



National Life
Group®

Experience Life®

2018 BENEFITS OVERVIEW

Build Your Career with National Life Group



OPPORTUNITY
DEVELOPMENT
BALANCE

The following is a brief overview of benefits offered to National Life Group (NLGroup) employees. Employees are provided with benefit plan descriptions, eligibility definitions and enrollment instructions prior to their start date. All benefits and services are subject to change.

Questions should be directed to the People Center Team by calling 802-229-7161.



Overview of Medical Plans and Personal Care Accounts

National Life Group's three medical options for employees

Personal care accounts provide funds through employee and / or employer contributions to offset current and future out-of-pocket benefit expenses. The Health Reimbursement Account (HRA) is completely company funded and the Health Savings Account (HSA) is company and employee funded (employee contribution are made on a pre-tax basis).

Option 1: The HRA Plan

- In-network deductible \$1,500 for a single, \$3,000 for a 2-person or family.
- Deductible must be met before many services are covered.
- After meeting deductible, member is responsible for 20% of reasonable/customary charges.
- Higher costs for out-of-network services.
- Preventive medical is covered at 100%.

Health Reimbursement Account

- Company funded HRA for medical expenses. \$750 for a single, \$1,500 for a 2-person or family.
- Unused funds can be rolled over into future years to a maximum of \$3,000 for a single, \$6,000 for a 2-person or family.
- Health Care FSA is an option available with the HRA Plan. Funds in the HRA must be used prior to reimbursement from the FSA for medical expenses.

Option 2: The HSA Plan

- In-network deductible \$2,000 for a single, \$4,000 for a 2-person or family.
- Deductible must be met before many services are covered.
- After meeting deductible, member responsible for 20% of the reasonable/customary charges.
- Higher costs for out-of-network services.
- Preventive medical is covered at 100%.

Health Savings Account

- HSA funds are used to pay for qualified medical expenses as defined by the IRS on a tax-free basis.
- NLGroup contributes \$750 to HSA for a single, \$1,500 for 2-person or family.
- Employee can deposit additional funds into an HSA up to \$2,700 for a single, \$5,400 for 2-person or family via pre-tax payroll deductions.
- Employees age 55+ can deposit an additional \$1,000 in HSA.
- The Limited Purpose FSA is an option available with the HSA Plan.

Option 3: The Open Access Plus Plan (OAP)

- In-network deductible \$2,500 for individual, \$5,000 for a 2-person or family.
- \$20 co-pay for primary care physicians; \$40 co-pay for specialists.
- Deductible must be met before many services are covered.
- After meeting deductible, member responsible for 30% of the reasonable/customary rate.
- Higher costs for out-of-network services.
- Preventive medical is covered at 100%.
- Health Care FSA is an option available with the OAP plan.

Prescription Drug Coverage

Included in all medical plans, available through retail and mail order pharmacies. Administered through CIGNA pharmacy.

HRA Plan

- Network/retail pharmacy prescriptions subject to a \$100 single deductible, \$200 2-person or family maximum deductible.
- After meeting the deductible, co-pays are \$10 generic, \$25 formulary brands, and \$45 non-formulary brands.

HSA Plan

- Network/retail pharmacy prescriptions subject to annual medical/pharmacy deductible of: \$2,000 individual, \$4,000 family in-network.
- After meeting the plan deductible, co-pays are 10% generic, 20% formulary brands, and 50% non-formulary brands.
- The deductible is waived for certain maintenance drugs.

OAP Plan

- Network/retail pharmacy prescriptions subject to a \$100 single deductible, \$200 2-person or family maximum deductible.
- After meeting the deductible, co-pays are 10% generic, 20% formulary brands, and 50% non-formulary brands.

Flexible Spending Accounts

The Flexible Spending Account (FSA) allows you to pay for a wide range of common, out-of-pocket health care and dependent care expenses with pre-tax dollars.

If you do not spend all the money you have elected for your flexible spending account for that year, the remaining money will be forfeited. The grace period gives you an extra 2 ½ months at the end of the year to incur expenses before you lose it. The grace period is from January 1 – March 15. You have until April 30 to submit claims for expenses incurred during the previous benefit period.

There are three types of Flexible Spending Accounts available to our employees.

1. **Health Care FSA (HCFS)** allows pre-tax reimbursement of eligible health related costs (medical, dental, vision, prescription, and durable medical goods) not covered or reimbursed by insurance. This includes expenses incurred by you, your spouse and/or any dependents. Examples include co-payments, contact lenses, and laser eye surgery.

2. **Limited Purpose Health Care FSA (LPFSA)** is used if you are enrolled in a High Deductible Health Plan with a Health Savings Account. the LPFSA allows pre-tax reimbursement of eligible dental and vision expenses only until your medical deductible has been met, at which time it can be used for medical expenses as well.

3. **Dependent Care FSA (DCFSA)** allows pre-tax reimbursement for child care or adult dependent care expenses that are necessary to allow you and your spouse to work, look for work, or attend school full-time. Eligible family members include a child, age 12 and younger; and/or a person of any age whom you claim as a dependent on your Federal income tax return and who is mentally or physically incapable of self-care, including an adult parent.

National Life Group offers a **matching contribution of up to \$1,000** for those who qualify for and contribute to a dependent care flexible spending account.

Dental Coverage

- Coverage is effective on your first day for all benefit-eligible positions and dependents
- Administered through CIGNA
- Available independent of medical coverage
- Provides both in and out-of-network benefits
- Deductible of \$50 per person, up to \$150 for a family
- Preventive services covered at 100%
- After meeting deductible:
 - Basic covered at 80%
 - Major and implants covered at 60%
 - Orthodontic covered at 60%
 - Calendar year maximum \$1,500 for basic/major/implant care and lifetime maximum of \$2,000 for orthodontic services

2018 Cost of Medical & Dental Coverage

| Bi-Weekly Payroll Deductions | | | HRA | HSA | OAP \$2,500 |
|------------------------------|---------------------------|--------|----------|--------|-------------|
| | Basic Payroll Deduction | | | | |
| | Single Plan | 139.26 | 89.83 | 64.72 | |
| | 2-Person Plan | 248.74 | 149.51 | 99.12 | |
| | Family Plan | 324.76 | 195.14 | 144.70 | |
| | With one \$500 Incentive | | | | |
| | Single Plan | 120.03 | 70.60 | 45.49 | |
| | 2-Person Plan | 229.51 | 130.28 | 79.89 | |
| | Family Plan | 305.53 | 175.91 | 125.47 | |
| | With two \$500 Incentives | | | | |
| | Single Plan | 100.80 | 51.37 | 26.26 | |
| | 2-Person Plan | 210.28 | 111.05 | 60.66 | |
| Family Plan | 286.30 | 156.68 | 106.24 | | |
| | | Single | 2-Person | Family | |
| CIGNA Dental | | 6.02 | 11.18 | 19.56 | |

National Life offers two incentives to help reduce medical bi-weekly premiums.

Health Assessment AND Biometric Screening Incentive

You will receive a \$500 annual premium reduction if you complete Cigna's online Health Assessment with Biometric Screening (either on-site or with your healthcare provider)

Nicotine Free Incentive

You will receive a \$500 annual premium reduction if you and your spouse (if covered on the plan) are nicotine free. Nicotine free is defined as: someone who has not used tobacco/nicotine products more than one time per month over the last 12 months prior to enrollment.

- Nicotine products include: cigarettes, clove cigarettes, Ecigarettes, cigars, pipes, chewing tobacco, snuff

Life Insurance

- Coverage is effective on your first day for all benefit-eligible employees
- \$50,000 company-paid group life coverage
- Employees can purchase additional coverage of up to 3 times annual salary at time of hire, without Evidence of Insurability and up to 5 times annual salary with Evidence of Insurability (EOI).

Vision Coverage

- Coverage is effective on your first day for all benefit-eligible employees their dependents
- Administered by VSP and the Vision Service Plan (VSP) Choice network of eye care professionals.
- All benefit eligible employees are automatically enrolled in the plan. Dependents must be added during enrollment.
- Premiums are paid by National Life Group

Disability Insurance

Short Term Disability

- Coverage is effective on your first day for all benefit-eligible employees
- Provides 100% of base salary for up to 12 weeks from onset of illness or injury, following a 40-hour qualifying period. If further leave is needed, weeks 13 through 26 are provided at 65% of base salary
- Premiums are company-paid

Long Term Disability

- Coverage is effective first day of the next pay period for all benefit-eligible employees
- Provides 60% of salary up to a maximum of \$15,000 per month
- Premiums are company-paid
- Employees can purchase an additional long term disability monthly benefit of 10% of salary, to a monthly maximum benefit of \$1,250 . This plus the 60% LTD benefit could equal up to \$16,250 depending on your salary

Accident Insurance

Group Accident/Travel

- All employees are automatically covered for \$250,000 for accidental injury, illness, or death while traveling on company-related business
- Premiums are company-paid

Voluntary Accidental Death and Dismemberment

- Employees can purchase additional Accidental Death and Dismemberment coverage for oneself and/or dependents
- Employee can elect coverage from \$10,000 to a maximum of \$300,000. Amounts above \$250,000 cannot exceed 10 times your annual salary

Critical Illness

- Employees can purchase Critical Illness Insurance for oneself and dependents
- Pays a lump-sum benefit upon first diagnosis of a critical illness or condition
- Employees can choose from a \$10,000 to \$50,000 benefit with EOI required for amounts over \$30,000
- Helps you avoid the financial strain a major illness can create so you can focus on your recovery

Accidental Injury

- Employees can purchase Accidental Injury Insurance for oneself and dependents
- Benefits paid when a covered injury results
- Funds can be utilized to offset a deductible and other expenses

For summary purposes only, please see appropriate plan document or employee guidebook for further details.

Securities and investment advisory services are offered solely through Registered Representatives and Investment Adviser Representatives of Equity Services, Inc., Member FINRA/SIPC, One National Life Drive, Montpelier, VT 05604 (800) 344-7437. Equity Services, Inc. is a Broker/Dealer and Registered Investment Adviser affiliate of National Life Insurance Company, Montpelier, VT.



Pet Insurance

- Nationwide Pet Insurance is available for your cats, dogs, avian, and exotic pets.
- Affordable plans that cover accidents, illnesses, and preventive care.

LegalShield

Legal Services

- Employees can choose to have access to legal protection, no matter how trivial or traumatic
- Membership available for oneself and family members
- Membership provides free legal services for real estate transactions, divorce advice, traffic violations, will preparation, and more

Identity Theft Protection

- Employees can feel free of the threat of identity theft by choosing ID Theft Protection
- Membership available for oneself and family members
- ID Theft Plan provides employees with experts who have thousands of hours of experience to help protect your identity and work to restore it, removing the burden from you

Adoption and In-Vitro Fertilization (IVF) Assistance

- Eligible after one year of service to employees in benefit-eligible positions
- Provides reimbursement of 80% of eligible adoption expenses up to a maximum of \$2,000

Employee Assistance Program

- Eligible on your first day for all benefit-eligible employees and family members
- Free, confidential 24/7 access to counseling and support services
- Includes telephonic consultation, crisis intervention, tips on balancing work and family life, community resources and life-at-work resources
- Allows 3 face-to-face sessions with a counselor per issue, per year

Employee Discounts

National Life Insurance Products

- Employees can purchase individual National Life Insurance Company insurance products with a 50% discount on first year premiums for the employee, spouse, and eligible dependents (children who can be claimed as a dependent per IRS rules).

National Life Group Annuities

- Employees can purchase annuity policies issued by either of National Life Group's insurance companies and receive the commission credited to the issued policy as a bonus.

NEW Employee Only Annuity

- SecurePlus Optimizer is a fixed indexed annuity available only to employees with special rates and convenient contributions via payroll deduction (made on a post tax basis).

Optional bonus Guaranteed Lifetime Income Rider available. Employees will receive a 10% bonus in the income calculation base on all contributions.

Enrollment is easy. Employees can print the application kit with instructions for state of residence directly from the employee portal. Completed applications are sent to Chris Newbern in the Addison office.

SecurePlus Optimizer indexed annuity, form series 20082(0112), and Guaranteed Lifetime Income Rider, form series 20135, 20136 are issued by Life Insurance Company of the Southwest. Please refer to contract for product features, restrictions and limitations.



Retirement Benefits

Account Balance Benefit (Pension Plan)

- Benefit is the value of amounts credited to participant's account by the company, plus interest, as of the date of termination
- For each plan year in which an employee is an active participant, the participant's account is credited with a benefit equal to the sum of: the participant's compensation for that Plan Year, not in excess of 50% of the Social Security Taxable Wage Base for that Plan Year, multiplied by the applicable percentage from column (2) below, plus the participant's compensation for that Plan Year in excess of 50% of the Social Security Taxable Wage Base for that Plan Year, multiplied by the applicable percentage from column (3) below

For this purpose, plan compensation taken into account for any Plan Year will be limited to the compensation in those months during which the individual was an active participant

The applicable percentage for any participant for any Plan Year will be determined from the following table. A participant's "points" in column (1) below equal the sum of the participant's attained age plus the number of participant's completed years of participation

| (1) | (2) | (3) |
|--------------|---|---|
| Points | % applied to Compensation Below ½ SSTWB | % applied to Compensation Above ½ SSTWB |
| Less than 30 | 2.75% | 5.50% |
| 30 – 39 | 3.25% | 6.50% |
| 40 – 49 | 3.75% | 7.50% |
| 50 – 59 | 4.50% | 9.00% |
| 60 – 69 | 5.50% | 11.00% |
| 70 or more | 6.50% | 13.00% |

- Fully vested after 3 years of service

401(k) Plan

- Employees can make pre-tax or Roth deferrals to their account
- Company matches 75% up to the first 6% of employee deferrals for employees earning \$45,000 or less and 50% up to the first 6% of employee deferrals for employees earning more than \$45,000
- Employee designates investment of his/her funds in a variety of mutual funds and/or a guaranteed interest fund
- Fully vested after 2 years of service



For summary purposes only, please see appropriate plan document or employee guidebook for further details.

Development Opportunities

Tuition Reimbursement

- 2/3 of eligible tuition expenses up to a maximum of \$5,250 per calendar year are reimbursed
- Available for college-level classes which are job or business related with pre-approval of manager
- Partnership with Ashford University and Champlain College to assist employees in earning degrees at reduced costs

NLGroup University

- To enhance your learning experience, specific courses are available to assist in your skill building and professional development.
 - Examples of courses include Project Management, MSOffice, Business Writing, Communications and Performance Management Program

LOMA's Fellow Life Management Institute (FLMI)

- Employees have full access to the Life Office Management Association series of specialized life insurance courses leading to insurance industry designations and certifications, which are pre-paid 100% by NLGroup

CLU, ChFC Designations

Through course study and testing, employees can earn:

- The Chartered Life Underwriter (CLU) designation, the highest level designation available in the life insurance profession
- The Chartered Financial Consultant (ChFC) designation, evidence of an extensive education in financial planning

Internal Job Posting Program

- Jobs are posted to provide career and growth opportunities for employees

Benefit Leave Time

Holidays

9 paid days per year

Bereavement Leave

2-4 paid days depending on relationship to the deceased and need to travel

Paid Parental Leave

- Two weeks paid leave following birth or adoption of a child
- Both mothers and fathers eligible
- Birth mothers and the primary Adoptive Parent are eligible for 10 weeks of paid time off after the birth or placement of a child. This time is in addition to the Parental Leave noted above.

Family and Medical Leave Act (FMLA)

- Under FMLA, employees can take up to 12 weeks of unpaid leave during a 12-month period
- Reasons for taking leave include birth of a child; prenatal medical care; placement for adoption or foster care; a serious health condition that makes the employee unable to perform ones job duties; to care for the employee's spouse, son or daughter, or parent who has a serious health condition
- Eligible employees with a spouse, son, daughter, or parent on active duty or call to active duty status in the National Guard or Reserves in support of a contingency operation may use FMLA entitlement to address certain qualifying exigencies
- Time does not have to be taken consecutively

Educational Leave

- Available with approval if additional education is related to present position or to qualify for greater responsibility in the company

Paid Time Off

Volunteer Time

- With approval, allows 40 hours paid time off per year to participate in activities that benefit the community and the company

Combined Time Off

National Life Group uses a combined time off (CTO) program as opposed to traditional vacation and sick leave programs. Employees may use CTO for any purpose including vacations, unpaid holidays, illness or time away from work for personal or family matters.

Non-exempt employees accrue time, can carry over up to 40 hours to the next calendar year, and, should they decide to leave the company, will be paid any accrued, unused time in their final paycheck.

| YEARS OF SERVICE | 2017 CTO DAYS |
|------------------|---------------|
| 0 to 2 | 22 |
| 3 to 5 | 24 |
| 6 to 10 | 26 |
| 11 to 15 | 28 |
| 16 & Up | 30 |

Exempt employees, working with their people leader, will not enter time off in UltiPro and will follow a new CTO policy of “responsible time off.” Exempt employees will continue to provide advance notice of any time-off to their people leader. There will not be an established minimum/maximum number of CTO days, time will not be accrued, nor will time roll-over into the next calendar year, and in the event of a separation of service, there will not be a CTO payout of unused time.

Compensation Programs

Performance Plus Awards

- Annual bonus given in March based upon corporate financial performance and an employee’s individual performance

Merit Increases

- Annual merit increases are given in March based upon corporate financial performance and an employee’s individual performance

Employee Service Awards

- Employee’s are recognized for their commitment to NLGroup



Other Programs/Services*

Employee Appreciation Events

- Special events hosted by management to show appreciation for employee contributions to the company's success
 - Includes barbecues, dinners, and ice cream socials

LIFE – The Fitness/Wellness Center & Program*

- Promotes lifelong good health
- Encourages employees to take steps to improve their health and lifestyle
- Includes a cardio room, weight room, aerobics studio and lockers
- Numerous workout facilities and fitness classes, including strength, core, and spinning, are available on-site at our Vermont and Texas locations. A small fee may apply. Open to all employees 7 days a week; 5am to 9pm.
- On-site PAR course on the Montpelier campus (walking trail through woods with workout stations), basketball hoop, horseshoe pit, and snowshoe trails
- The Montpelier campus is certified as a Bicycle Friendly Business by the League of American Bicyclists. We have covered bike parking, loaner bikes and a maintenance station for our bike commuters.

Alternative Transportation Program

- An extensive incentive program to encourage employees to use alternate methods of transportation to get to/from work

Recreation Association

- Provides activities for employees and their family members
- Holiday parties, sporting events, trips to shopping outlets, casinos, attractions and shows
- Obtain discounts from local merchants

On-site Cafeteria on the Montpelier campus

- Managed by the New England Culinary Institute
- Offers excellent breakfast, lunch and snack items at reasonable prices

Community Giving

- Thank the nonprofit organizations who support our communities by donating to them each year through our Community Giving Campaign.
- National Life Group Foundation will match each donation up to \$500 for up to three of your favorite nonprofit organizations
- You can have the donation deducted from your paycheck as a lump sum or in smaller increments throughout the year from each paycheck
- The campaign runs on an annual basis

Free Parking

- Free parking outside
- A parking garage is available at both the Vermont and Texas campuses

Near-site Day Care

- LoveWorks is available to Vermont employees providing a close and safe place for your children ages six weeks to Pre-K.



* Not available at all locations

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