Same as above	30-day supply for one co-pay 60-day supply for two co-pays 90-day supply for three co-pays Not available for specialty drugs (Administered by Catamaran)	**Level 1**- Generic: 90-day supply; $10 co-pay **Level 2**- Preferred Brand: 90-day supply; $25 co-pay **Level 3**- Non-preferred Brand: 90-day supply; $50 co-pay **Level 4**- Specialty: 90-day supply; $50 co-pay **All Levels**: co-pays apply after deductible is met. **Maintenance Drugs:** - 90-day supply - not subject to deductible - subject to applicable co-payment levels 1 through 4 above (administered by Express Scripts)
Employee Assistance Program (EAP)	Yes	No	No	No	No
Wellness Benefits	100%	100%	100%	100%	100%

1 After deductible is met
2 Member also pays the difference between the billed amount and the fee schedule (also known as the Usual and Customary rate)
3 Age and/or time restrictions apply
4 Precertification required

	LSU First *Administered by LSU*	**PPO** *Administered by Blue Cross & Blue Shield of LA*	**HMO Plan** *Administered by Blue Cross & Blue Shield of LA*	**Medical Home HMO Plan (Regions 5, 6, 7, 8 & 9; must choose a PCP)** *Insured by Vantage Health Plan*	**CDHP-HSA Plan (Consumer Driven Plan with Health Savings Account)** *Administered by Blue Cross & Blue Shield of LA* ***(only active employees eligible to enroll)***
Office Visit	**First Choice:** $0 after HRA **In-Network:** 10% after Deductible **Out-of-Network:** 30% of the Maximum Reimbursable Charge after Deductible + amount over the Maximum Reimbursable Charge	**In-Network:** Member pays 10% of contracted rate[1] **Out-of-Network:** Member pays 30% of fee schedule[1,2]	**In-Network:** $15 PCP/$25 Specialist (no referral required) **Out-of-Network:** Member pays 30% of fee schedule and has a separate $1000 deductible [2]	**In-Network:** $5 PCP/ $45 Specialist (no referral required) **Out-of-Network:** Emergencies covered worldwide; prior plan approval may be required. Separate deductibles and co-insurance applies. [2]	**In-Network:** Member pays 20% of contracted rate[1] **Out-of-Network:** Member pays 30% of fee schedule [1,2]
Hospital Services (inpatient)	**First Choice:** $0 after HRA **In-Network:** 10% after Deductible **Out-of-Network:** 30% of the Maximum Reimbursable Charge after Deductible + amount over the Maximum Reimbursable Charge	**In-Network:** Member pays 10% of contracted rate[1,4] **Out-of-Network:** Member pays 30% of fee [1,2]	**In-Network:** $100 per day; Maximum of $300 per admission [4] **Out-of-Network:** Member pays 30% of fee schedule and has a separate $1000 deductible [2]	**In-Network:** $200 per day; Maximum of $600 per admission [4] **Out-of-Network:** Emergencies covered worldwide; prior plan approval may be required. Separate deductibles and co-insurance applies. [2]	**In-Network:** Member pays 20% of contracted rate[1,4] **Out-of-Network:** Member pays 30% of fee schedule[2]
Ambulatory Surgery	**First Choice:** $0 after HRA **In-Network:** 10% after Deductible **Out-of-Network:** 30% of the Maximum Reimbursable Charge after Deductible + amount over the Maximum Reimbursable Charge.	**In-Network:** Member pays 10% of contracted rate[1] **Out-of-Network:** Member pays 30% of fee schedule[1,2]	**In-Network:** $100 co-pay **Out-of-Network:** Member pays 30% of fee schedule and has a separate $1000 deductible[2]	**In-Network:** Member pays $200 co-pay[4] **Out-of-Network:** Emergencies covered worldwide; prior plan approval may be required. Separate deductibles and co-insurance applies. [2]	**In-Network:** Member pays 20% of contracted rate[1,4] **Out-of-Network:** Member pays 30% of fee schedule[2]
Maternity (physician)	**First Choice:** $0 after HRA. **In-Network:** 10% after Deductible. **Out-of-Network:** 30% of the Maximum Reimbursable Charge after Deductible + amount over the Maximum Reimbursable Charge	**In-Network:** Member pays 10% of contracted rate[1] **Out-of-Network:** Member pays 30% of fee schedule[1,2]	**In-Network:** $90 co-pay **Out-of-Network:** Member pays 30% of fee schedule and has a separate $1000 deductible[2]	**In-Network:** $5 co-pay (first visit only; no referral required) **Out-of-Network:** Emergencies covered worldwide; prior plan approval may be required. Separate deductibles and co-insurance applies. [2]	**In-Network:** Member pays 20% of contracted rate[1] **Out-of-Network:** Member pays 30% of fee schedule [1,2]
Mental Health and Substance Use Disorder (Inpatient)	**First Choice:** $0 after HRA **In-Network:** 10% after Deductible **Out-of-Network:** 30% of the Maximum Reimbursable Charge after Deductible + amount over the Maximum Reimbursable Charge	**In-Network:** Member pays 10% of contracted rate[1,4] **Out-of-Network:** Member pays 30% of fee schedule[1,2]	**In-Network:** $100 co-pay per day; $300 maximum per admit[4] **Out-of-Network:** Member pays 30% of fee schedule and has a separate $1000 deductible[2]	**In-Network:** $200 co-pay per day; $600 maximum per admit [4] **Out-of-Network:** Emergencies covered worldwide; prior plan approval may be required. Separate deductibles and co-insurance applies. [2]	**In-Network:** Member pays 20% of contracted rate[1,4] **Out-of-Network:** Member pays 30% of fee schedule [1,2]

[1] After deductible is met
[2] Member also pays the difference between the billed amount and the fee schedule (also known as the Usual and Customary rate)
[3] Age and/or time restrictions apply
[4] Precertification required

	LSU First *Administered by LSU*	PPO *Administered by Blue Cross & Blue Shield of LA*	HMO Plan *Administered by Blue Cross & Blue Shield of LA*	Medical Home HMO Plan (Regions 5, 6, 7, 8 & 9; must choose a PCP) *Insured by Vantage Health Plan*	CDHP-HSA Plan (Consumer Driven Plan with Health Savings Account) *Administered by Blue Cross & Blue Shield of LA* ***(only active employees eligible to enroll)***
Mental Health and Substance Use Disorder (Outpatient)	**First Choice:** $0 after HRA **In-Network:** 10% after Deductible **Out-of-Network:** 30% of after Deductible + amount over the Maximum Reimbursable Charge	**In-Network:** Member pays 10% of contracted rate[1] **Out-of-Network:** Member pays 30% of fee schedule[1,2]	**In-Network:** $15 office visit co-pay **Out-of-Network:** Member pays 30% of fee schedule and has a separate $1000 deductible[2]	**In-Network:** $45 co-pay per office visit[4] **Out-of-Network:** Emergencies covered worldwide; prior plan approval may be required. Separate deductibles and co-insurance applies. [2]	**In-Network:** Member pays 20% of contracted rate[1,4] **Out-of-Network:** Member pays 30% of fee schedule[1,2]
Physical, Occupational and Speech Therapy	**First Choice:** $0 after HRA **In-Network:** 10% after Deductible **Out-of-Network:** 30% of the Maximum Reimbursable Charge after Deductible + amount over the Maximum Reimbursable Charge	**In-Network:** Member pays 10% of contracted rate[1] **Out-of-Network:** Member pays 30% of fee schedule Maximum visits per plan year: 50 for physical and occupational therapy 26 for speech therapy	**In-Network:** $15 co-pay **Out-of-Network:** Member pays 30% of fee schedule and has a separate $1000 deductible	**In-Network:** 20% co-insurance; combined maximum of 20 visits per plan year for occupational and speech therapy[4] **Out-of-Network:** Emergencies covered worldwide; prior plan approval may be required. Separate deductibles and co-insurance applies.	**In-Network:** Member pays 20% of contracted rate[1] (visit limits apply, see plan document) **Out-of-Network:** Member pays 30% of fee schedule[1,2]

This comparison chart is a summary of plan features. For full details of the plan, refer to the official plan documents.

LSU System Health Plan

Benefit Snapshot (01/01/2014 - 12/31/2014)

Putting You First

- Unlimited lifetime maximum benefits
- No referrals needed for specialists
- Critical Illness direct cash benefit
- First Choice providers covered at 100%
- Generic prescriptions covered at 100%
- Employee Assistance Program (EAP)

Preventive Care: 100% coverage with in-network providers

Well-child care:

- 6 visits age 0-12 months
- 3 visits age 12-36 months
- Annual visits from 36 months through age 16
- Immunizations

Adult Preventive Care (age 16+):

- Routine exams
- Immunizations
- Annual pap smear
- Age-appropriate cancer screenings
- Annual vision exam

1 Health Reimbursement Account (HRA)

- Benefit dollars allocated for you
- Pays first at 100% of eligible medical and pharmacy expenses
- Unused dollars roll over for the future

	Employee	Employee/ Spouse	Employee/ Child(ren)	Employee/ Family
Annual HRA Contribution	$1,000	$1,500	$1,500	$2,000

2 Remaining Deductible

- After your HRA is exhausted, you pay for additional health care expenses up to the amount of your Remaining Deductible
- Services received from First Choice Providers and Generic Drugs are covered at 100%

	Employee	Employee/ Spouse	Employee/ Child(ren)	Employee/ Family
Option 1	$500	$750	$750	$1,000
Option 2	$1,500	$2,250	$2,250	$3,000

3 Medical Coverage

- If you exceed your HRA and meet your Remaining Deductible, your plan pays 90% in-network and 70% out-of-network* for additional medical expenses.
- Services received from First Choice Providers are covered at 100%

Out-Of-Pocket Maximum: The annual dollar cap you owe during health coverage

	Employee	Employee/Spouse	Employee/Child(ren)	Employee/Family
Option 1	In: $2,000 Out: $5,000	In: $3,000 Out: $7,000	In: $3,000 Out: $7,000	In: $4,000 Out: $9,000
Option 2	In: $2,000 Out: $6,000	In: $3,000 Out: $8,000	In: $3,000 Out: $8,000	In: $4,000 Out: $10,000

Prescription Drug Coverage

- If you exhaust your HRA and meet your Remaining Deductible, you can purchase brand name and specialty prescription drugs at a flat fee.
- Generic prescription drugs are covered at 100%

	Generic	Brand Name	Specialty
Co-pay for 30-day supply	$0	$40	$120

** Based on the Maximum Reimbursable Charge for service in your area*

How it Works
Option 1 Employee Only

Preventive Care Covered at 100%

1 LSU Pays
$1,000

2 You Pay
$500 for brand name drugs and non-First Choice Providers

3 LSU and You Share
Medical:
90/10% In-Network
70/30% Out-of-Network*

Pharmacy:
$0 Generic co-pay
$40 Brand Name co-pay
$120 Specialty co-pay

First Choice Providers and Generic Drugs Covered at 100% after HRA

100% Medical care coverage after you hit the out-of-pocket maximum

Health Tools and Resources

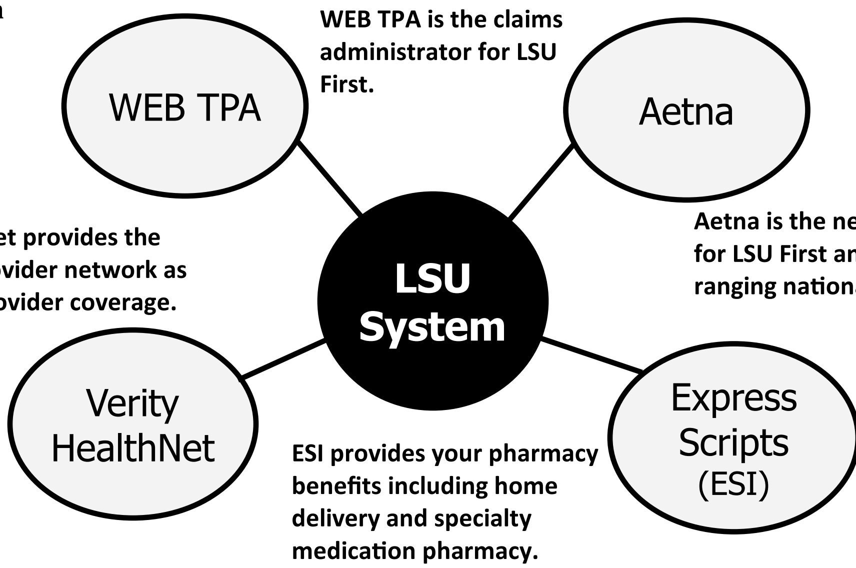
LSU First Website track HRA balances and claims, compare cost and quality for medical care and prescription drugs, order prescription drug refills and more at **www.lsufirst.org**

See your Human Resource Department for the cost of each option

Member Advocates: 1.866.607.5325

Other Important Features of LSU First --

1. The LSU First Team



2. Nationwide Provider and Pharmacy Networks

Aetna provides a local and nationwide network. In the event a provider doesn't participate with Aetna, Verity providers can be utilized for in-network benefits. Verity also provides your First Choice Provider network.

Express Scripts offers a large, nationwide pharmacy network including the vast majority of retail pharmacies.

3. Critical Illness Direct Cash Benefit

This benefit is available to all Employees as part of LSU First, which includes the following:

- Heart Attack
- Renal Failure (End Stage)
- Stroke
- Invasive Cancer
- Major Organ Transplant
- Coronary Artery Bypass Surgery

Employees impacted by one of these critical illnesses and meeting benefit criteria may receive a direct cash payment upon submitting necessary claim forms. See the Summary Plan Description (online) for additional details. If you collect Critical Illness Benefits from LSU First and later have one of the remaining covered illnesses, the full benefit amount will be paid for any additional illness that takes place. If you are diagnosed twice with the same condition, the full benefit will be paid again in the event the reoccurrence is at least 12 months after the previous illness.

4. Transplant Expenses

LSU First will reimburse any Employee up to $10,000 for transportation, lodging and food if you are the recipient of a preapproved organ/tissue transplant from a designated Center of Excellence. Such expenses will also be reimbursed for one traveling companion.

JANUARY 1 – DECEMBER 31, 2014 PRORATION GRID

For newly hired Employees with an effective date after January 1st, the Deductible and HRA contributions will be pro-rated, based on the remaining number of months in the Plan Year (see chart below).

New Hire Table for Option 1						
Level of Coverage	Employee Only		Employee + Spouse Employee + Children		Family	
EFFECTIVE DATE	**HRA**	**Remaining Deductible**	**HRA**	**Remaining Deductible**	**HRA**	**Remaining Deductible**
January 1st	$1,000.00	$500.00	$1,500.00	$750.00	$2,000.00	$1,000.00
February 1st	$917.00	$458.00	$1,375.00	$688.00	$1,833.00	$917.00
March 1st	$833.00	$417.00	$1,250.00	$625.00	$1,667.00	$833.00
April 1st	$750.00	$375.00	$1,125.00	$563.00	$1,500.00	$750.00
May 1st	$667.00	$333.00	$1,000.00	$500.00	$1,333.00	$667.00
June 1st	$583.00	$292.00	$875.00	$438.00	$1,167.00	$583.00
July 1st	$500.00	$250.00	$750.00	$375.00	$1,000.00	$500.00
August 1st	$417.00	$208.00	$625.00	$313.00	$833.00	$417.00
September 1st	$333.00	$167.00	$500.00	$250.00	$667.00	$333.00
October 1st	$250.00	$125.00	$375.00	$188.00	$500.00	$250.00
November 1st	$167.00	$83.00	$250.00	$125.00	$333.00	$167.00
December 1st	$83.00	$42.00	$125.00	$63.00	$167.00	$83.00

New Hire Table for Option 2						
Level of Coverage	Employee Only		Employee + Spouse Employee + Children		Family	
EFFECTIVE DATE	**HRA**	**Remaining Deductible**	**HRA**	**Remaining Deductible**	**HRA**	**Remaining Deductible**
January 1st	$1,000.00	$1,500.00	$1,500.00	$2,250.00	$2,000.00	$3,000.00
February 1st	$917.00	$1,375.00	$1,375.00	$2,063.00	$1,833.00	$2,750.00
March 1st	$833.00	$1,250.00	$1,250.00	$1,875.00	$1,667.00	$2,500.00
April 1st	$750.00	$1,125.00	$1,125.00	$1688.00	$1,500.00	$2,250.00
May 1st	$667.00	$1,000.00	$1,000.00	$1,500.00	$1,334.00	$2,000.00
June 1st	$583.00	$875.00	$875.00	$1,313.00	$1,167.00	$1,750.00
July 1st	$500.00	$750.00	$750.00	$1,125.00	$1,000.00	$1,500.00
August 1st	$417.00	$625.00	$625.00	$938.00	$833.00	$1,250.00
September 1st	$333.00	$500.00	$500.00	$750.00	$667.00	$1,000.00
October 1st	$250.00	$375.00	$375.00	$563.00	$500.00	$750.00
November 1st	$167.00	$250.00	$250.00	$375.00	$333.00	$500.00
December 1st	$83.00	$125.00	$125.00	$188.00	$167.00	$250.00

MONTHLY MEDICAL INSURANCE PREMIUMS FOR ACTIVE EMPLOYEES
Effective January 1, 2014 through December 31, 2014

	LSU First (Aetna) Option 1	LSU First (Aetna) Option 2	PPO (BCBS)	HMO (BCBS)	HDHP with HSA (BCBS)	Medical Home HMO (Vantage) Designated Regions
12 Month Employee Share						
Employee Only	$141.42	$126.28	$141.42	$133.62	$109.78	$148.46
Employee w/ Spouse	$408.90	$356.10	$459.38	$433.94	$356.58	$457.46
Employee w/ Children	$203.54	$193.94	$203.54	$192.28	$158.10	$209.06
Family	$489.52	$429.34	$492.22	$464.94	$382.04	$489.30
9 Month Employee Share						
Employee Only	$188.56	$168.37	$188.56	$178.16	$146.37	$197.95
Employee w/ Spouse	$545.20	$474.80	$612.51	$578.59	$475.44	$609.95
Employee w/ Children	$271.39	$258.59	$271.39	$256.37	$210.80	$278.75
Family	$652.69	$572.45	$656.29	$619.92	$509.39	$652.40
State Share						
Employee Only	$424.30	$378.82	$424.30	$400.86	$329.38	$424.30
Employee w/ Spouse	$691.78	$608.64	$742.26	$701.18	$576.18	$742.26
Employee w/ Children	$486.42	$446.50	$486.42	$459.52	$377.70	$486.42
Family	$772.40	$681.88	$775.10	$732.18	$601.64	$775.10
Total Premium						
Employee Only	$565.72	$505.10	$565.72	$534.48	$439.16	$572.76
Employee w/ Spouse	$1,100.68	$964.74	$1,201.64	$1,135.12	$932.76	$1,199.72
Employee w/ Children	$689.96	$640.44	$689.96	$651.80	$535.80	$695.48
Family	$1,261.92	$1,111.22	$1,267.32	$1,197.12	$983.68	$1,264.40
COBRA Premium						
Employee Only	$577.02	$515.20	$577.02	$545.16	$447.94	$584.22
Employee w/ Spouse	$1,122.68	$984.04	$1,225.66	$1,157.82	$951.42	$1,223.70
Employee w/ Children	$703.76	$653.24	$703.76	$664.84	$546.52	$709.38
Family	$1,287.16	$1,133.44	$1,292.66	$1,221.06	$1,003.34	$1,289.68

TAX - SAVER FLEXIBLE BENEFITS PLAN

Types of Tax-Saver Plans

Premiums Only Plan:

If you enroll in the Premiums Only Plan, your premiums for medical, dental, vision, and life insurance offered through The Office of Group Benefits may automatically be deducted pre-tax from your paycheck before your taxable income is determined. There is no cost to participate in the Premiums Only Plan. There is no tax liability on the money put into the Premiums Only Plan.

If you enroll in the Premiums Only Plan and want to cancel any of the benefits that are being tax-sheltered under this Plan, you may only do so if you experience a qualifying event (see “Changes in Participation during the Year” section). If you do not experience a qualifying event, you may only cancel your participation during Annual Enrollment for a January 1st effective date.

You may add or change coverage during the Plan year without a qualifying event; however, the change in premium will not be tax-sheltered.

Flexible Spending Accounts (FSA)

This benefit provides you with the opportunity to set aside tax-exempt dollars for out-of-pocket health care or dependent care expenses incurred by you and/or your eligible dependents. You must determine an annual amount to be withheld, and you will be provided with a Debit Card pre-loaded with this amount for your use throughout the 2014 Plan Year. Determine the amount to be withheld by forecasting your out-of-pocket health care and/or dependent care expenses for the entire Plan year, plus the grace period (January 1st through March 15th).

The deduction is made before taxes are computed, thus making the spending account dollars tax-free. To access the money in your account, you can either use your FSA Debit Card at the time of service, or you can file a claim form-requesting reimbursement for eligible, out-of-pocket expenses, available in your HR/Benefits Department or online at www.lsufirst.org.

The **Monthly Fee** to participate in these plans is **$5.10**, which includes participation in both the Healthcare Spending Account and the Dependent Care Spending Account, regardless of contributions made to either account (subject to minimum/maximum requirements).

Eligibility

Any active employee of the LSU System is eligible for participation in the flexible benefits plan provided the following:

- Employed at 75% of full-time effort or greater (at least 30 hours per week).
- Appointed for a duration of at least one semester or 120 days or greater

Effective Date of Coverage

You must enroll within your first thirty (30) days of full-time employment; your coverage will be effective the first of the following month after your first full calendar month of employment.

For example:
Date of Hire = August 20th
Effective Date = October 1st

Annual Enrollment

If you enroll in the Premiums Only Plan, your election automatically rolls over from one year to the next. This election may be cancelled during Annual Enrollment (effective January 1st) or within 30 days of a qualifying event if cancellation is consistent with the qualifying event.

Since circumstances affecting out-of-pocket expenses are generally subject to change each year, you must re-enroll in the Flexible Spending Account (FSA) each year during Annual Enrollment. Your FSA enrollment will not automatically carry over from year to year. If you choose not to re-enroll during Annual Enrollment, you account will automatically cancel on December 31st.

Changes in Participation During the Year

Due to the tax advantages you enjoy under this program, the Internal Revenue Service imposes some restrictions on the changes you can make during the Plan Year. Once you have elected to participate in one or more of these accounts, you cannot change or revoke this election except during Annual Enrollment or if you experience a qualifying event.

A qualifying event only allows for changes to an existing election. If you did not make an election to participate in the Plan during Annual Enrollment or within 30 days of employment, a qualifying event will not allow for enrollment in the Plan mid-year. The only exception to this rule is in cases where there is a loss of other coverage.

Qualifying events include:

1. Changes in Family Status
   - Change in legal marital status, such as marriage, death of spouse, divorce, legal separation, or annulment.
   - Change in number of dependents, such as birth, adoption or death of a dependent.
   - Change in employment status of you or your spouse.
   - An event that causes a dependent to satisfy or cease to satisfy the requirements for coverage due to attainment of age or any similar circumstance.
2. Changes required by judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody
3. Entitlement to or loss of Medicare or Medicaid
4. Significant cost or coverage changes
5. FMLA qualified leaves of absence
6. Changes in a dependent care provider or cost of dependent care

Changes in Health Care FSA elections may be allowed for qualifying events that fall under a change in family status; however, no changes are allowed to Health Care FSAs for other qualifying events. Also, the change in your election must be consistent with your change in family circumstances and must be made within 30 days of the date of change.

How Flexible Spending Accounts Save You Money

Assuming an employee has an Annual Gross Income of $30,000 and is in a 15% tax bracket:

	With FSA	Without FSA
Gross Monthly Pay Minus FSA Contribution	$2,500 - $360	$2,500 N/A
Taxable Income Minus Taxes	$2,140 -$321	$2,500 -$375
Net Income Plus FSA Reimbursement	$1,819 +$360	$2,125 N/A
Total Monthly Pay	$2,179	$2,125

Monthly tax savings = $54.00; Annual tax savings = $648.88.

NOTE: Savings will be even greater for persons in higher tax brackets.

Types of Flexible Spending Accounts

HEALTHCARE Spending Account

Minimum Contribution: $100
Maximum Contribution: $2,500

Qualifications and Eligible Expenses: Many health care expenses, such as co-payments and deductibles, are not fully reimbursed by health, dental, or vision insurance and may be eligible for reimbursement through a Health Care FSA. For a detailed list of health care expenses that may qualify for reimbursement under the Health Care Spending Account, contact your Benefits Representative.

How to Calculate Your Expenses: Use the worksheet available on page 22 to estimate your unreimbursed health care expenses. But keep this in mind – IRS regulations state that if all the money in the account is not used by the end of the Plan Year, the remaining balance must be forfeited (known as the "Use-it-or-Lose-it rule"). Therefore, you should be conservative in your estimates. It is better to estimate low rather than high since you will have to forfeit any money left in the account at the end of the Plan Year. After estimating your total health care expenses for the Plan Year, divide this amount by the appropriate number of pay periods left in the Plan Year to calculate your per-pay-period contribution amount. This amount will be deducted on a pre-tax basis.

DEPENDENT CARE Spending Account

Minimum Contribution: $100
Maximum Contribution: $5,000

There are four conditions surrounding participation in Dependent Care Spending Accounts:

1. If you are married, generally both you and your spouse must be employed in order to use this Plan to reimburse eligible dependent daycare expenses.
2. Your contribution may not exceed the lesser of your income or the income of your spouse. For example, if you earn $30,000 a year and your spouse earns $2,000 a year, your contribution may be no more than $2,000 for the year.
3. If you are married and file separate returns, your maximum contribution is $2,500.
4. If your spouse has a Dependent Care Account at work and you file a joint return, your combined total tax-shelter for dependent care cannot exceed $5,000.

Qualifications: You may receive tax-exempt reimbursements for the care of certain individuals in your household, which includes your dependent children age 12 or younger and any other individuals who reside with you and who rely on you for at least half of their support or are physically or mentally unable to care for themselves.

Eligible Expenses: Eligible dependent care expenses are work-related expenses incurred for qualifying individuals. The account is designed to provide a tax savings so that you and your spouse can work. You are required to report on your annual federal income tax return the name (s) of those providers of dependent care expenses whose expenses have been reimbursed to you through your Dependent Care Account.

Eligible Dependent Care Account expenses include:

- Day-care costs for children 12 and younger.
- Schooling costs, not including food and clothing, for either private or public schools, for children not yet in kindergarten.
- If expenses for food and clothing cannot be separated from the total cost of child care, then they are eligible expenses.
- Before/after-school care for children 12 years or younger.
- Babysitting and licensed day-care center costs.
- Housekeeping services in your home that include day care.
- Elder care if dependent is claimed on your tax return.

Costs of transportation, overnight camping, nursing care facilities, and the schooling costs of children in the first grade or above are generally ineligible expenses.

Federal Income Tax Credit for Dependent Care Expenses: You cannot use both the tax credit and the spending account for the same dependent care expenses. Further, expenses eligible for the tax credit are reduced, on a dollar-for-dollar basis, by the amount you contribute to a dependent care spending account. This tax credit is an amount subtracted from the actual tax you owe when you file your annual tax return.

Determining whether it is more advantageous for you to open a spending account or file for the credit at the end of the year will depend on a number of factors and, therefore, must be made on an individual basis. The following principles, however, can be used as a general guide.

- As income rises, the tax credit decreases, whereas the tax savings on payments made through the Dependent Care Account become greater, because you are in a higher taxable income bracket.
- Savings from using the Dependent Care Account include Social Security/Medicare tax savings. These savings do not apply with the tax credit.
- The amount that can be reimbursed through the Dependent Care Account is not lowered when you have only one qualifying dependent, as happens with the tax credit. For example, if you have only one child but more than $2,400 of dependent care expenses, more expenses are reimbursable through the Dependent Care Account.

How Contributing to a Flexible Spending Account Affects Other Benefits

Benefits received through your Long Term Disability and Life Insurance are not reduced even though participating in the Premiums Only Plan makes it appear that you are making less money. These benefits are calculated on your gross earnings before pre-tax deductions are made. Similarly, your retirement benefit is not affected by your Flexible Benefits participation. If you are one of the few who pay Social Security tax, please note that under present law, your earning for the purpose of determining your Social Security benefits would be reduced by contributions made to the spending accounts or premiums withheld through the Premiums Only Plan.

If you are contributing to a supplemental retirement account, be aware that your Tax-Saver Flexible Benefits Plan contributions will not reduce the maximum that can be contributed to a tax-sheltered annuity.

What Happens to My Money When…?

It is the end of the Year: IRS regulations state that if all the money in the account is not used by the end of the Plan year, the remaining balance must be forfeited. This practice is commonly referred to as the “Use-it-or-Lose-it rule.” Any remaining balances cannot be paid to you in cash, carried over to the next Plan Year or made available to you in any other way. By being familiar with your level of expenses and planning carefully, you can minimize this risk.

I terminate employment: you can continue to submit claims after employment terminates. However, you may only submit claims for expenses incurred on or before the last day of your employment, unless you choose to make after-tax contributions to your spending account(s) through COBRA FSA. COBRA FSA requires after-tax contributions in order to keep the accounts active for reimbursements that may occur after the last day of your employment. If you terminate employment mid-year, you must file claims within 120 days of the end of the month in which you terminate or within 120 days of the Plan Year, whichever is sooner.

Grace Period

There will be a grace period immediately following the end of the Plan Year for both Health Care and Dependent Care Spending Accounts. This extension will provide participants additional time to incur expenses for reimbursement from the previous year's account. The grace period will be available after the end of the Plan Year (December 31st) from January 1 through March 15th for reimbursement from the previous year's spending accounts. In order to file claims during the grace period, a reimbursement request form must be submitted to your Flex Plan Administrator within the specified timeframe.

If you submit claims that are incurred between January 1st and March 15th, they will be reimbursed out of your previous year's account, first. Once your balance is exhausted from your previous year's account, and if you have re-enrolled in a flexible spending account for the following year, new claims will be reimbursed out of the next Plan Year's account.

Filing FSA Claims

Filing a claim is as easy as completing a claim form and attaching a receipt. Timely filing of a claim will results in a timely reimbursement. It is an LSU System standard to have reimbursement within two weeks of filing. See your Human Resource Department/Benefits Representative for more details about procedures for filing claims and applicable deadlines.

All claims incurred during the Plan Year must be submitted within 120 days following the end of the Plan year or by April 30th, whichever is sooner in order to be eligible for reimbursement. The same procedure applies for participants terminating during a Plan Year (unless COBRA is elected).

Expense Estimation Worksheet for Unreimbursed Healthcare Costs

As part of your benefits program, you can decide to direct part of your salary to the Health Care Spending Account. This account permits you to pay for otherwise unreimbursed health care expenses on a pre-tax basis. This worksheet will help you estimate what expenses you are likely to face in the next plan year.

Remember the Use-It-Or-Lose-It Rule. Be conservative in your estimates. It is better to estimate less rather than more since you will have to forfeit any money left in your account at the end of the plan year. For each of the following categories, estimate the amount of expenses you anticipate to incur in the coming Plan Year for which you do not expect to be reimbursed by your insurance carrier.

Medical deductible
(Major medical and/or any per admission deductibles) . . . . $______________

Dental deductible . . . . $______________

Co-payments:
(Your share of expenses after any deductibles, up to the out-of-pocket limit)

Medical . . . . $______________

Pharmacy . . . . $______________

Dental . . . . $______________

Orthodontia . . . . $______________

Vision Exams . . . . $______________

Routine Physical Exams . . . . $______________

Other planned uncovered expenses . . . . $______________

TOTAL ESTIMATED HEALTH CARE EXPENSES . . . . $______________

The **Total Estimated Health Care Expenses** figure is the maximum amount you should consider putting in your Health Care Account. This total amount will be divided by the appropriate number of pay periods to reach a per pay period account deposit amount. The deposit amount will be deducted on a pre-tax basis saving you the amount of tax you normally would have paid on the deposit amount.

VOLUNTARY BENEFITS

Eligibility
Any active employee of the LSU System is eligible for voluntary benefits provided the following:

- Employed at 75% of full-time effort per pay period (avg. of 30 hours/week) or greater;
- Appointed for a duration of at least one semester or 120 days or greater

Effective Date of Coverage
Timely Applicant: If you enroll within your first thirty (30) days of full-time employment, your coverage will be effective the first of the month following your first full calendar month of employment.

LONG TERM DISABILITY EXCEPTION: If you enroll in Long Term Disability within your first thirty (30) days of full-time employment, your coverage will be effective the first of the month following the date the signed enrollment form is received by your Employer.

ACCIDENTAL DEATH & DISMEMBERMENT EXCEPTION: Your insurance will take effect on the first day of the month following the date you enroll, provided the required premium has been paid.

Late Applicant: If you do not enroll into a Voluntary Benefit Plan within your first thirty (30) days of full-time employment, refer to the Voluntary Benefit section that you are interested in for Late Applicant guidelines. Long Term Disability, Long Term Care and LSU Term Life Insurance will require medical underwriting and approval if you are enrolling as a late applicant.

When does Coverage for Voluntary Benefits end? Your coverage under a Voluntary Benefit will end on the earliest of the following dates:

On the last day of the month in which your employment terminates (for academic employees who terminate employment at the end of the academic year, coverage extends through September 30 of the same year.)

- When you are no longer eligible for coverage.
- When you cease making the required contribution.
- When the LSU System terminates the plan.

When does Coverage for Voluntary Benefits end for my dependent(s)? Your dependent's coverage under a Voluntary Benefit will end on the earliest of the following dates:

- When the individual no longer meets the plan's definition of a dependent.
- When the employee's coverage terminates.
- When the employee ceases to make the required contribution for dependent coverage.
- When the LSU System terminates the plan.

The LSU System Voluntary Benefit Vendors Are:

Voluntary Benefit	Vendor	Policy #
Accidental Death & Dismemberment	The Hartford	SR219971
Dental	Dearborn National	F019004
Flexible Spending Accounts	Boon-Chapman	-----
Long Term Care	UNUM	100057
Long Term Disability	The Hartford	83116904
Term Life Insurance and AD&D	The Hartford	GL395208
Term Life Insurance and AD&D	Prudential	33624
Vision	Davis Vision	X51

ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE (AD&D)

An accident that ends in death or disabling Injury has a devastating effect on the lives of your loved ones. The loss of a family wage earner puts strain in a family and raises concerns as to how they will manage financially. Even if you are unmarried, remaining family members could be left with fulfilling your financial responsibilities or taking care of you.

The LSU System partners with The Hartford to provide you and your family with valuable AD&D insurance at affordable rates. You may select coverage for yourself, your spouse or children. Your child(ren) are eligible for coverage from 14 days up to age 24. If you and your spouse are both LSU System employees, only one of you may enroll for Family coverage.

Late Applicant for AD&D: Your insurance will take effect on the first day of the month following the date you enroll, provided the required premium has been paid. As an eligible employee, you can enroll you and/or your dependents at any time.

Family members may be insured for a portion of your principal sum:

- Spouse = 50% your principal sum, or 40% if you have eligible children
- Eligible children = 15% your principal sum or 10% if your spouse is eligible for coverage

Reduction In Benefits: your principal sum will reduce to the percentage shown below:

- At age 70, the benefit reduces to 82.5%
- At age 75, the benefit reduces to 57.5%
- At age 80, the benefit reduces to 37.5%
- At age 85 and older, the benefit reduces to 20%

If you elected Family coverage, your spouse and children's benefit will reduce from the principal sum amount of the insured employee.

When does coverage end? As long as the plan is in force, you are an eligible employee, and you pay your premium, your coverage remains in effect. Your family members will remain insured as long as they are eligible, you are covered and their premium is paid. Handicapped children shall remain insured, regardless of age, as long as they continue to be handicapped and your coverage remains in force.

HOW ARE BENEFITS PAID? Benefits will be paid for any of the losses that occur as a result of an injury listed:

- Life 100%
- Both hands or feet 100%
- Entire sight of both eyes 100%
- One hand or one foot 50%
- Entire sight of one eye 50%

Loss must occur within 365 days of the accident. If more than one loss results for any one accident, we will pay only the one largest applicable benefit amount.

OTHER BENEFITS:

Air Travel Coverage: Full coverage is provided for air travel as a passenger (but not as a pilot or crew member) while riding in any aircraft used for the transportation of passengers, except an aircraft owned, operated or leased by on or behalf of the LSU System.

Waiver of Premium: If due to injury or illness you are unable to perform each of the material duties of any occupation for 12 consecutive months, we will continue coverage without premium charge for you and your Insured family members as long as you remain totally disabled. This additional benefit is not applicable once you retire.

Additional Benefits:

- Daycare Benefit
- Tuition Benefit
- World Wide Travel Assistance
- Seatbelt/ Airbag Benefit
- Conversion Privilege
- HIV Benefit
- Permanent Total Disability

For Additional Information
1-800-303-9744
www.thehartfordgroupbenefits.com

Benefit Amounts & Premiums

Benefit Amount	Employee Only	Family	Benefit Amount	Employee Only	Family
$27,500	$1.00	$1.50	$165,000	$6.00	$9.00
$55,000	$2.00	$3.00	$220,000	$8.00	$12.00
$82,500	$3.00	$4.50	$275,000	$10.00	$15.00
$110,000	$4.00	$6.00	$300,000	$10.90	$16.36

LIMITATONS AND EXCLUSIONS: This policy does not cover loss caused by or resulting from: Suicide, suicide attempt, self-destruction or an attempt to self-destroy while sane or insane, declared or undeclared war or an act of either, sickness or disease, except pyogenic infections that occur through an accidental cut or wound, service in the armed forces of any country, riding as a pilot or crew member in any vehicle or device for aerial navigation, participation in an illegal occupation or attempt to commit a felony, any heart coronary or circulatory malfunction.

DENTAL INSURANCE

This Plan is designed to help you meet the expense of dental care by providing a broad range of benefits for you and your family. The Plan encourages preventive dental care and provides payment for covered dental expenses for you and your eligible dependents.

The Plan, offered by Dearborn National, combines traditional dental insurance with the following features: freedom to select any licensed dentist, simple claims processing, and a toll-free telephone number.

The summary is designed to give you an overview of the major points of the Plan. The Plan is governed by a legal document. In the event of a conflict between this summary and the Plan Document, the Plan Document will serve as the governing document.

You may select coverage for yourself, your spouse or children. Your child(ren) are eligible for coverage from birth up to age 26. If you and your spouse are both LSU System employees, only one of you may enroll for Family coverage.

Late Applicant If you do not enroll when first eligible, you may enroll during annual enrollment in October for an effective date of January 1.

Freedom to Choose Your Provider With this Plan, you have the freedom to choose any provider you wish without penalty. However, a significant number of dentists have agreed to provide services to LSU System employees at negotiated lower rates. These Preferred Providers are members of the Dental Network of America. Should you select one of these dentists, your out-of-pocket expenses may be reduced.

What Benefits Are Payable Under the Plan? Covered expenses include only usual and customary (U&C) charges that you or your covered dependents incur for services and supplies in any of the four types of services. When the Plan disallows a portion of the charge from your dentist, it means that your dentist's fee is above the U&C fee allowance, a rare occurrence. Most dentists accept the Plan's fee schedule, but dentists are free to charge a higher fee, so you may be responsible for charges above the U&C rate.

If you choose a dentist who is a Dental Network of America Dentist, you will not pay more than the U&C fee allowance. In some cases, you may pay less. See the benefit summary on the next page for more details.

What If My Family Has Other Dental Coverage? If you or your family members are eligible to receive benefits under another plan, benefits under this policy will be coordinated with the benefits from any of your other plans so that not more than 100 percent of the allowable expenses incurred will be paid.

Plan Options Dearborn National and LSU have teamed up to create a dental plan with options to fit each of their Members' individual needs. You have the choice of one of two plans: Option 1 Enhanced or Option 2 Basic. See next page for details and rates concerning these two options.

For additional information call 888-758-6979
or
Visit our Dental Wellness Center and Find a Dentist: www.dearbornnational.com

DENTAL INSURANCE

Option 1 Enhanced Plan

The Option 1 Enhanced Plan offers comprehensive dental coverage in an easy to use format. The Plan will cover a percentage of U&C charges, including 100% of Preventive (Type 1) claims. As stated on the previous page, all dentists in network have agreed to honor the negotiated rates, and most dentists not in the network charge similarly, helping you to limit your out of pocket costs. Orthodontia is also included in the Enhanced Plan, making it a good choice for families with more extensive dental needs.

What Is The Deductible Amount? There is no deductible under this Plan.

What Is The Plan Maximum? The maximum amount any covered individual can receive in dental benefits for the 2014 calendar year is $2,000. Orthodontic benefits have a $1,500 lifetime maximum. Implant Services have a $2,000 lifetime maximum.

Available Plans: Employees and retirees may elect one of the coverage levels listed below.

Coverage level:	Monthly Premium:
Employee Only:	$28.36
Employee & Spouse:	$55.48
Employee & Children:	$67.44
Family:	$94.55

Type of Benefit:	Covered Percentage of Expenses*:
Type 1 Procedures	100% of Maximum Allowance
Type 2 Procedures	80% of Maximum Allowance
Type 3 Procedures	50% of Maximum Allowance
Implant Services	50% of Maximum Allowance
Orthodontia	50% of Maximum Allowance

Option 2 Basic Plan

The Option 2 Basic plan is designed with two goals in mind: to promote good dental hygiene through preventive care and to provide you with the dental care you need at a low cost. The plan pays 100% of the U&C fee allowance for Type 1 Preventive Services and features a benefit schedule for all other services. The benefit schedule lets you know up-front, in fixed dollar amounts how much the Plan pays for covered Type 2 and Type 3 services. To use these schedules, check your dentist's fee and then determine how much the Plan pays according to the Scheduled Amount. The Plan pays either the Scheduled Amount or the actual amount charged whichever is lower. You are responsible for any charges above the Scheduled Amount.

What Is The Deductible Amount? There is no deductible for Preventive (Type 1). For Basic (Type 2) and Major (Type 3) services, the deductible amount is equal to the first $100 of covered expenses incurred in a lifetime. The deductible amount applies separately to each covered person.

What Is The Plan Maximum? The maximum amount any covered individual can receive in dental benefits for the 2014 calendar year is $1,500.

Available Plans: Employees and retirees may elect one of the coverage levels listed below.

Coverage level:	Monthly Premium:
Employee Only:	$17.88
Employee & Spouse:	$33.60
Employee & Children:	$46.45
Family:	$62.16

Type of Benefit:	Covered Percentage of Expenses**:
Type 1 Procedures	100% of Usual & Customary Fees
Type 2 Procedures	80% of Scheduled Fees
Type 3 Procedures	50% Scheduled Fees
Orthodontia	Not Covered on this Plan

LONG TERM CARE INSURANCE

Today, Long Term Care (LTC) insurance is important for people of all ages if they want to reserve financial security and independence in the event of an extended disability. And despite popular misconceptions, the need for longer-term care isn't restricted to the elderly, because many working-age adults have disabling injuries and illnesses as well:

- More than half of long term care claims submitted to Unum are for people under age 65. The average age for those claimants is 54.[1]
- 20 million Americans are expected to need long term care services by 2030.[2]
- The demand for long term care services is projected to double by 2040.[3]
- Because women generally outlive men by several years, they face a 50 percent greater likelihood than men of entering a nursing home after age 65.[4]

Americans who need long-term care have more choices today. Many are able to remain in their homes and still receive the care they need.

If you become disabled for any reason and couldn't live independently, how would you pay for the care you need? The financial impact of long-term care is significant, no matter where it is provided, and government programs don't always pay for services:

- The national average cost of a private room in a nursing home is about $70,000 a year and an average stay is 24 to 26 months.[5]
- The average hourly rate for a home health aide is $25. Based on this rate, four hours of home health aide services daily would total about $36,500 a year.[6]
- The average base rate for a private room in assisted living care is about $33,300 per year.[7]
- Medical insurance does not cover most long term care cost. Medicare only covers short termed, skilled nursing home care following hospitalization, and only pays for short term assistance for care at home, and Medicaid only pays after you have depleted your personal assets.

Late Applicant If you do not enroll when first eligible, you may enroll at any other time during the year but will have to complete an Evidence of Insurability application and be approved by underwriting before coverage will become effective.

Who Can I Cover? Employees, retirees, your spouse, your parents and/or grandparents and your spouse's parents and/or grandparents may enroll in this plan. Coverage for retirees, your parents or grandparents is contingent upon them completing an Evidence of Insurability application and being approved by underwriting.

For Additional Information on Long Term Care benefits and pricing, contact your local HR/Benefits Representative.

[1] Unum internal data from 2006 inforce block of nearly 1 million policyholders, October 2007.
[2] "Long Term Care Financing: Are Americans Prepared?" Testimony before the U.S. Senate Special Committee on Aging, March 9, 2006. And, the American Association for Long Term Care Insurance, "2008 LTCI Sourcebook," February 2008
[3] RTI International, "The NIC Compendium Project: A Guide to Long-Term Care Projection and Simulation Models," April 2008.
[4] HIAA, "Guide to Long-Term Care Insurance,"©2002
[5, 6, 7] Georgetown University, Long Term Care Financing Project, "National Spending for Long-Term Care Fact Sheet," January 2007

LONG TERM DISABILITY INSURANCE

We insure our cars, our homes, and even our health. Why wouldn't we insure our income?

Consider these sobering statistics:

- Every second, a disabling injury changes someone's life.[1]
- Back pain, heart disease and other illnesses are the reasons for a majority of long-term absences[2]
- The actual odds of becoming disabled for a worker entering the workforce today are about 30 percent.[3]
- Workers' Compensation kicks in only in the event of a work-related accident or injury, and about 90 percent of serious disabilities aren't related to work.[4]
- The average monthly Social Security benefit for a disabled worker in 2010 was $1,065.[5] Plus, it takes about five months for SSDI to kick in.

If you suffer an extended illness or injury and can't work, how will you pay your bills? Long Term Disability (LTD) coverage can help. If you become disabled and qualify for benefits, LTD coverage will pay you 60% of your monthly salary up to a maximum of $12,000 per month.

The LSU System partners with The Hartford to provide LTD coverage to help you continue to meet your family's financial needs in the event an illness or injury prevents you from working.

Who Can Elect LTD Coverage? This coverage is only offered to an Eligible Employee of the LSU System. Spouse and dependent coverage is not available.

Eligibility Any active employee of the LSU System is eligible for voluntary benefits provided the following:

- Employed at 75% of full-time effort per pay period (avg. of 30 hours/week) or greater;
- Appointed for a duration of at least one semester or 120 days or greater

Late Applicant If you do not enroll into LTD within your first 30 days of employment, you may enroll at any time, but must complete an Evidence of Insurability Application and be approved by underwriting before coverage will become effective.

How Much Coverage is Available?
This benefit covers 60% of your monthly base salary up to a maximum of $12,000 per month. Calculate your disability benefit as follows:

_______________ x 0.60 = _________________
Monthly Salary   Maximum Benefit

Please note that disability benefits through The Hartford may be adjusted for other sources of income.

When Are Disability Benefits Paid? Disability benefits are paid if you are considered disabled and you satisfy a waiting period of 90 days or the exhaustion of sick time (whichever is greater).

How Is Disability Defined? The Hartford uses a dual definition of disability. You are considered disabled and eligible for benefits if either of the following qualifiers is met:

- Occupation Qualifier
  You are considered disabled if, during the waiting period and the first 24 months thereafter, you are unable to perform the material and substantial duties of your regular occupation due to a disability. After this period, you qualify for benefits if you continue to be unable to perform any occupation for which you are qualified by education, training or experience.
- Earnings Qualifier
  You are considered disabled if you are working in an occupation for which you are qualified by education, training or experience, but are unable to earn more than 80% of your pre-disability earnings due to an injury or sickness.

What If I Can Work During My Disability? Total disability is not required during the waiting period. You can continue to work periodically for up to 45 days without beginning the waiting period again.

How Long Will I Receive Benefits if I Become Disabled?
Benefits will be paid until you are no longer considered disabled, or until you reach the maximum payable period (MPP).

Age at Disability	MPP
Age 61 or less	to Social Security Normal Retirement Age (SSNRA)
62	42 months or normal SSNRA
63	36 months or normal SSNRA
64	30 months or normal SSNRA
65	24 months or normal SSNRA
66	21 months or normal SSNRA
67	18 months or normal SSNRA
68	15 months or normal SSNRA
69+	12 months

LONG TERM DISABILITY INSURANCE

Is There a Benefit for Mental Health or Substance Above Disabilities? Upon satisfying the waiting period, benefits are payable for mental health or substance abuse claims for 24 months. Confinement in a hospital or institution licensed to provide care and treatment for mental illness will not be counted as part of the mental health limitation.

Are There Any Exclusions? LTD benefits are not payable for disabilities resulting from:

- Declared or undeclared acts of war
- Suicide or self-inflicted injury or sickness
- Commission or an attempt to commit a felony

Pre-existing conditions. If you have a condition for which you received medical treatment or advice in the 3 months prior to your coverage effective date, it is considered preexisting and will be excluded in the first 12 months of coverage. Following 12 consecutive months of coverage, such conditions will no longer be considered pre-existing.

Innovative Plan Features to Protect You

To ensure you have the protection you need in the event of a disability, the following benefits and services are included in LTD coverage through The Hartford.

- **Recurrent Disability** This benefit gives you the ability to return to work without worrying about restrictions should your disability relapse. If you return to work and become disabled again due to the same sickness or injury within six months, you will not have to satisfy a new waiting period in order to receive LTD benefits.

- **Waiver of Premium** If you become totally disabled and are receiving benefits under the policy, your premiums are waived. Keep in mind you must continue to pay premiums during the waiting period.

- **Work Incentive Benefit** This benefit is intended to facilitate a comfortable and productive return to work. For up to 12 months after you return to work, your disability benefits plus your salary may equal 100% of your pre-disability earnings.

- **Survivor Benefit** If you were to die after satisfying the benefit waiting period or after receiving a disability benefit, the same benefit is paid to your beneficiary for three months.

- **Catastrophic Disability Benefit** If you become disabled to the extent that you cannot take care of yourself (feeding, bathing, toileting, transferring, incontinence and/or dressing), The Hartford will increase your monthly benefit by 10%. More importantly, this additional benefit will not be adjusted for other sources of income. In addition, The Hartford will provide training and respite services for the family member who is serving as your care provider.

- **Social Security Assistance** When necessary, The Hartford will provide an advocate to help you apply for and secure Social Security disability benefits. The Hartford will then coordinate benefits with Social Security payments. The maximum amount payable to you in disability payments will be reduced by your family's Social Security in 5 of the last 10 years you may not be eligible to receive Social Security Disability benefits. Please contact Social Security directly to determine your benefit eligibility by calling 1-800-772-1213.

Quality Coverage at an Affordable Price

Your premium is based on your salary. Calculate your premium as follows:

_______________ x 0.00553 = __________________
Monthly Salary Monthly Cost

Example: $2,000 x 0.00553 = $11.06
Monthly Salary Monthly Cost

For Additional Information call 1-800-392-7805 or logon to the website at

THE HARTFORD
Group Benefits

www.thehartfordgroupbenefits.com.

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TERM LIFE & ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

The LSU System partners with The Hartford to provide Term Life Insurance and AD&D. This Insurance provides affordable financial security for your loved ones, especially when your family depends on your income.

Who Can Elect Term Life Insurance and AD&D Coverage? All Full-Time Active Employees ("Employees"), excluding temporary, leased or seasonal and their spouses and/or dependents. Full-Time Employment is an employee at 75% effort or greater per pay period (average 30 hours per week), or greater, with an appointment of 120 days or one academic semester. Employees who are on sabbatical but still receiving pay are also eligible.

Late Applicant If you do not enroll into Life Insurance within your first 30 days of employment, you may enroll at any time, but must complete an Evidence of Insurability Application and be approved by The Hartford before coverage will become effective.

How Much Voluntary Life and AD&D Insurance can I purchase?

Employee:

- You are guaranteed the lesser of $500,000 or 5 times Basic Annual Earnings if you enroll within your first 30 days of employment. You must purchase Voluntary Life and AD&D Insurance in increments of $10,000.
- The maximum amount you may purchase cannot exceed $1,000,000. Any amounts purchased over $500,000 will require you to provide evidence of good health that is satisfactory to The Hartford before the excess can become effective.
- If elected, your AD&D policy will be equal to the term life insurance amount.

Spouse:

- If you elect Voluntary Life or AD&D Insurance for yourself, you may choose to purchase Spouse Voluntary Life and AD&D Insurance in increments of $5,000, to a maximum of $250,000.
- Your spouse is guaranteed the lesser of $100,000 or 50% of the amount elected by you if you enroll him/her within 30 days of your employment or within 30 days from your date of marriage.
- For any amounts purchased over $100,000, your spouse will need to provide evidence of good health that is satisfactory to The Hartford before the excess can become effective.
- If elected, your spouse's AD&D policy will be equal to the term life insurance amount.

Children:

- You may choose to purchase Child(ren) Voluntary Life Insurance coverage in the amount(s) of $5,000, $10,000, $15,000 or $20,000 for each eligible dependent child - no medical information required. Dependent children are live birth up to age 26.
- If your Child is between live birth up to 6 months of age, the maximum amount of coverage he/she will have is $1,000.
- You may not elect Coverage for your Child if your Child is an active member of the armed forces of any country or international authority.

Does my coverage reduce as I get older? If you retire from the LSU System, you may elect to continue your Term Life Insurance and AD&D Insurance with you into retirement. The Hartford will reduce the Life Insurance Benefit and Principal Sum for you to the lesser of $100,000 or your current benefit if less than $100,000 on the date you attain age 70 and you are retired. An appropriate adjustment in premiums will also be made.

Can I keep my Life coverage if I leave my employer? Yes, subject to the contract, you have the option of:
Converting your group Life coverage to your own individual policy (policies). If you leave your employer, Portability is an option that allows you to continue your Life Insurance coverage. This option allows you to continue all or a portion of your Life Insurance coverage under a separate Portability term policy. Portability is subject to a minimum of $5,000 and a maximum of $500,000 and does include coverage for your Spouse and Child(ren).

- To be eligible, you must terminate your employment prior to Social Security Normal Retirement Age.
- To elect Portability, you must apply and pay the premium within 31 days of the termination of your Life Insurance.
- Evidence of Insurability will not be required.
- Dependent Spouse Portability is subject to a maximum of $50,000.
- Dependent Child Portability is subject to a maximum of $10,000.

Do I still pay my Life Insurance premiums if I become disabled? If you become totally disabled before age 60 and your disability lasts for at least 3 months, your Life Insurance premium may be waived.

TERM LIFE & ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

What are my benefits under the AD&D coverage? AD&D provides benefits due to certain injuries or death from an accident. The covered injuries or death can occur up to 365 days after that accident. The Insurance pays:

- 100% of the amount of coverage you purchase in the event of an accidental loss of life, two limbs, the sight of both eyes, one limb and the sight of one eye, or speech and hearing in both ears or quadriplegia.
- 75% for paraplegia or triplegia (paralysis of three limbs)
- one-half (50%) for accidental loss of one limb, sight of one eye, or speech or hearing in both ears or hemiplegia
- one-quarter (25%) for accidental loss of thumb and index finger of the same hand or uniplegia.

Your total benefit for all losses due to the same accident will not be more than 100% of the amount of coverage you purchase.

What is the Living Benefits Option? If you are diagnosed as terminally ill with a 12 month life expectancy, you may be eligible to receive payment of a portion of your Life Insurance. The remaining amount of your Life Insurance would be paid to your beneficiary when you die.

Are any resources available for beneficiaries? Benefit Assist® provides grief, legal and financial counseling to beneficiaries (the person or persons or legal entity who receives the benefit payment if you die while you are covered by the policy). The Hartford offers this program at no cost to beneficiaries of any of its group life or accident policies. Services include: unlimited phone contact, assessment and action planning, up to five face-to-face sessions, referrals, and more. You will receive more details about Benefit Assist® once your enrollment for Voluntary Life and AD&D Insurance is approved.

For Additional Information please call 1-800-742-9944 ext. 136 or logon to the website at www.imala.com/LSU/

The Hartford
Group Benefits

Premiums

Term Life Insurance		
Age	Employee Rate/ $10,000	Spouse Rate/ $5,000
<25	$0.55	$0.28
25-29	$0.65	$0.33
30-34	$0.75	$0.38
35-39	$0.95	$0.48
40-44	$1.19	$0.60
45-49	$1.68	$0.84
50-54	$2.85	$1.43
55-59	$4.35	$2.18
60-64	$6.60	$3.30
65-69	$10.90	$5.45
70-74	$20.50	$10.25
75-79	$34.30	$17.15
80-84	$60.90	$30.45
85+	$115.00	$57.55

Term Life Insurance for Children			
Coverage amount for each eligible dependent child	$5,000	$10,000	$20,000
Monthly Premium	$0.75	$1.49	$2.98

AD&D Coverage Amount Equal to Term Life Insurance Coverage	
Employee Premium	Term Life Coverage / 10,000 * 0.31
Spouse Premium	Term Life Coverage / 5,000 * 0.16

TERM LIFE & ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Term-Life Insurance Offered Through Prudential

All employees appointed at 75% effort and above are eligible to participate in the Group Life Insurance Plan. The plan is underwritten by the Prudential Insurance Company. The State pays for half of the life insurance premium for the employee and/or retiree, and coverage is granted on a guaranteed basis to employees who enroll during their first 30 days of eligibility. Late enrollees are subject to underwriting approval, and coverage is effective the first of the month following 30 days of employment. The premiums are collected one month in advance, and premiums for the employee life coverage can be deducted on a before-tax basis by enrolling in the Cafeteria Plan.

Accidental Death and Dismemberment benefits are included for all active employees under age 65, and if your employment ends, you may receive similar term life insurance under the portability provision, provided you are under age 70. Accidental Death and Dismemberment coverage ends upon termination of employment or retirement at age 70.

Coverage Reductions:

- On July 1st of the year you attain age 65, the amount of insurance is reduced by 25%.
- On July 1st of the year you attain age 70, the amount of insurance is reduced by 50% from the original amount.
- Accidental Death and Dismemberment will end at age 70 or upon termination of employment/retirement.

Employees who participate in either the basic or supplemental life insurance programs are eligible to participate in the dependent life insurance offered as a part of the State Employee's Group Benefits Program.

- Rates for dependent life are a flat rate, regardless of the number of dependents covered by the employee.
- Employee is responsible for entire premium.
- Eligible dependent children through age 25.
- Legal spouse.

Coverage Levels and Rates

Coverage Type	Level of Coverage	Cost Per Month
BASIC PLAN		
Employee Coverage	$5,000.00	$2.70
Dependent Coverage	Option 1: $1,000 for Spouse & $500 for each eligible child Option 2: $2,000 for Spouse and $1,000 for each eligible child	$.98 $1.96
BASIC PLUS SUPPLEMENTAL PLAN		
Employee Coverage	To calculate the face amount, multiply annual salary times 1 1/2 and round up. If the result is less than $21,000, add $1,000. (Maximum Coverage is $50,000)	$.54 per $1,000
Dependent Coverage	Option 1: $2,000 for Spouse and $1,000 for each eligible child Option 2: $4,000 for Spouse and $2,000 for each eligible child	$1.96 $3.92

VISION INSURANCE

Davis Vision meets the vision care needs of you and your family, including exams, lenses, frames and contacts. You may select coverage for yourself and your dependents. Your child(ren) are eligible for coverage from 14 days up to age 26. If you and your spouse are both LSU System employees, only one of you may enroll for Family coverage.

Late Applicant for Davis Vision: If you do not enroll when first eligible, you may enroll during annual enrollment in October for an effective date of January 1.

Real, Repeatable Savings Members receive real, dependable value on exams, lenses, frames and contacts. With many participating providers, Members have repeatable savings; they benefit from lower fees any time they present their membership card for direct purchases, regardless of how much or how frequently they use their savings benefit. Access the care your family needs through both our network of independent, private practice doctors (optometrists or ophthalmologists) and select retail partners, such as Wal-Mart, Sam's Club and Eye Masters.

Your Plan offers a selection of designer, name brand frames that are completely covered in full. **LSU First Members receive additional frame and lens allowances.**

For Additional Information call 1-888-778-7183 or logon to the website at www.davisvision.com.

Monthly Premiums for Davis Vision Plan:

Level of Coverage	Premium
Employee Only	$7.66
Employee + Spouse	$12.90
Employee + Child(ren)	$13.18
Employee + Family	$21.24

Underwritten by: Davis Vision, P.O. Box 1525, Latham, NY 12110

DAVISVISION SEE LIFE

In Network Benefits		
	LSU First Members	**Non-LSU First Members**
Eye Examination (per plan year)	No Copay (Covered 100% by LSU First)	$10
Eyeglasses		
Spectacle Lenses (per plan year)	Covered in Full for standard single vision, lined bifocals, or lined trifocals	
Frames (per plan year)	Covered in full for any Fashion or Designer frame from Davis Vision's Collection[1] (value up to $175). Davis Vision Premier frame available for a $25 copay OR $100 retail allowance toward any non-Collection frame, plus 20% off of the remaining balance.[1/2]	
Contact Lenses		
Contact Lens Evaluation, Fitting, and Follow Up Care (per plan year)	15% Discount off Provider Fees for both Standard Contacts and Specialty Lenses	
Contact Lenses (per plan year, in lieu of Eyeglasses)	$0 up to 4 boxes Davis Vision Contact Lens Collection[1] $130 allowance with 15% off balance Non-Collection Contact Lenses[2]	
Additional Lens Options*		
Solid or Gradient Tint	$0	$0
Scratch-Resistant Coating	$0	$0
Polycarbonate Lenses	$0[3]/$30	$0[3]/ $30
Ultraviolet Coating	$0	$12
Standard Anti-Reflective Coating	$35	$35
Premium Anti-Reflective Coating	$48	$48
Ultra Anti-Reflective Coating	$60	$60
Standard Progressive Lenses	$0	$50
Intermediate Vision Lenses	$30	$30
Premium Progressive Lenses	$0	$90
Scratch Protective Plan (Single / Mulitfocal)	$0 / $0	$20 / $40
*Benefits are not limited to this list. Please see certificate for full listing of Additional Lens Options.		

[1] The Davis Vision Collection is available at most participating independent provider locations.
[2] Additional discounts not applicable at Wal-Mart locations.
[3] Polycarbonate lenses are covered in full for dependent children, monocular patients and patients with prescriptions 6.00 diopters or greater.

RETIREMENT WITH THE LSU SYSTEM

Today retirement can signal the beginning of a new life. But how you spend your retirement years and how well you prepare for them are up to you. According to state and federal laws, employees of the LSU System must participate in a retirement plan. To assist you in reviewing your plan options, below is a list of retirement plans available to the different employee classifications:

- If you are a **classified, civil service employee** with an appointment of **greater than 50% of full-time effort** (more than 20 hours per week) **AND** for a duration of **greater than two years,** your retirement options are:
  - Louisiana State Employees' Retirement System (LASERS)

- If you are a **classified, civil service employee** with an appointment of **50% of full-time effort or less** (20 hours or less per week) **OR** for a duration of **two years or less,** your retirement options are:
  - Social Security
  - Louisiana Deferred Compensation Plan (DCCL)

- If you are a **faculty member*** with an appointment of **50% of full-time effort or greater** OR an **unclassified staff member**** with an appointment of **51% of full-time effort or greater (more than 20 hours per week) AND** you are appointed for a duration of **greater than two years,** your retirement options are:
  - Teacher's Retirement System of Louisiana (TRSL)
  - Optional Retirement Plan (ORP)

- If you are a **faculty member*** with an appointment of **less than 50% of full-time effort** OR an **unclassified staff member**** with an appointment of **less than 51% of full-time effort (20 hours or less per week) OR** you are appointed for a duration of **two years or less,** your retirement options are:
  - Optional Retirement Plan (ORP)
  - Social Security
  - Louisiana Deferred Compensation Plan (DCCL)

Participation in Social Security

With few exceptions, the State of Louisiana does not participate in the Social Security program. If you are enrolled in a Louisiana State retirement plan (TRSL, LASERS, ORP, DCCL), you do not pay Social Security tax; however, if you were hired after April 1, 1986, you are required to pay the Medicare portion of the FICA tax (1.45% of your salary).

The following pages will help you determine whether or not your appointment allows you to contribute to Social Security while employed for an LSU System campus or medical center.

Employees on Visas

According to state and federal laws, as an employee of the LSU System, you must participate in a retirement plan. However, LSU System employees on a J or F Visa are not eligible to participate in a retirement plan unless "substantial presence" has been met. Under the Internal Revenue Service Code, the Substantial Presence Test (SPT) is used to determine "tax residency" of an international person. The test is a mathematical test based on the individual's visa status and number of days present in the United States. Once an international person meets the Substantial Presence Test, he/she is subject to the same tax laws as a United States citizen. For more information on the SPT, refer to IRS publication 519 "Non-resident Alien Tax Withholding". If substantial presence is met, an employee may choose between Social Security and Louisiana Deferred Compensation Retirement Plan. You will be notified by your Benefits Representative when you have reached substantial presence and when your retirement election is due.

*Faculty Member: instructor, assistant professor, associate professor, professor or librarian
**Staff Member: administrative officer, professional staff, teaching associate, research associate, library associate or coordinator

RETIREMENT PLAN OPTIONS

Classified (Civil Service) Employee Options

Eligibility

Membership in the Louisiana State Employees' Retirement System (LASERS) is **MANDATORY** for all classified, civil service employees appointed for greater than 50% of full-time effort (more than 20 hours per week) and for a duration of more than two years (except those excluded by law).

LASERS membership is **OPTIONAL** *only* for those employees who are 60 years of age or greater at the time of employment, OR for employees who are 55 years of age or greater at the time of employment and who have credit for at least 40 quarters in the Social Security System. These employees also have the option of participating in the Louisiana Deferred Compensation Plan (DCCL).

Louisiana State Employees' Retirement System (LASERS)

The Louisiana State Employees' Retirement System (LASERS) is a qualified defined benefit plan and retirement plan under Section 401 (a) of the Internal Revenue Service code. It was first established by an act of the Louisiana Legislature in 1946. A defined benefit plan allows both you and the LSU System to make contributions to a pool of funds from which you receive a retirement income based on a benefit formula. Detailed information on LASERS is provided in the Membership Handbook. See below for a summary of the plan.

With few exceptions, the State of Louisiana does not participate in the Social Security program. If you are enrolled in a Louisiana State retirement plan, you do not pay Social Security tax; however, if you were hired after April 1, 1986, you are required to pay the Medicare portion of the FICA tax (1.45% of your salary).

Administrators of LASERS

A 12-member Board of Trustees oversees LASERS' operations. The law designates members of the board as follows: six elected trustees, who are active members of LASERS; three elected trustees, who are retired members of LASERS; the chairman of the House Retirement Committee, ex officio; the chairman of the Senate Finance Committee, ex officio; and the State Treasurer, ex officio.

Effective Date of Enrollment

You are automatically enrolled into LASERS at the time of employment (unless you meet one of the optional criteria mentioned above) and will begin contributions with your first paycheck.

Contributions

Members who joined LASERS on or before June 30, 2006, will contribute 7.5% of earned compensation (base pay) as defined by LASERS. Members who joined LASERS on or after July 1, 2006, will contribute 8% of earned compensation (base pay) as defined by LASERS. The employer contribution is determined each year based on an actuarial formula determined by the State.

Retirement Eligibility

Your eligibility to retire is based on your age and years of service. One of the requirements below must be met in order to receive a retirement benefit from LASERS:

Any member who joined LASERS on or before June 30, 2006, shall be eligible to retire if he/she has:

- ◊ 30 years of service or more regardless of age
- ◊ 25 years of service or more at age 55 or later
- ◊ 10 years of service or more at age 60 or later
- ◊ At 20 years of service you may retire at any age but your benefit will be reduced on an actuarial basis which is based on your age, length of service and number of years from your regular retirement age.

Any member who joined LASERS between July 1, 2006 and January 1, 2011, shall be eligible for retirement if he/she has:

- ◊ 10 years of service or more at age 60 or thereafter

Any member who joined LASERS after January 1, 2011, shall be eligible for retirement if he/she has:

- ◊ 5 years of service or more at age 60 or thereafter
- ◊ At 20 years of service you may retire at any age but your benefit will be reduced on an actuarial basis which is based on your age, length of service and number of years from your regular retirement age.

Retirement Benefit Calculation

The following formulas are used to determine your retirement benefit:

A member who joined LASERS on or before June 30, 2006, will have his/her retirement benefit calculated as follows:

[Years of Service]
x [Formula %]
x [36-month High Average Salary]
= Annual Retirement Benefit

A member who joined LASERS on or after July 1, 2006, will have his/her retirement benefit calculated as follows:

[Years of Service]
x [Formula %]
x [60-month High Average Salary]
= Annual Retirement Benefit

Sample Calculations:
25 Years of Service x 2.5% x $30,000 = $18, 750
30 Years of Service x 2.5% x $30,000 = $22,500
**Employees who became members before July 1, 1986, will be entitled to $300 per year in supplemental benefits upon retirement.*

Disability Benefits
You may be entitled to disability benefits if you have accumulated at least 10 years of service credit and become disabled. You may apply for disability benefits after leaving state service if you have 20 years of service and have withdrawn from active service before the age of regular retirement eligibility.

Survivor Benefits
Survivor benefits are payable under certain conditions to your spouse, minor children and totally disabled or mentally handicapped children upon your death. If death occurs while you are in active service, you must have:

- ◊ Credit for at least five years of service for a benefit to be payable to your surviving minor children
- ◊ Credit for at least 10 years of service for a benefit to be payable to your surviving spouse
- ◊ Credit for at least 20 years of service for survivor benefits to be payable if death occurs after you have terminated employment.

If survivor benefits are not payable, your survivors, your beneficiary, or your estate will receive an amount equal to your total employee contributions.

If a rank and file member is hired after January 1, 2011, there are significant changes in the survivor benefits:

Survivor Benefits of Rank & File Members with Surviving Spouse with Child/Children
Eligibility: Member must have been an active member with at least five years of service, at least two of which were immediately prior to death, or 20 or more years of service regardless of whether the member was active at the time of death.

Benefit:

- ◊ Benefit is equal to the greater of 50% of the benefit the member would have been entitled to if he retired on the date of death regardless of years of service or $600.
- ◊ Benefit ceases upon remarriage. Benefits resume upon death of or divorce from new spouse.
- ◊ Benefits shall not cease upon remarriage if the member was eligible for retirement on the date of death.
- ◊ When all children cease to be eligible for a survivor benefit, the surviving spouse's eligibility and benefit amount are determined based on the provisions for a surviving spouse without a child.

Survivor Benefits for Rank and File Members with Surviving Child/Children (No Spouse)
Eligibility: The member must have had at least five years of service. There is no requirement that the member be an active member or that the member have two years of service immediately prior to death.

Benefit:

- ◊ The amount of the benefit is equal to 50% of the benefit for a surviving spouse with child/children (even if there is no surviving spouse eligible for a benefit) for each child up to a maximum of two children.
- ◊ This amount shall be divided equally among all eligible children.
- ◊ The benefits for a child cease when the child no longer meets the definition of a minor child.
- ◊ No surviving child may receive more than one survivor's benefit. If two benefits are applicable, only the larger benefit shall apply.
- ◊ Survivor benefits are payable to surviving child/ children even if the member has retired.
- ◊ Survivor benefits would be in addition to any optional retirement benefit payable to the named beneficiary.
- ◊ The benefits for child/children shall be paid to the person with custody of the child/children or to a trust for the benefit of the child/children.

Additional rule regarding the amount of benefits payable to the surviving spouse and child/children:

- ◊ If benefits are payable to a surviving spouse and a child or children, then the total amount paid shall not be less than the Option 2A equivalent which would be paid to the spouse.
- ◊ This rule shall apply for as long as the spouse and child/children are eligible for survivor benefits.

Survivor Benefits for Rank and File Members with Surviving Spouse (No Children)

Eligibility: The surviving spouse must have been married to the member for at least one year prior to death, and the member must have been an active member with at least 10 years of service, at least two of which were immediately prior to death, or 20 years of service regardless of whether the member was active at the time of death.

Benefit:

- ◊ Benefit is equal the greater of the Option 2A equivalent of the benefit based upon years of service using the applicable accrual rate or $600.
- ◊ Benefit ceases upon remarriage. Benefits resume upon death of or divorce from new spouse.
- ◊ Benefits shall not cease upon remarriage if the member was eligible for retirement on the date of death.

Example of Surviving Spouse with 3 children:
Member benefit = $2,000
Spouse benefit (50% of member) = $1,000
Child benefit (50% of Spouse) for each child (maximum of 2) = $1,000 ($500 x 2)

The total benefit amount available for the children is $1,000 because there are two or more children. (The benefit would have been $500 if there was just one eligible child).

- ◊ The $1,000 benefit will be split equally among all eligible children. The three children in this example will split the $1,000 benefit three ways ($333.33 each).

When one child is no longer eligible, the benefit will still be $1,000 ($500 x 2 children) split equally between the two ($500 each).

- ◊ When the next child becomes ineligible, the benefit will be $500 for the remaining child.

Termination of Employment before Retirement:
If you leave state service before you are eligible to retire, you may qualify for a monthly benefit upon reaching minimum retirement age. The following criteria would allow you to qualify in this manner:

- ◊ Must have obtained credit for the minimum number of years of service needed to retire (vested), and
- ◊ Not reached the required age, and
- ◊ Left your contributions on deposit with LASERS
- ◊ You must provide written application for retirement to LASERS 30 days prior to reaching the required retirement age.

In lieu of leaving your contributions on deposit, you may apply for a refund. See your Benefits Representative for more information.

Classified (Hazardous Duty) Employee Retirement Options

Eligibility

Enrollment in this plan is MANDATORY for campus police officers hired on or after January 1, 2011 who are required to be P.O.S.T. certified, have the power to arrest, and also hold a commission.

Enrollment is OPTIONAL if:

- An employee is currently participating in an existing hazardous duty plan prior to January 1, 2011.
- An employee is previously employed in a hazardous duty position prior to January 1, 2011, and is now enrolled as a Rank and File member.

EXCEPTION: Members who have already participated in DROP are ineligible for HAZ PLAN participation.

The decision to join the HAZ PLAN can be made at any time after January 1, 2011 for existing plan members, but the accrual rate (3.33%) will not start until LASERS receives election form for participation in the HAZ PLAN. The decision to join the HAZ PLAN is **irrevocable** and cannot be changed through an administrative error.

Effective Date of Enrollment

You are automatically enrolled into the LASERS HAZ PLAN at the time of your employment if your position is a defined position meeting the requirement for participation in the HAZ PLAN and will begin contributions with your first paycheck.

Contributions

Members who join the HAZ PLAN on or after January 1, 2011, will contribute 9.5% of earned compensation (base pay) as defined by LASERS. The employer contribution is determined each year based on an actuarial formula determined by the State.

Options for members currently enrolled in LASERS include (the decision to join the HAZ PLAN does not need to be made immediately):

1. Maintain existing service credit in LASERS Regular Plan and join the HAZ PLAN on a day forward basis, accruing service credit and benefits prospectively.
2. Join the HAZ PLAN and transfer service credit to new plan at an equivalent value or on a pro rata basis at no cost to member (actuary will determine if all prior service is transferrable, or if only a pro rata portion is transferrable at no cost). Service credit transferred will count towards HAZ PLAN eligibility, but will be calculated at accrual rate at which earned.
3. Join the HAZ PLAN and transfer service credit to new plan and pay the actuarial cost to receive credit for actual number of years transferred, or a portion of those years. Time transferred will count towards HAZ PLAN eligibility, but will be calculated at accrual rate at which earned.
4. Join the HAZ PLAN according to option 2 or 3 and pay to upgrade prior service credit to the 3.33% accrual rate. The transferred and upgraded time will then count towards HAZ PLAN eligibility and benefits. However, the 3.33% accrual rate will not apply unless the last 10 years of service are in the HAZ PLAN.
5. Keep the status quo in their existing plan, maintaining contribution rate, eligibility, benefits, and accrual rate.

What happens to LASERS service credit already earned if the member elects to join the HAZ PLAN?

Depends on whether member transfers prior service or joins on a day forward basis.

1. If member joins on a day forward basis, prior service does not count towards HAZ PLAN eligibility and receives accrual rate applicable when earned.
2. If member joins plan and transfers time, it counts towards HAZ PLAN eligibility.
3. Member has option of upgrading transferred service to 3.33% accrual rate by paying cost.

Retirement Eligibility

Your eligibility to retire is based on your age and years of service. One of the requirements below must be met in order to receive a retirement benefit through the HAZ PLAN with either earned or transferred service:

- 12 years at age 55,
- 25 years at any age, or
- 20 years at any age, with a reduced benefit

If you are a member of the HAZ PLAN, and do not meet the eligibility requirements described above, you may retire with five years of service credit at age 60. If you retire under this option, your benefit will be calculated at 2.5 percent of your average compensation and will be paid in accordance with the previsions described in the chapter titled “Retirement Options and the Self-Funded COLA.” The retirement benefit and survivor benefit provisions of the HAZ PLAN will not apply if you retire under this option.

Consequences of Joining the HAZ PLAN

1. Decision to join HAZ PLAN is **irrevocable.**
2. Decision to join HAZ PLAN does not need to be made immediately. But, member will not start earning the higher accrual rate and service is not earned toward retirement eligibility unless an election to join is made.
3. Members who join the HAZ PLAN and do not reach eligibility for the 3.33% accrual rate will not receive a refund of contributions paid at higher rate. Further, if a member has paid to upgrade prior service and does not meet eligibility, they do not receive a refund for that upgraded time, nor do they receive the 3.33% accrual rate.

Retirement Benefit Calculation

The following formulas are used to determine your retirement benefit:

A member whose last 10 years of creditable service accrued exclusively in a hazardous duty position and has met eligibility to retire from the HAZ PLAN will have their benefit calculated at 3.33% accrual rate.

(Years of Service)
x (Formula %)
x (60-month High Average Salary)
= Annual Retirement Benefit

*A member whose last 10 years of creditable service were not accrued exclusively in a hazardous duty position, even if the member elected to join the HAZ PLAN will have their benefit calculated at 2.5% accrual rate.

Sample Calculations:
25 Years of Service x 3.33% x $30,000 = $24, 975
*25 Years of Service x 2.5% x $30,000 = $18, 750

Disability Benefits

You may be entitled to disability benefits if you have accumulated at least 10 years of service credit and become disabled. Disability benefits are paid at 3.33% accrual rate if the last 10 years of service prior to the disability is in a HAZ PLAN position.

If the disability is occurs while in the "line of service" benefits are calculated using 75% FAC, regardless of the number of years of participation in the HAZ PLAN.

Survivor Benefits for Eligible Members

Survivor benefits are payable under certain conditions to your spouse, minor children and totally disabled or mentally handicapped children upon your death. If death occurs outside of injury in Line of Duty and the employee is still a participant in the retirement plan:

- Generally, the retirement system will pay 50% of the member benefit as if member retired on the date of death if spouse with child or Option 2A were payable.

If death occurs while in the line of duty, or as a direct result of injury in Line of Duty:

- The retirement system will pay 80% of FAC equally to surviving spouse, minor, handicapped, or mentally incapacitated child with no restriction on length of marriage or years of service.

Survivor Benefits for Former and Retired Members

Former Members:

The retirement system will pay 50% of benefit that would be payable to decedent to surviving spouse if, employment terminated prior to age for eligibility for retirement, and the member has at least 12 years of service credit.

Retired Members:

The retirement system will pay 75% of retirement benefits to the surviving spouse, if there is no surviving spouse the benefit will be paid to minor children (per 11:471.1).

Comparison of Benefits
Rank & File and Hazardous Duty Plan

Provision	HAZ PLAN Act 992 Post 1/1/2011	Rank & File Pre 7/1/2006	Act 75 Rank & File 7/1/06 - 1/1/2011	Act 75 Rank & File Post 1/1/2011	Rank & File Hired After 1/1/2011
Member Definition	Wildlife agents Wardens, correctional officers, probation, Bridge Police, ATC Agents, Peace Officers, Arson Investigators, Park Rangers, Campus Police, Hospital Security, AG/IG Investigator, POST certified, w/ commission and power to arrest	Employees not included in a specialty plan hired prior to 7/1/2006	Employees not included in a specialty plan hired between 7/1/2006 and 1/1/2011	Employees not included in a specialty plan hired between 7/1/2006 and 1/1/2011	Rank & file hired after 1/1/2011, Court officers, Clerk of House, Secretary of Senate, Sergeant at arms for House/ Senate, Governor, Lt. Gov, Eligible Legislators, Treasurer
Employee Contribution Rates	9.5%	7.5%	8.0%	8.0%	8.0%
Accrual Rate	3.33% (if last 10 years in haz duty position, otherwise 2.5%)	2.5%	2.5%	2.5%	2.5%
Ant-Spiking Rate/Year	15%	25%	15%	15%	15%
Average Compensation (FAC)	Highest 60 months	Highest 36 months	Highest 60 months	Highest 60 months	Highest 60 months
Retirement Eligibility	25 years @ any 12 years @ 55 20 years @ any, actuarially reduced	10 years @ 60 25 years @ 55 30 years @ any 20 years @ any, actuarially reduced	10 years @ 60	5 years @ 60 20 years @ any, actuarially reduced	5 years @ 60 20 years @ any, actuarially reduced
Disability– incapable of performing duties	Based on 3.33% accrual rate 10 years service required	Based on 2.5% accrual rate 10 years service required	Based on 2.5% accrual rate 10 years service required	Based on 2.5% accrual rate 10 years service required	Based on 2.5% ac-crual rate 10 years service required

Provision	HAZ PLAN Act 992 Post 1/1/2011	Rank & File Pre 7/1/2006	Act 75 Rank & File 7/1/06 - 1/1/2011	Act 75 Rank & File Post 1/1/2011	Rank & File Hired After 1/1/2011
In Line of Service Disability	75% of FAC, regardless of years	N/A	N/A	N/A	N/A
Survivor Benefits for Eligible Members	Generally 50% of benefit as if member retired on date of death if spouse with child or Option 2A. Actual amount and length of payment varies depending on children and remarriage.	75% of FAC, if surviving spouse and children 50% of FAC, if no children	75% of FAC, if surviving spouse and children 50% of FAC, if no children	75% of FAC, if surviving spouse and children 50% of FAC, if no children	Generally 50% of benefit as if member retired on date of death if spouse with child or Option 2A. Actual amount and length of payment varies depending on children and remarriage.
Survivor Benefits if Killed in Line of Duty or as Direct Result of injury in Line of Duty	80% of FAC if surviving spouse, minor, handicapped, or mentally incapacitated child No restriction on length of marriage or years of service.	N/A	N/A	N/A	N/A
Survivor Benefits for Former/ Retired Members	Former Members: 50% of benefit that would be payable to decedent to surviving spouse if: • Terminated prior to age for eligibility • At least 12 years service credit Retired Members: 75% of benefit to surviving spouse Benefit payable to minor children if no surviving spouse, as per 11:471.1	N/A	N/A	N/A	N/A

Unclassified Professional/Academic Employee Options

Permanent Employee Eligibility

Membership in a retirement plan is **MANDATORY** for all permanent employees which include:

a. Faculty members of the LSU System with an appointment of greater than two years at 50% of full-time effort or greater, except those excluded by law; and
b. Unclassified staff members of the LSU System with an appointment of greater than two years at 51% of full-time effort or greater (more than 20 hours per week), except those excluded by law.

If your appointment does not fit this description, see page 47 for temporary and part-time employee retirement options. If you are in the United States on a F visa, you are not eligible for membership in TRSL.

Retirement Options as a Permanent Employee

1. Teachers' Retirement System of Louisiana (TRSL)
2. Optional Retirement Plan (ORP)

Teachers' Retirement System of Louisiana (TRSL)

The Teachers' Retirement System of Louisiana (TRSL), established August 1, 1936, is the largest public retirement system in Louisiana, providing services and benefits to more than 160,000 individuals. The retirement system plan offers you a choice of a *defined benefit plan* or a *defined contribution plan.*

The defined benefit plan, referred to as "TRSL", is a plan wherein you, as an employee, and the LSU System make contributions into a pool of funds from which you receive a retirement income based on a benefit formula. The amount of benefit is determined by the years of service and the average salary for the 36 highest successive months of earnings. The compensation amount for employees hired on or after January 1,2011, is calculated by the years of service and the average salary for the 60 highest successive months of earnings.

The defined contribution plan, known as the "Optional Retirement Plan" or "ORP," is a retirement annuity contract funded by employee and employer contributions. Benefits are based on the value of the account when you elect to retire and are paid in the form of a lifetime income.

With few exceptions, the State of Louisiana does not participate in the Social Security program. If you are enrolled in a Louisiana State retirement plan, you do not pay Social Security tax; however, if you were hired after April 1, 1986, you are required to pay the Medicare portion of the FICA tax (1.45% of your salary). Detailed Handbook.

The Defined Benefit Plan through TRSL

According to state and federal laws, as an employee of the LSU System, you must participate in a retirement plan. As a permanent employee, you are automatically enrolled into TRSL at the time of employment with contributions starting with your first paycheck.

If you elect to participate in the ORP as an alternative to TRSL, you may do so within the first 60 days of employment. If you opt out of TRSL for an Optional Retirement Plan within your first 60 days of employment, both your contributions and the

OPTIONS

LSU System's contributions may be rolled into your ORP Account. If you wait past your first 60 days of employment to enroll in the ORP, your effective date will be delayed to the first of the following month and only your contributions will transfer over to your ORP carrier (not those made by the LSU System). Once you have contributed to the TRSL defined benefit plan for greater than five years, you are not eligible to enroll into an Optional Retirement Plan.

Administrators of TRSL

TRSL is governed by a Board of Trustees comprised of 12 elected members and four *ex officio* members. Members include representatives from each of the state's seven congressional districts, two trustees who represent retired teachers, one representative for employees paid with school food service funds, one representative for employees of state colleges and universities, and one representative who is employed as a parish or city superintendent of schools. The four ex-officio members include the State Superintendent of Education, the State Treasurer, and the chairmen of the retirement committees of the Louisiana House of Representatives and the Louisiana Senate.

Contributions

Employee contributions are 8.0% of allowable earned compensation. The employer contribution is determined each year based on an actuarial formula determined by the State.

Vesting

You are vested in TRSL once you have contributed for at least 5 years. Being vested allows you to collect a retirement benefit from the retirement system upon meeting the eligibility criteria described below.

Retirement Eligibility

Your eligibility to retire is based on your age and years of service.

If you were hired between January 1, 1999 and December 31, 2010, then one of the requirements below must be met in order to receive a retirement benefit from TRSL:

- ◊ 5 years of service or more at age 60 or later
- ◊ 25 years of service or more at age 55 or later
- ◊ 30 years of service or more regardless of age
- ◊ At 20 years of service you may retire at any age, but your benefit will be reduced on an actuarial basis which is based on your age, length of service and number of years from your regular retirement age.

If you were hired on or after January 1, 2011 you must meet the requirement below in order to receive a retirement benefit from TRSL:

- ◊ 5 years of service or more at age 60 or older
- ◊ At 20 years of service you may retire at any age, but your benefit will be reduced on an actuarial basis which is based on your age, length of service and number of years from your regular retirement age.

Retirement Benefit Calculation:

The following formula is used to determine your retirement benefit:

[Years of Service]
x [Formula %]
x [5-Year High Average Salary]
= Annual Retirement Benefit

Sample Calculations:

25 Years of Service x 2.5% x $50,000 = $31, 250
30 Years of Service x 2.5% x $50,000 = $37, 500

NOTE: The above calculation applies to employees who are hired after January 1, 2011. Employees hired between January 1, 1999 and December 31, 2010 will receive a monthly benefit based off of 3 year high average salary.

Disability Benefits

If you were hired between January 1, 1999 and December 31, 2010 and are an employee with more than five years of service, you are eligible to apply for lifetime disability benefits. If you have less than five years of service, you are not eligible for disability benefits; however, you may receive a refund of your contributions to the plan at the time of termination.

If you were hired on or after January 1, 2011, you are only eligible for disability retirement after ten years of service.

Survivor Benefits

If you have at least five, but less than 10 years of service, limited benefits are available to your minor children. If you have 10 or more years of service, your surviving spouse may receive benefits for life. If you have less than five years of service, your survivors are not eligible for benefits; however, your beneficiary may receive a refund of your contributions to the plan at the time of your death.

Termination of Employment before Retirement

If you have less than five years of service credit at the time of termination, you may apply for a refund of your contributions to the system. Employees with five years or more service credit will be eligible to receive a benefit at age 60 if contributions are left on deposit with TRSL.

You may obtain a refund of your employee contributions, upon request, at termination of employment. The earliest you may receive your refund is 90 days after your termination date. You may obtain your refund application from your Human Resource/Benefits Department.

The Optional Retirement Plan (ORP)

The Optional Retirement Plan (ORP) is an alternative retirement plan to TRSL and is provided by a private carrier for academic employees and unclassified staff members of the LSU System.

The ORP is a “defined contribution plan” to which you, as an employee, and the LSU System make contributions to be invested in a retirement annuity contract in your name. ORP benefits are paid in the form of a lifetime income and, except for death benefits, single-sum payments (lump sum) are not permitted.

With few exceptions, the State of Louisiana does not participate in the Social Security program. If you are enrolled in a Louisiana State retirement plan, you do not pay Social Security tax; however, if you were hired after April 1, 1986, you are required to pay the Medicare portion of the FICA tax (1.45% of your salary).

Administrator of the Plan

The Teachers' Retirement System of Louisiana administers the plan. ORPs, which were first offered in 1990, are offered by:

- ◊ ING Financial Services
- ◊ Teachers' Insurance and Annuity Association – College Retirement Equity Fund (TIAA-CREF)
- ◊ Variable Annuity Life Insurance Company (VALIC)

The directory on page 52 lists ORP representatives for each campus/medical center.

Effective Date of Enrollment

As a permanent employee you are automatically enrolled into the TRSL defined benefit plan. If you wish to enroll in an ORP, you have 60 days from your date of hire to enroll retroactive to your original hire date.

If you wait past your first 60 days to enroll, your effective date will be delayed to the first of the following month and only your contributions will transfer over to your ORP carrier (not those made by the LSU System). Once you have contributed to the TRSL defined benefit plan for greater than five years, you are not eligible to enroll into an Optional Retirement Plan.

IMPORTANT! The decision to participate in the ORP is IRREVOCABLE. You may not enroll in the ORP and then later change to the TRSL defined benefit plan. However, you may elect to change ORP carriers at any time throughout the year.

Contributions

Your employee contribution is 8% of allowable earned compensation and is tax-sheltered. TRSL charges you 0.05% to administer the funds. For higher education employees, the LSU System contributes 5.1839% of your allowable earned compensation for 2014. For K-12 employees, the LSU System contributes 5.8216% of your allowable earned compensation for 2014. The contribution rate is subject to change each July 1st.

There are many investment options in the ORP. Each option has varying degrees of financial risk and rates of return. You may contact the ORP representatives for information concerning these options and the best profile for you.

Vesting

Your ORP account is immediately vested.

Retirement Eligibility

As an ORP participant, you are eligible to annuitize your ORP account at termination of employment. In order to be eligible to continue group insurance policies after retirement, as an ORP retiree, you must meet the minimum retirement eligibility requirements under the provisions of TRSL (see page 43).

Retirement Benefit Calculation

Under the provisions of Louisiana law (Louisiana R.S. 11:923), you may receive your account only as a lifetime payout. Cash withdrawals from your ORP account are not allowed except under limited provisions at retirement. You may elect an initial benefit payment, not to exceed 36 months of your single-life annuity, when you elect to annuitize your account at retirement. If you elect to receive the initial benefit payment, all future payments will be reduced. At retirement or termination of employment, the funds in your ORP account are also eligible for a lump-sum IRA rollover, subject to withdrawal provisions of your ORP carrier.

The ORP is a defined contribution retirement plan and the amount of the monthly income payable at retirement is directly related to the balance in your account, your age at retirement, and the income option you select. When you are ready to retire, you will select from several annuity options (the options may differ slightly, depending on the company you have selected as your ORP carrier).

Disability Benefits

Please note that ORP benefits are always based on the value of the ORP account. Therefore, there is no guaranteed or defined disability benefit as a participant in the ORP. However, in the event of a disability, an ORP participant may be able to continue participation in other insurance programs.

If you become disabled, you must have at least five years of service in an ORP to apply for continued participation in the insurance plans at retirement. The LSU System will require a medical examination by an independent physician. The physician must certify that you are mentally or physically incapacitated for further performance of the duties currently being performed, that the incapacity is likely to be total and permanent, and that you should be retired.

If approved, you may continue participation in the insurance plans in effect at the time of your retirement on the ORP.

Survivor Benefits
Your survivor(s) may choose a lump-sum refund or elect to receive a monthly benefit based on the value of your account.

Termination of Employment before Retirement
State law does not permit a lump-sum refund at termination of employment. You retain ownership of your account and you may elect to receive a monthly benefit based on the value of your account. Funds in your ORP account are eligible for a lump-sum IRA rollover, subject to withdrawal provisions of your ORP carrier.

Comparison of TRSL and ORP

TRSL or ORP? That is the question. The answer should be reached only after you have taken a careful look at your career expectations.

- ◊ If you are reasonably certain you will not continue in your current position or do not plan to remain in Louisiana, then you should give careful consideration to an ORP because your plan will be portable to most other U.S. colleges and universities. However, if you plan to continue teaching or working in Louisiana, either at a public college, university, vocation/ technical institute, or school, or a state or local government agency, you should consider enrolling in TRSL.
- ◊ If you enroll in TRSL, with five years of service, you can leave your contributions with TRSL and at age 60 begin receiving a benefit.
- ◊ If you enroll in TRSL, you have a period of five years in which to change your mind and transfer the employee portion (not the employer portion) of your retirement contributions into an ORP. Remember: **AN ELECTION TO PARTICIPATE IN THE ORP IS IRREVOCABLE.**
- ◊ We recommend that you consider enrolling in the Long Term Disability Plan and Life Insurance since neither TRSL nor ORP provide substantial benefit until you have been contributing for at least 15 years.

Teachers' Retirement System of Louisiana (TRSL)	Optional Retirement Plan (ORP)
Defined benefit plan – pension determined by years of service and highest, consecutive three-year average annual salary.	Defined contribution plan – monthly annuity determined by employer and member contributions and investment return on those contributions.
Contributions do not determine benefits. Employee contribution is 8% of salary. Total employer contribution is the same as the Optional Retirement Plan.	Contributions and investment earnings determine benefits. Employee payroll contribution is 8% of salary. For higher education employees, the LSU System contributes 5.1839% of your allowable earned compensation for 2012. For K-12 employees, the LSU System contributes 5.8216% of your allowable earned compensation for 2012.
Lifetime benefit.	Benefit based on amount of accumulated contributions.
Lifetime benefit payable after 20 years of service or five years of service at age 60.	Lifetime benefit based on accumulated contributions and payable at the member's option, after termination ORP participation.
Guaranteed by the State of Louisiana.	Guaranteed by the solvency of the carrier.
Refund of employee contributions upon request at termination of employment.	Partial lump-sum payout possible at time of retirement. Also, rollover of all or part of the funds to an IRA or qualified plan may be done after termination.
A member has five years after joining TRSL to decide to change to an ORP.	ORP members cannot change their minds and join TRSL. ORP elections are irrevocable.

RETIREMENT PLAN OPTIONS

Teachers' Retirement System of Louisiana (TRSL)	Optional Retirement Plan (ORP)
If a member with five years of service credit dies, survivor benefits are provided for spouse with minor children (10 years of service credit in the case of spouse with no minor children).	Upon the death of a member, amount of the ORP account is paid out in a lump sum or as an annuity.
If a member who joined TRSL on or before December 31, 2010 and has five years of service credit is disabled, he or she will receive disability benefits from TRSL for life. If a member who joined TRSL on or after January 1, 2011 and has ten years of service credit is disabled, he or she will received disability benefits from TRSL for life.	Lifetime benefits based on accumulated contributions and payable at the member's option, after termination of ORP participation. No other disability benefits are included.
Transferrable to other Louisiana public schools, colleges, universities, vocational/technical institutes, and many state agencies.	Portable to most colleges and universities in the United States.
TRSL controls/monitors members' investments (current five-year average annual return is 13.3%).	Members control their investments (See the ORP carrier's brochure for return data).

Unclassified Professional/Academic Employee Options

Eligibility for Temporary/Part-time/Special Circumstances

Membership in a retirement plan is MANDATORY for the following employees:

Temporary Employees

- ◊ Have a full-time appointment of two years or less

Part-time Employees

- ◊ Are a faculty member appointed for less than 50% of full-time effort (less than 20 hours per week)
- ◊ Are a staff member appointed for less than 51% of full-time effort (20 hours or less per week)

Special Circumstances

In addition, the following situations may affect an employees' retirement eligibility and/or options:

- ◊ Employees on a J or F visa are eligible to participate in either Social Security or Louisiana Deferred Compensation if "substantial presence" has been met
- ◊ Employees who are 60 years of age or more at the time of employment, OR for employees who are 55 years of age or more at the time of employment and who have credit for at least 40 quarters in the Social Security System may elect Louisiana Deferred Compensation Plan or Social Security as an alternative to LASERS

Retirement Options as a Temporary/Part-time Employee or for the Above Special Circumstances

1. Social Security
2. Louisiana Deferred Compensation Plan (DCCL)
3. Optional Retirement Plan (ORP)

SOCIAL SECURITY

According to state and federal laws, as an employee of the LSU System, you must participate in a retirement plan. If your appointment is considered temporary or part-time for retirement purposes, you will automatically be enrolled into Social Security.

Social Security is the nation's basic method of providing a continuing income when family earnings are reduced or stopped because of retirement, disability, or death. With few exceptions, the State of Louisiana does not participate in the Social Security program. If you are enrolled in a Louisiana State retirement plan, you do not pay Social Security tax; however, if you were hired after April 1, 1986, you are required to pay the Medicare portion of the FICA tax (1.45% of your salary).

Contributions

Your contribution is 6.2% of gross salary. The LSU System's share is also 6.2% of your gross salary.

Vesting

Technically, you do not become vested in Social Security. You are only eligible to receive your Social Security benefits once you meet Normal Social Security Retirement Age and have contributed a minimum of 40 quarters into Social Security. For more information, please call Social Security Administration at 1-800-772-1213.

Termination of Social Security Contributions if Employment Ends:

If you leave employment with the LSU System, your Social Security Contributions may not be refunded. You are only eligible to receive benefits once you reach Normal Social Security Retirement Age and have contributed a certain amount of quarters into Social Security. For more information, please call Social Security Administration at 1-800-772-1213.

You Contribute for at Least Two Years and are a Full-time Employee:

Once you have contributed to Social Security for two years with the LSU System, you will be defaulted into The Teacher's Retirement System of Louisiana (TRSL) defined benefit plan (see page 42) and have the option to change to the Optional Retirement Plan (see page 43). However, if you are a part-time employee upon continuation, you will continue to participate in Social Security. Once your appointment becomes full-time, you will be defaulted into TRSL with the option to change to the ORP.

Louisiana Deferred Compensation Plan (DCCL)

In lieu of Social Security, The Louisiana Deferred Compensation Plan (DCCL) is offered as a retirement plan option to part-time or temporary employees and those employees with special circumstances as defined above.

Effective Date of Enrollment

As a temporary employee you are automatically enrolled into Social Security. If you wish to enroll in DCCL, you have 30 days from your date of hire to enroll retroactive to your original date.

If you wait past your first 30 days of employment to enroll, your effective date will be delayed to the first of the following month and the contributions that were made to Social Security will NOT be transferred into your DCCL account.

Contributions

Your contribution is 7.5% of your allowable earned compensation. Your employer contributes 6.2% of your allowable earned compensation.

Vesting

Your DCCL Account is immediately vested.

Termination of DCCL Contributions if Employment Ends:

You will be able to access these funds upon separation from service without any age requirement or penalty. You will be unable to access these funds until you actually separate employment from the LSU System.

You Contribute for at Least Two Years:

Once you have contributed to DCCL for two years with the LSU System, you will be defaulted into The Teacher's Retirement System of Louisiana (TRSL) defined benefit plan (see page 42) and have the option to change to the defined contribution, Optional Retirement Plan (see page 43). However, if you are a part-time employee upon continuation, you will continue to participate in Social Security. Once your appointment becomes full-time, you will be defaulted into TRSL with the option to change to the ORP.

The Option Retirement Plan

In lieu of Social Security, The Option Retirement Plan (ORP) is another alternative to DCCL that offered to part-time or temporary employees.

TAX-DEFERRED SUPPLEMENTAL RETIREMENT ACCOUNT

The LSU System provides the opportunity for you to participate in tax-deferred annuities [also referred to as tax-sheltered annuities (TSAs) or supplemental retirement accounts (SRAs)] through payroll deduction. The LSU System, in compliance with the new 403(b) regulations, adopted a formal tax-deferred annuity "plan" or "plan document" effective January 1, 2009. Your participation is totally voluntary and the LSU System does not make any contributions on your behalf.

Note: This summary is not intended to advise you on any investment risks or tax issues arising from investing in any of these options. The intent is to answer many of the most commonly asked questions regarding these types of accounts. You may wish to contact your tax advisor or legal counsel for assistance in determining which option is best for you.

Benefits of an SRA

An SRA allows you to set aside a portion of your salary before federal and state income taxes are paid. This deferred salary (before-tax deductions) is placed into an investment account of your choice. Participating in an SRA allows you to delay payment of taxes on the money you invest and any interest that money has earned until later- usually at retirement.

Sample Benefit Calculation:

[Your Pay]
– [Before-tax Deductions]
= Taxable Income

[Taxable Income]
– [Income Tax Withholding and Other Deductions]
= Spendable Pay

Example: Assuming £544/Month (£5644/year) Savings

	With 403(b)	Without 403(b)
Annual Salary (Gross Pay)	$30,000	$30,000
Less 403(b) or 457(b) Savings	-$1,200	N/A
Less Retirement Contribution (8%)	-$2,400	-$2,400
Taxable Income	$26,400	$27,600
Less Federal Tax*	-$3,960	-$4,140
Less Medicare Tax	-$435	-$435
Less After Tax Savings	N/A	-$1,200
Remaining Spendable Pay	$22,005	$21,825

Additional Spendable Pay

*Assumes federal tax bracket of 15%. Savings will be even greater for person in higher tax brackets.

Contributions

The maximum amount that may be tax-sheltered is determined by federal law and is set by the IRS each calendar year. If you are age 50 or older you may be eligible to contribute an additional amount as described in the "Catch-Up Provision". To request a calculation, contact your Payroll Office.

Types of SRA Programs

The LSU System cannot guarantee the success of the SRA products or the level of service and we urge you to fully review the product before you participate. The federal government has made it possible for "not-for-profit" healthcare organizations, education institutions and charitable agencies to allow their employees to tax-defer income through the Internal Revenue Service Code Section 403(b). They have also allowed for government entities to offer such programs to their employees through the Internal Revenue Service Code Section 457(b). Both types of plans are offered to LSU System employees.

The **403(b) Plan** offers LSU System employees several options in terms of who they can invest their money with. Along with the several companies you have to choose from, you also have numerous funds available to you in which you can diversify your retirement portfolio.

Termination of employment with the LSU System would allow you to roll your funds over to an IRA or other qualified plan. Early withdrawal penalties will be assessed if you withdraw your money prior to obtaining age 59½.

The **457(b) Plan** offers LSU System employees one option through the State of Louisiana Deferred Compensation Plan, the exclusive provider. Termination of employment with the LSU System would allow you to roll your contributions over to an IRA or other qualified plan or receive a cash distribution without an early withdrawal penalty.

You are eligible to maximize contributions to both a 403 (b) and 457(b) account at the same time. However, you are only allowed to have one 403(b) agreement at one time. The benefits of a 403(b) and a 457(b) Plan are described below. You:

- Decide how much to save (subject to the minimum and maximum deposit limitations).
- Decide the type of investment vehicle to use for your deposits.
- Increase, decrease, stop, or resume deposits any time you choose.
- Select from a variety of settlement options upon termination. Your policy or contract may include these options and more:
  - An immediate lump-sum cash settlement
  - An annuity settlement
  - Installments for a selected period
  - A survivor annuity
- Designate a beneficiary for the death benefit related to your SRA. You also have the right to select an installment or annuity settlement for the death benefit. If you do not make such a selection, your beneficiary has the right to make a selection.

Both programs offer annuity contracts and mutual fund investment options:

Annuity Contracts

There are two types of annuity contacts- **fixed annuities** and **variable annuities**:

The **fixed annuities** provide a guarantee of principal and a guaranteed rate of return. Fixed annuities also provide for fixed periodic payments at retirement and a specific rate of return for a certain period of time. At retirement, you can select from several payment options, depending on the investment contract or policy you have chosen.

The **variable annuities** invest mainly in stocks, bonds, and money market funds and do not have a fixed rate of return or a guarantee of principal. The amount of money you receive at retirement or your monthly retirement payments will vary, depending on the investment performance of the fund. This type of investment relies on growth over a period of time to increase the value of the fund. There are no guarantees that your account will grow; the value of your account can go up or down with the investment performance of the fund.

Some of the companies offer a combination of both fixed and variable annuities. You may specify the percent or amount of each deposit that is to be invested in each account.

Mutual Funds

The custodial accounts available through the mutual fund companies are very similar to the variable annuity option described above. The value of your account can go up or down with the investment performance of the fund.

Withdrawing Money from your SRA While Still Employed:

The main purpose of the SRA is to help provide you with long-term financial security through current tax-efficient savings. In exchange for the tax breaks the IRS gives, you, government regulations limit withdrawals while you are employed. In addition, some investment companies have policy or contract restrictions that may include fees or interest penalties for early withdrawal. Be sure to review the company's policy before making your decision. Withdrawal forms may be requested from your investment company or its representative.

There are instances in which you would be eligible to withdraw this money in the event of a hardship. In order to qualify for a hardship, you must have a verifiable, immediate, and heavy financial need. The withdrawal must be necessary to meet the need; in other words, you are unable to meet the need from any other source. In this case, you can withdraw only your contributions, not the earnings on them.

If you withdraw money from your 403(b) SRA before 59 ½ you must pay a 10% penalty tax on the amount withdrawn unless the distribution meets one of the following requirements:

- It is due to termination of employment on or after age 55;
- It is in the form of substantially equal payments for life or life expectancy, after termination of employment;
- It is due to disability or death;
- It is for non-reimbursed medical expenses to the extent allowed to be itemized on your income tax return (more than 7.5% of adjusted gross income);
- It is a payment to an alternate payee directed by a qualified domestic relations order (QDRO).

After Termination:

If you leave the LSU System, your deposits to the SRA will stop. The deposits and earnings you have accumulated can be withdrawn and paid to you (or your beneficiary if you die). Contract or policy withdrawal restrictions will apply.

Distributions made that are not part of a series of substantially equal payments made over a period of 10 years or more, or that are not required to be made under the IRS minimum distribution rules, may be rolled over to an IRA. You may also elect not to defer any tax liability. Any withdrawals that are not directly rolled over to an IRA or another SRA will be subject to tax withholding of 20%.

In addition, if you are not yet 59 ½ and do not meet any of the criteria explained under the governmental restrictions outlined below, your distribution from a 403(b) will be subject to a 10% penalty tax according to IRS regulations. This penalty tax is in addition to any contract or policy withdrawal restrictions that may apply.

In the Event of Your Death:

In the event of your death, your beneficiary must contact the investment company or its representative to receive withdrawal information.

When you enroll in an SRA, you will be given a beneficiary designation form that contains all the information for beneficiary election. In the event you want to change your designation of beneficiary, you need to contact the investment company or its representative.

Required Minimum Distributions:

403(b) and 457(b) SRA Plans must begin by April 1st of the year following the later of these two events- you attain 70 ½ years of age or you retire.

RETIREMENT PLAN CONTACT INFORMATION

	Contact Information for Vendors available under section 403(b) and 457(b)				
	ORP Representatives				
Campus	**ING Financial Services**	**TIAA-Cref**	**VALIC**	**Met Life**	**La. Def Comp**
LSU A&M College (Baton Rouge)	Mike Sotile 225-766-8711 Brandon Goll 225-766-8711	Mark Digiovanni 866-836-8935 Cameron Pettigrew 866-842-2951 Ext– 257413	Mindy Lewis 225-241-9706 William Gallegos 225-201-1009	Cliff Lloyd 225-300-1528	Chris Burton 225-663-5007

ORPs are ONLY offered by ING Financial Services, Teacher's Insurance and Annuity Association (TIAA-Cref) and Variable Annuity Life Insurance Company (VALIC).

Enrollment Forms

Please complete the appropriate Enrollment Forms for your Voluntary Benefits elections and return to your Human Resource/Benefits Department.

Reminder: If you enroll within your first thirty (30) days of full-time employment, your coverage will be effective the first of the month following your first full calendar month of employment. If you enroll yourself and/or your dependents into a Health Plan *after* your first thirty (30) days of employment, you are considered a late applicant. Enrollment forms must be received by your Benefits Representative and the Office of Group Benefits no later than the 14th of the month for coverage to be effective the first of the following month.