



RETIREMENT ESSENTIALS

An overview of... **Your Retiree Benefits**



- WELLNESS—LifeSmart
- Medical Insurance
- Dental Insurance
- Life Insurance
- Long-Term Care
- Pension Plans
- Supplemental Retirement Plans

Plan Year 2012

Q&A – Who Do I Call or Contact?

If I have a question about my Health Insurance coverage?

Please call Human Resources at **336-747-6807**. Because staff and responsibilities may change, the attendant at the Human Resources main line will direct you to the appropriate staff member.

If I have a problem with a medical claim?

Call the customer service number on the back of your health insurance ID card for questions you have about your claim. If your claim cannot be resolved by calling customer service, call Human Resources at **336-747-6807**.

If I have a problem or question with prescription coverage?

Call Express Scripts customer service number at **877-512-1319** to speak with a representative.

If I need to change my beneficiary information?

If you are eligible for \$2,000 Death Benefit the City offers, you will need to contact Human Resources or access the Beneficiary Change Form online at the Retiree Center web site at **www.cityofws.org**. Click on “Most Requested” at the top of the page to find Retiree Center in the drop down box.

You will need to contact the NC State Retirement System directly to change your beneficiary information for Pension and Life Insurance coverage through the Retirement System at **877-733-4191** or access the web site at **www.nctreasurer.com**.

If I need to change my address or phone number?

Please notify Human Resources of an address or phone number change.

You will also need to contact the NC State Retirement System directly at **877-733-4191** or access their web site at **www.nctreasurer.com**.

If I have a question about my health insurance premium?

Please contact Finance-Payroll Dept. if you have a question about your premium or monthly billing statement at **336-727-2981**.

If I have questions about my eligibility for Medicare Part A and/or Part B?

Please contact your local Social Security office or Centers for Medicare and Medicaid Services at **www.cms.gov**.

If I want to change my health insurance election?

Contact Human Resources if you wish to make an election change to your health insurance or you become eligible for Medicare at **336-747-6807**.

If I have a question about my pension amount or to designate another person for my survivorship option?

You will need to contact the NC State Retirement System for questions regarding your monthly pension or survivorship option at **877-733-4191** or access the web site at **www.nctreasurer.com**.

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City of Winston-Salem Retiree Center

The City of Winston-Salem offers an easy way for you to get benefits information using the City Retiree Center. It's your source for information of upcoming events and health related programs and screenings through a user-friendly web site.

Using the City Retiree Center, you can access your benefit information — online at www.cityofws.org, click on "most requested" and select "Retiree Center". You can also use this resource to review your personal benefits information, make permitted changes to your coverage, or update your beneficiaries or dependent information throughout the year.

Notice of Privacy Information Practices

Our Legal Duty

We are required by law to protect the privacy of your information, provide this notice about our information practices, and follow the information practices that are described in this notice. In accordance with 45CFR Section 164.520(c)(1)(iii), this notice is provided to the named insured under the Group Health Plan(s). It is the responsibility of the named insured to share this notice with his/her dependents. You may also receive a privacy notice from the Administrative Entity regarding the use and disclosure of PHI. This notice was revised and published on September 28, 2007, and replaces all previous notices. You may also review the City's Privacy Policy at www.cityofws.org. Should you have any questions regarding the notice(s), you may contact the Administrative Entity for the appropriate plan or the City of Winston-Salem Human Resources Department.

What is HIPAA?

A federal regulation, the Health Insurance Portability and Accountability Act of 1996, also known as the HIPAA Privacy Rule, requires the City to provide a detailed notice in writing of its privacy practices. This notice is long because the HIPAA Privacy Rule requires the City to address a number of specific issues in its notice of privacy information practices.

Uses and Disclosures of Health Information

Group Health Plan¹ and Administrative Entity

The City of Winston Salem (hereinafter "City"), which is self insured, provides several Group Health Plans for which it is the Plan Sponsor. The City has entered into Administrative Services Agreements with various companies to administer its Group Health Plans including web based benefit enrollments. These entities, (hereinafter collectively referred to as the "Administrative Entity") and others that will serve in this same

capacity in the future receive, use and disclose, on behalf of the Group Health Plan(s), protected health information (hereinafter "PHI") as defined by the Health Insurance Portability and Accountability Act of 1996 (hereinafter "HIPAA"), for the purpose of providing, managing and coordinating your health care and related services including treatment, health care operations and payment. The Administrative Entity may also receive and use PHI to ascertain, on behalf of the Group Health Plan(s), ways to improve the quality of health care and to possibly reduce health care costs. The Administrative Entity may use and disclose PHI for billing, claims management, and collection activities. The vast majority of the PHI that is received, used, and maintained by the Administrative Entity, on behalf of City's Group Health Plan(s), is never seen by the City in its capacity as Plan Sponsor nor in its capacity as Employer.

Complaints Under HIPAA

If you are concerned that either the City or the Administrative Entity has violated your privacy rights under HIPAA, or you disagree with a decision made, pursuant to HIPAA, about access to your records, you may contact the Administrative Entity or City's Privacy Official. You may also send a written complaint to the U.S. Department of Health and Human Services. The City's Privacy Official can provide you with the appropriate address upon request. No person shall be retaliated against for filing a complaint or exercising rights provided for under HIPAA or any other applicable law. If you have questions about this Notice, you may contact the City's Privacy Official at the address and telephone number listed below.

Privacy Official Contact Information

Alan A. Andrews, Asst. City Attorney

City of Winston Salem Privacy Official
101 N. Main Street, Suite 134
Winston-Salem, NC 27101
(336) 747-7401

¹For purposes of HIPAA, the term Group Health Plan, as used herein, includes the City's group health plans, the dental plan and the employee assistance program; however, the term does not include accident or disability income insurance or any combination thereof; coverage issued as a supplement to liability insurance, liability insurance including general liability insurance and

automobile insurance, workers' compensation or similar insurance, automobile medical payment insurance; credit only insurance; coverage for on site medical clinics and other similar coverage, specified in the regulations, under which benefits for medical care are secondary or incidental to other insurance benefits.

About Your Benefits

Life today is complex. That's why the City of Winston-Salem continues to offer you a package of benefit programs to help you simplify and enrich your life.

Retiree Eligibility Information

Full-time City employees hired before July 1, 2010, who leave employment or retire from the City of Winston-Salem may be eligible to participate in the City's retiree group medical coverage – PPO or Medicare HMO Advantage Plans. Eligibility requirements to participate are below:

- Fifteen (15) years of full-time employment and hired prior to July 1, 2010; or
- At age 62, if vested employee left the City prior to retirement with fifteen (15) years of full-time employment; or
- Employed by the City prior to September 16, 1991 with a minimum of five (5) years of service; or
- Full-time employee who retired from the City of Winston-Salem and is approved for disability retirement by the NC State Retirement System

Dependent(s) and Survivor's Benefits Eligibility Information

Spouse and Dependent(s) of a City Retiree or employee who dies during active employment may be eligible to participate in the City's retiree group medical coverage. Spouse and Dependent(s) eligibility requirements to participate are below:

- If City Retiree is eligible to participate in retiree group medical coverage, then dependent(s) will be eligible to participate as defined below:
 - If eligible dependent(s) is enrolled in the City's group medical coverage prior to the date of the deceased City Retiree; or
 - Spouse and/or dependent child(ren) under age 26, of a full-time employee who dies during active employment with five (5) or more years of service is eligible at the date of the employee's death; or
 - Spouse and/or dependent child(ren) under age 26, of a full-time employee who dies as a result of a job-related injury is eligible at the date of the employee's death.

Making Changes

Generally, you can only change your benefits choices during the annual benefits enrollment period. However, you can change your applicable benefit plans during the year if you have a family status change. Family status changes include:

- You get married
- You get divorced or legally separated
- Birth, adoption, or placement for adoption of an eligible child
- Death of your spouse or covered child
- Change in your or your spouse's work status that affects benefits eligibility (*for example: starting a new job, leaving a job, changing from part-time to full-time, a strike or lockout, starting or returning from an unpaid leave-of-absence*)
- Change in residence or work site that affects your eligibility for coverage (*for example: moving out of a medical plan's network area*)
- A significant change in your or your spouse's health coverage attributable to your spouse's employment
- A change in your dependent's eligibility for benefits (*for example: student status, aging out*)
- Becoming eligible for Medicare or Medicaid during the year

If you have a family status change, you must notify Human Resources within 30 days of the change. Depending on the type of change, you may need to provide proof of the change (*for example: a copy of a marriage license or birth certificate*). If you do not notify Human Resources within 30 days, you will have to wait until the next annual enrollment period to make benefits changes unless you have another family status change.

Any changes you make to your benefits must be directly related to the family status change.

When Coverage Ends

All benefits end the last day of the month following a qualifying life event change or date of death.

Notification Required to City of Winston-Salem

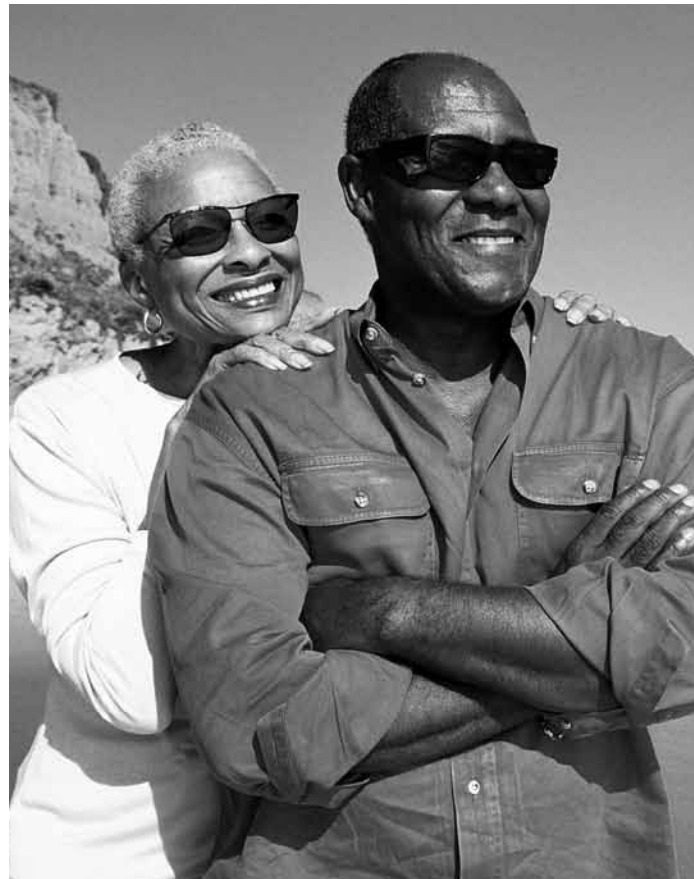
Post–Employment Benefits

All vested employees retiring from the City, former vested employees who separated service with the City prior to retirement, and families and/or administrators of deceased vested employees must make a written request to the City for any earned post–employment benefits and the City shall have no responsibility for paying such post–employment benefits until the date that such written notification has been received by the City.

Address Changes

If you have an address change, please keep us informed of the change. We would like to make sure you are aware of any changes to your medical or life benefits; or perhaps invite you to upcoming events. Address changes can be sent to City of Winston-Salem Human Resources Dept. P.O. Box 2511, Winston-Salem, NC 27102 or call **336-747-6807**.

You will also need to contact the NC State Retirement System at **1-877-733-4191** to report the change.



Beneficiary Changes

To ensure we honor your intentions, please make sure you update your beneficiary information. You can retrieve a copy of the “Beneficiary Change Form” online at the Retiree Center.

Medicare Eligible – Age 65+

Most retirees and spouses are eligible for Medicare Part A and/or Part B coverage at age 65 years of age.

Your medical insurance will change if you are enrolled in one of the Group PPO Medical Plans and become eligible for Medicare. Generally, you will receive information about the City’s Medicare HMO Advantage Plan approximately two (2) months prior to your 65th birthday. If you do not receive this information, please contact the City’s Human Resources Department.

If you, the retiree, are not eligible for Medicare Part A and/or Part B coverage as a primary beneficiary as determined by the Social Security Administration, you may be eligible for Medicare Part A and/or Part B as a beneficiary member under your spouse. Please contact your local Social Security Department or Centers for Medicare & Medicaid Services (CMS) for additional information.

Special Medicare Notification

If you or your spouse is declared disabled as determined by the Social Security Administration and become eligible to enroll in Medicare Part A and Part B coverages, before reaching age 65, your medical insurance will change and Medicare will become your primary insurance. To provide maximum medical benefits, the City offers a HMO Medicare Advantage Plan to eligible City Retirees and spouses, which provides coverage for additional services that are not provided under the standard Medicare insurance. Timely enrollment is required. Please contact the City’s Human Resources Department for additional information.

Information and questions about your Medicare options and eligibility should be directed to your local Social Security Department or Centers for Medicare & Medicaid Services (CMS).

What is LifeSmart?



LifeSmart is the City's wellness program. It's mission is to be a good steward of public funds by providing city retirees and their families with tools to help prevent, reduce, and reverse negative health issues and establish positive practices that

promote good health. The program sponsors health-related classes and periodic health screenings.

LifeSmart is a way of life. Every City Retiree is encouraged to learn about activities and events that will enhance their health. LifeSmart promotes wellness, being aware of and actively working toward better health. At different times throughout the year, LifeSmart sponsors a variety of health screenings, flu shot clinics, and a holistic wellness program.

Premium Discounts for LifeSmart

You have an opportunity to lower the cost of your health insurance premium and enjoy the benefits of better health by participating in the City's Wellness Program – LifeSmart.

Wellness Discount

All eligible retirees will receive a \$30 wellness discount on their monthly premium. Retirees who are currently participating in the wellness discount will continue their eligibility during the plan year by completing the following:

Biometric Screening

- Each wellness premium discount participant must have participated in biometric screening offered in September 2011 (except participants who enrolled in one of the City's medical plans with a coverage effective date as of 7/1/2011 or later).

Health Risk Assessment (HRA)

The online assessment is located on the BlueCross and BlueShield of NC web site at www.bcbsnc.com.

- You must complete or update your HRA between January 1, 2012 – March 31, 2012 if you are a wellness participant; otherwise your premium will be adjusted to the non-wellness monthly premium.

Annual Physical Examination

The exam must be completed by December 31, 2012.

- A physical must be completed by your physician during the plan year (Jan. 1, 2012 – Dec. 31, 2012). You may be required to provide documentation of your completed physical.

Note: Under the City's medical plan, members age 3 and older are eligible for one routine physical examination and related diagnostic services per benefit period or plan year (Jan. 1, 2012 – Dec. 31, 2012) as a 100% covered benefit. An annual physical can be scheduled at any time during the plan year, even if the previous physical was completed less than 12 months ago, provided that it was not within the current plan year (ex. Rex had a physical in Aug. 2011. He can schedule another physical in June 2012).

Wellness Education Classes

- You must complete one wellness education class, either offered by the City's Employee Health Services or another provider, such as BCBSNC Member Health Services and Online Healthy Living Program, Wake Forest Best Health, YMCA, YWCA, or others. Further information regarding eligible programs is available on the Retiree Center web page or from the City's Health Services Coordinator at **748-3866**.

Tobacco-Free Discount

Retirees who do not use tobacco products* are eligible to receive a \$20 tobacco-free discount on their monthly medical premium. Tobacco-free status will be verified through biometric screening. Participants in this premium discount must have participated in biometric screening (except participants who enrolled in one of the City's medical plans with a coverage effective date as of 7/1/2011 or later). Retirees who become eligible for medical coverage must answer the tobacco-use certification on the enrollment form.

If you are not currently eligible to receive the discount, but have an interest in being tobacco-free, you can enroll in a tobacco cessation program through Employee Medical Services or BCBSNC. Retirees who successfully complete a tobacco cessation program by June 30, 2012, and remain tobacco-free, can request eligibility for the tobacco-free discount after June 30, if documentation of completed program is provided to Human Resources by July 15, 2012.

Consequences of providing inadequate information about your tobacco use status will result in an increase to your monthly health premium.

Additional Information Available: Retirees may call Employee Health Services at **336-727-2305** or access the LifeSmart link on the City's Retiree Center at: www.cityofws.org. Look for the "Most Requested" box, then select "Retiree Center" in the drop down menu.

*Tobacco Products include any form, but are not limited to smoking (cigarettes, cigars, pipes, etc); and smokeless (snuff, chewing tobacco, etc).

Blue Options PPO Plans

Medical insurance is a necessity. Not only does it protect your physical health, but your financial health as well.

You have a **CHOICE** between two Preferred Provider Organizations (PPO).

- A PPO has an established provider network that allows maximum benefit coverage with its contracted physicians and hospitals.
- You also have the option of using providers outside the network. These providers will cost you more money because they have higher copays and deductibles.



Real Life Example

John carries RETIREE/SPOUSE level coverage. The chart below is a comparison of the total cost of medical services for each medical plan. It is designed to help you determine which plan may be best for your personal needs.

What's the Difference?

The Basic PPO may be the better choice for some people, while others may prefer the Basic Plus PPO. What should you think about before making your decision? The chart to the right and on the next page highlights some important differences between the two choices. Both plans are flexible, high-quality programs that are easy to use. The networks have been designed to offer you a selection of quality providers. To find out if your doctors participate in the plan, call the 800 number on the back of your BCBSNC card or access the plan's web site. If your doctors are not in the network, you may still use them; however, the cost to you is higher.

Benefit	Basic PPO (In-Network)	Basic Plus PPO (In-Network)
John		
■ Dr. Visit 1 (Primary Care)	\$20 copay	\$20 copay
■ Dr. Visit 2 (Specialist)	\$45 copay	\$35 copay
John's Spouse		
■ Ambulance	\$150 deductible	\$150 deductible
■ Emergency Room	\$100 copay	\$100 copay
Total Medical Expenses	\$315	\$305
Annual Premiums	\$6,564	\$9,012
Subtotal (Medical Expenses + Premium)	\$6,879	\$9,317
Annual Wellness Discount	\$360	\$360
Annual Non-Tobacco Discount	\$240	N/A
Total Out-of-Pocket Cost	\$5,279	\$8,957

Note: Above example assumes annual deductible has not previously been met.

More specific medical insurance benefits information can be found on the next page of this handbook.

Blue Options PPO Plans

Benefit	Basic PPO		Basic Plus PPO	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible				
■ For one person	\$500	\$1,000	\$375	\$750
■ For your family	\$1,000	\$2,000	\$750	\$1,500
Out-of-Pocket Maximum				
■ For one person	\$2,000	\$4,000	\$1,500	\$3,000
■ For your family	\$4,000	\$8,000	\$3,000	\$6,000
Doctor's Office Visits				
■ PCP	\$20 copay	60%*	\$20 copay	70%*
■ Specialist	\$45 copay		\$35 copay	
Outpatient Diagnostic <i>(including X-rays, lab work, etc.)</i>	80%*	60%*	90%*	70%*
Well Child Care <i>(office visits and immunizations)</i>	\$0	60%*	\$0	70%*
Adult Preventive Care Visits	\$0	60%*	\$0	70%*
Vision Exam	\$0	60%*	\$0	70%*
Hearing Exam	80%*	60%*	90%*	70%*
Hospital Care				
■ Outpatient	80%*	60%*	\$150 per incidence, then 90%*	70%*
■ Inpatient	80%*	60%*	\$300 per admission, then 10%*	70%*
■ Doctor's Visits	80%*	60%*	90%*	70%*
Emergency Treatment				
■ Emergency room	\$100 copay	\$100 copay	\$100 copay	\$100 copay
■ Urgent Care	\$45 copay	\$45 copay	\$35 copay	\$35 copay
■ Ambulance service	80%*	80%*	90%*	70%*
Mental Health and Substance Abuse Treatment				
■ Office Visit	\$45 copay	60%*	\$35 copay	70%*
■ Inpatient	80%*	60%*	\$300 copay, then 90%*	70%*
Physical/Speech and Occupational Therapies				
■ Up to 60 visits combined	\$45 copay	60%*	\$35 copay	70%*
■ Speech - 30 visits	\$45 copay	60%*	\$35 copay	70%*
Chiropractic				
■ 30 visits per year	\$45 copay	60%*	\$35 copay	70%*

*Amount after deductible has been reached. Copay is not applied to annual deductible or out-of-pocket maximum.

This is not a complete listing of covered services. Please see your Summary Plan Description (SPD) for a more complete list.

Medical Insurance Premium – PPO Plans

The City contributes up to \$200 per month towards the monthly premium for retirees.

Basic Plan			Retiree Monthly Premium			
Level of Coverage	City Cost	City \$200 Contribution for Retirees	Retiree or Spouse Monthly Premium*	Tobacco User Wellness Discount \$30	Tobacco-Free Discount \$20	Tobacco-Free Discount \$20 + Wellness Discount \$30
Retiree Only	\$392	\$200	\$192	\$162	\$172	\$142
Retiree/Child	\$637	\$200	\$437	\$407	\$417	\$387
Retiree/Spouse	\$747	\$200	\$547	\$517	\$527	\$497
Retiree/Children	\$1,003	\$200	\$803	\$773	\$783	\$753
Retiree/Family	\$1,129	\$200	\$929	\$899	\$909	\$879
Retiree Spouse Only	\$392	—	\$392	—	—	—
Retiree Spouse/Child	\$637	—	\$637	—	—	—
Retiree Spouse/Children	\$1,003	—	\$1,003	—	—	—
Retiree Spouse/Family	\$1,129	—	\$1,129	—	—	—

* This premium applies to retirees who are not participating in wellness and use tobacco products including, but not limited to smoking (cigarettes, cigars, pipes, etc) and smokeless (sniff, chewing, etc). *Retiree Spouse is not eligible for the wellness and/or tobacco-free discounts.*

Basic Plus Plan			Retiree Monthly Premium	
Level of Coverage	City Cost	City \$200 Contribution for Retirees	Retiree or Spouse Monthly Premium	Wellness Discount \$30
Retiree Only	\$467	\$200	\$267	\$237
Retiree/Child	\$850	\$200	\$650	\$620
Retiree/Spouse	\$951	\$200	\$751	\$721
Retiree/Children	\$1,270	\$200	\$1,070	\$1,040
Retiree/Family	\$1,449	\$200	\$1,249	\$1,219
Retiree Spouse Only	\$467	—	\$467	—
Retiree Spouse/Child	\$850	—	\$850	—
Retiree Spouse/Children	\$1,270	—	\$1,270	—
Retiree Spouse/Family	\$1,449	—	\$1,449	—

NOTE: Only tobacco-free retirees may enroll in the Basic Plus Plan. Tobacco-free discount does not apply. *Retiree Spouse is not eligible for wellness discount.*

Prescription Drug Benefits



- You will have a separate Express Scripts drug card for prescriptions only. Your BCBSNC insurance card will only need to be presented to your health care provider on your date of services, but not to the retail pharmacy for your prescriptions.
- Prescriptions can be filled at participating retail pharmacies (such as CVS, Rite Aid, Wal-Mart, Kmart and many others). You will need to present your Express Scripts drug card at the time your prescription is filled.
- If you have a question about your prescription coverage, you'll need to contact Express Scripts at **1-877-512-1319**.
- Drug formulary may differ than Medco, which may cause an increase or decrease in your copay amount, depending on the tier level of a particular drug (generic, preferred brand or specialty drug).
- You can view your prescription claims and order refills using the Express Scripts web site. Express Scripts claims will not be accessible through the BCBSNC web site.
- For added savings, you can continue to take advantage of the 90-day supply of maintenance medications (blood pressure, birth control, allergy, etc.) for two copays.

Prescription Drug Program — Express Scripts

Effective January 1, 2012, Express Scripts will be the pharmacy benefit manager for prescription drugs. You will have the option to get your prescription filled at a participating retail pharmacy or through mail order.

An Express Scripts drug card will be sent to you to specifically use for prescriptions. You can access Express Scripts online at www.express-scripts.com for prescription history, refill orders, drug pricing, or as a resource tool for drug and health information.



2012 Prescription Plan	Basic Plan		Basic Plus Plan	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Retail Drugs (30-day supply)				
■ Generic	\$10 copay		\$10 copay	
■ Preferred brand	\$30 copay	N/A	\$25 copay	N/A
■ Non-preferred/brand/specialty	\$50 copay		\$45 copay	
Mail-Order Drugs (90-day supply)				
■ Generic	\$20 copay		\$20 copay	
■ Preferred brand	\$60 copay	N/A	\$50 copay	N/A
■ Non-preferred/brand/specialty	\$100 copay		\$90 copay	

Prescription copays are not applied to annual deductible or out-of-pocket maximum.

Medicare HMO Advantage Plan

Health Premiums

Coverage Tier	Blue Medicare HMO Plan	Who Pays?
Retiree Only	\$0	City pays up to \$200 per retiree per month
Spouse Only	\$175.64	Spouse pays full cost of monthly premium

City Retiree Premium Reimbursement Program Policy and Procedures

Effective January 1, 2012, city retirees eligible to participate in the City's Medicare Advantage HMO Group Plan may waive enrollment and instead purchase an individual plan of their choice. Retirees who choose to purchase individual coverage may be reimbursed for their paid premiums up to the amount that the City pays for retirees participating in the BlueCross BlueShield of NC Medicare Advantage HMO Plan. For the 2012 plan year, the monthly reimbursable amount will be \$175.64.

Please contact Human Resources at **(336) 747-6807** or visit the Retiree Center website for additional details.

MAPD Group Medicare Part D

Benefit	Enhanced Rx Options (In-Network)
	(You Pay...)
Deductible	None
Tier 1 — Preferred Generic Copay	\$10
Tier 2 — Non-Preferred Generic Copay	\$15
Tier 3 — Preferred Brand Copay	\$20
Tier 4 — Non-Preferred Brand Copay	\$35
Tier 5 — Specialty Coinsurance	33%
Coverage Gap	Copay applies; no gap in coverage
Catastrophic Coverage	5% coinsurance after \$4,700 annual out-of-pocket drug costs
Mail-Order Drugs (90-Day Supply)	
<ul style="list-style-type: none"> ■ Generic ■ Brand 	\$0 copay 2.5 x Tier copay

Note: MAPD Medicare Part D options must be combined with a HMO or PPO medical option.

MAPD Medicare Enhanced Insurance

Benefit*	Blue Medicare HMO (In-Network) (You Pay...)
Annual Out-of-Pocket Maximum (for Medicare covered services)	\$3,500
Office Visits	
■ Primary Care Physician (PCP)	\$20
■ Specialist (includes podiatry) ¹	\$40
■ Chiropractic ¹	\$20
■ Routine Physical Exams	\$20
■ Hearing Exam ²	\$40
■ Routine Vision ³	\$20
Vision Hardware Allowance⁴	\$150
Diagnostic Tests, X-rays, Labs	\$0
Bone Mass/Colorectal/Prostate Exams	\$0
Immunizations/Mammograms/Pap Smears/Pelvic Exams	\$0
Urgent Care	\$40
Emergency Care	\$50
Ambulance Services	\$100
Inpatient Services	
■ Care	\$0
■ Mental Health	\$0
Outpatient Services	
■ Surgery	\$0
■ Facility Services	\$0
■ Rehabilitation	\$0
■ Mental Health/Substance Abuse	
• Individual	\$40
• Group Sessions	\$40
Skilled Nursing⁵	\$0/day for day(s) 1-100
Home Health Care	\$0
DME	20% coinsurance
Diabetes Supplies	20% coinsurance
Medicare Part B Drugs (when covered under Medical benefit)	20% coinsurance

* Network providers ONLY; no referrals required

1 Chiropractic and Podiatry – Medicare-covered services only

2 Medicare-covered exam only

3 Routine eye exam once every year; 20 percent for Medicare-covered eyewear

4 Vision hardware allowance per contract year

5 Maximum allowed

Note: MAPD Medicare medical plan options must be combined with a Medicare Part D Rx option.

Dental Insurance

Dental Insurance is **NOT** available to City retirees, except as allowed under the Public Health Services Act (PHSA).

Under provisions of this Federal Law, any employee who terminates employment with the City is eligible to continue in the City's group health and dental plans for a period not to exceed eighteen (18) months.

Also, this law provides that dependents who lose dependency status, widows, or employees, and divorced spouses are eligible to continue coverage with the group for up to thirty-six (36) months.

Retirees and dependents electing participation under the provisions of the Public Health Services Act must pay the full cost of the coverage plus 2% administrative costs.

For more information, please see COBRA Benefits on the following page.



More Options

The NC State Retirement System offers participation in a state sponsored dental plan to public sector retirees. For more information, please contact State Insurance Services, Inc. at **1-877-905-0659** or visit the web site: www.yourdentalplan.com/npd.

COBRA Benefits

Continuing Your Coverage

Under certain circumstances, you may continue your health care coverage when it would otherwise end.



The right described above is given under the Public Health Services Act (PHSA) and stipulated by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA contains provisions giving certain former employees, retirees, spouses, and/or dependent children the right to temporary continuation of health coverage at group rates.

However, this coverage is only available in specific instances. Group health coverage for COBRA participants is usually more expensive than health coverage for active employees since the City pays a part of its employees' insurance premium.

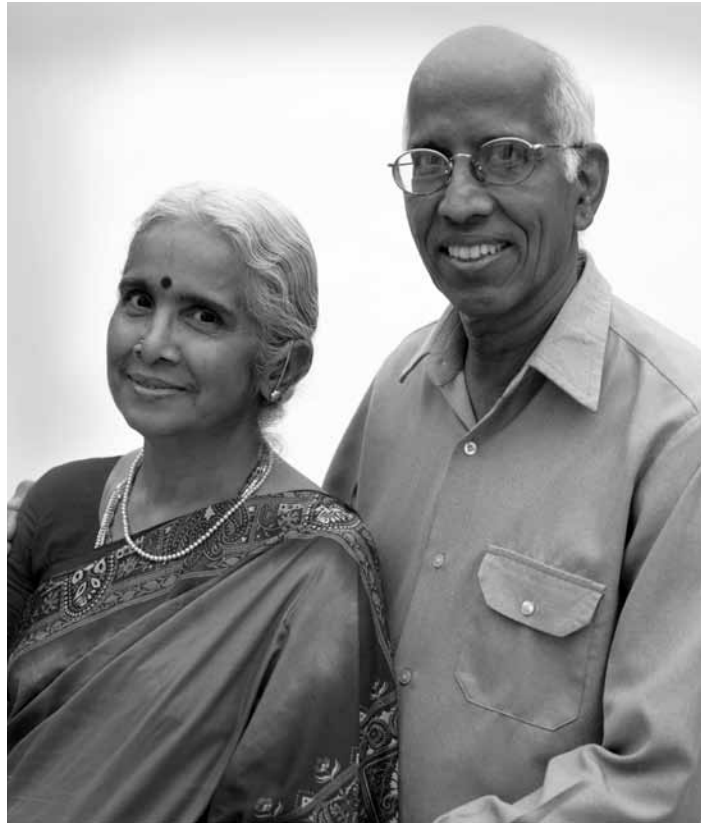
The charts shown below illustrate how long you can continue your COBRA coverage.

Note: Monthly premiums are available at the Retiree Center web site.

If YOU lose coverage because...	YOU continue coverage for...
you are no longer eligible due to termination of employment	18 months
you are no longer eligible and either you or a dependent is disabled (<i>according to the Social Security definition</i>) within 60 days of your loss of eligibility	29 months

If YOUR DEPENDENT loses coverage because...	YOUR DEPENDENT continues coverage for...
of your death	36 months
you became eligible for Medicare after your COBRA election begins	36 months
you and your spouse divorce	36 months
he or she is no longer considered to be a dependent (<i>because of age or marriage</i>)	36 months

When COBRA Ends



COBRA applies to these plans:

- Medical Insurance
- Dental Insurance
- Medical Flexible Spending Account

COBRA coverage will end before the end of the eligibility period if:

- You do not make premium payments on time
- You become entitled to Medicare
- All of the City's group benefit plans are discontinued
- You become covered under another group health plan after you elect COBRA coverage (*unless the plan has pre-existing condition limitations that affect you — if the new plan complies with HIPAA regulations, a pre-existing condition limitation likely will not affect termination of COBRA coverage*)

If you have any questions about COBRA, please contact Human Resources.

Life Insurance

Retiree Life Insurance – \$2,000 Benefit

The City of Winston-Salem will pay a life insurance benefit amount of \$2,000 to the beneficiary of record or decedent's estate.

Beneficiary records are maintained on file in the City's Human Resources Department. It is important to update beneficiary records when changes occur.

Claims for benefits are processed and paid by the City of Winston-Salem. Please contact the Human Resources Department for additional information.

Eligibility

- Fifteen (15) years of full-time employment; or
- Full-time employees who retire from the City of Winston-Salem and are approved for disability retirement by the NC State Retirement System



Other Options

Group Life Insurance – Aetna Basic, Supplemental, and Dependent Life

At retirement, you may elect to convert or port your group life insurance coverage to an individual policy up to the benefit amount you are eligible for as an active employee or dependent. Premium amount will be based on the coverage amount you elect to continue and the age of you and/or your dependent at retirement.

- **Basic** – converts to Whole Life Policy
- **Supplemental** – ports to Whole Life or Term Life Policy
- **Dependent** – ports to Term Life Policy

Universal Life Insurance – UnumProvident, Colonial Life, and Midland Life/Reassure

At retirement, you do not need to convert or port your universal life insurance policies, which are considered individual policies. You will pay the same premium amount you paid as an active employee.

Contributory Death Benefit – North Carolina State Retirement System

- City retirees may elect to purchase an individual \$10,000 term life insurance policy
- Enrollment, premium collections, benefit claims, and beneficiary records are handled through the NC State Retirement System

As a retiree, you will need to remember the following for your life insurance to remain in force for you and/or your dependent:

- If you choose to convert or port your coverage for you and/or dependents at retirement for Basic, Supplemental, and/or Dependent Life coverage, you must choose to continue coverage within 31 days of termination date of group coverage
- You must continue to make premium payments directly to insurance carrier(s)
- Keep your **BENEFICIARY DATA** current with carrier(s)

Long-Term Care



The financial, family and quality of life issues involving long-term care will likely impact all of us in one way or another – especially for those age 65 or older.

Fortunately, City retirees can elect to continue to participate in the long-term care plan by simply continuing to make premium payments on a direct-bill basis to the provider.

Plan Ahead Now

Control over your health care and your savings is important to you. Electing to continue coverage, or starting a long-term care plan now, can help safeguard your savings and help guarantee that you will have more choices about the type and quality of long-term care you receive – for today and tomorrow. The chart below provides a detailed description of the plan highlights.

That's why, as a valued retiree of the City, insurance is available so that you can protect your family and your assets. With a group long-term care plan, you'll have the security of knowing that if a serious illness or accident should occur, you and your loved ones will have help protecting your home and your life savings.

About The Plan

Unfortunately, Americans over the age of 65 have a 40 percent chance of entering a nursing home for long-term care (LTC) services. Since this type of care can span years, it can become very expensive — jeopardizing pensions, stocks and other family resources. In fact, 72 percent of people needing long-term care end up in poverty!

Benefit	Details
Long-Term Care Daily Benefit	\$80, \$120 or \$160 per day in a licensed skilled care facility <i>(You choose which plan you want)</i>
Community-Based Care Daily Benefit	60% of the long-term care daily benefit (\$48, \$72, \$96) including homemaker services, home health care, assisted living facilities, adult day care and adult foster care
Waiting Period	90 calendar days
Waiver of Premium	Premium is waived after you have completed your waiting period
Lifetime Maximum Benefit	1,095 times the long-term care daily benefit <i>(\$87,600; \$131,400; \$175,200) OR 1,825 times the long-term care daily benefit (\$146,000; \$219,000; \$292,000)</i>
Temporary Bed Benefit	Plan will pay the daily benefit for long-term holding care up to 21 days per year to hold your bed in the nursing home during your absence
Caregiver Benefit	Pays 25% of the long-term care daily benefit up to 30 days per year for various types of informal care; paid in addition to community-based care
Caregiver Training Benefit	Plan will pay 100% of the actual expense incurred for caregiver training, up to 3 times the community-based care benefit for training necessary for an informal caregiver to care for you in your residence
Portability	If a retiree leaves for any reason, CNA will move the retiree to identical coverage
Emergency Alert Benefit	Plan will pay 100% of the actual monthly expense incurred to rent or lease an emergency alert system for your home, not to exceed the monthly community-based care benefit

Retirement Benefits

North Carolina State Defined Pension Plan

The City of Winston-Salem is a member of the NC State Retirement System and offers a defined pension benefit to eligible City Retirees or Beneficiaries. The Department administers the public employee retirement systems for more than 850,000 members and more than \$74 billion in assets.

You can review your reported earnings, service credits, and beneficiary information on the NC State Retirement System web site. Visit ORBIT and logon at www.nctreasurer.com.

Additional Retirement Plans

The City sponsors additional retirement plans for Sworn Police and Fire Suppression personnel as listed below:

- Winston-Salem Police Officers Retirement System (WSPORS)
- Winston-Salem Fireman's Retirement Fund (WSFRF)
- Fireman's and Rescue Worker's Pension Fund (NC Retirement System)

Individual Savings & Investment Plans

The City has provided savings and investment options for City Retirees who wish to continue participation during retirement. Retirees interested in continuing their participation in any of the plans listed below should contact the individual plan carriers for additional information.

Currently, the City of Winston-Salem offers two supplemental retirement investment accounts.

NC Traditional 401(k) & Roth 401(k) Plan – Supplemental retirement plan for public employees by the State of North Carolina and managed by Prudential

457 Deferred Compensation Plan – Supplemental retirement plan that is available for certain state and local government/non-governmental entities managed by VALIC.

Both plans provide the following tools to assist you with managing your investments:

- Quarterly Statements keep you informed. During retirement, you will receive statements at your home address four times a year. These detail your account activity, fund performance and much more.



- Online Retirement Planning Tools allow you the opportunity to access your plan account 24 hours a day/ 7 days a week.
- Personal financial representatives are available to meet with you at your convenience. You may request an appointment by calling the City's Human Resources Department or visit the City of WS Retiree Center web site for contact information.

457 Nationwide Deferred Compensation Plan – some retirees may have an existing 457 account with Nationwide Deferred Compensation; however, it is not a current supplemental retirement plan the City offers as an investment option.

Please refer to the Important Contact Information page (at the back of this booklet) for direct customer service telephone numbers and web site access for all of the investment plans listed above.

College Savings Plan (529) – sponsored by the College Foundation of NC. This plan allows you to create a college savings strategy for your child, grandchild, yourself or someone else important to you.

- The North Carolina College Savings Fund is open to City Retirees who are interested in participation.
- Setting up an account is easy. Contributions you make today create a gift that lasts a lifetime — AN EDUCATION.

For additional information, please contact the Human Resources Department or visit the Retiree Center web site at www.cityofws.org. Look for the "Most Requested" box then select "Retiree Center" in the drop down menu.

Important Contact Information



Benefit Questions

If you have questions about any of your benefits, please contact the company that handles the plan administration for the City. Below is a list of companies, the plans they administer and their contact information.

If you still have questions, or need more information about any other benefit plans, please check on the Retiree Center web site at: www.cityofws.org or contact the Human Resources Department directly.

Plan	Contact	Phone Number	Web Site
Medical Insurance	BCBSNC	1-877-258-3334	www.bcbsnc.com
Medicare Advantage (Supplemental) Plan	BCBS Medicare HMO	1-888-310-4110	www.bcbsnc.com
Prescription Coverage Plan	Express Scripts	1-877-512-1319	www.express-scripts.com
Dental Insurance (COBRA)	Flores & Associates	1-800-532-3327 1-800-726-9982 (<i>fax claims</i>)	www.flores247.com
Group Life Insurance	Aetna	1-800-826-7448	www.aetna.com www.ichooselegal.com
Long-Term Care	CNA Group LTC	1-800-266-2904	www.cna.com
Pension Plan	NC State Retirement System	1-877-733-4191	www.nctreasurer.com
457 Deferred Compensation Plan	VALIC Nationwide Retirement Solutions	1-800-448-2542 1-877-677-3678	www.valic.com www.nrsretire.com
401(k) Plan and Roth 401(k) Plan	Prudential	1-866-627-5267	www.ncplans.prudential.com
529 Plan	College Foundation of North Carolina	1-888-234-6400	www.CFNC.org
Universal Life Insurance	UNUM Colonial Life Midland Life/Reassure	1-800-635-5597 1-800-325-4368 (336) 765-1582	www.unumprovident.com www.coloniallife.com N/A

About This Guide

NOTE: All Summary Plan Descriptions (SPDs) are available for review in the Human Resources Department.

This guide describes the benefit plans and policies available to you as an retiree of the City of Winston-Salem. The details of these plans and policies are contained in the official plan and policy documents, including some insurance contracts. This guide is meant only to cover the major points of each plan or policy. It does not contain all of the details that are included in your Summary Plan Description (*as required by ERISA*). Your Summary Plan Descriptions are available through the City's Human Resources Department.

If there is ever a question about one of these plans and policies, or if there is a conflict between the information in this guide and the formal language of the plan or policy documents, the formal wording in the plan or policy documents will govern.

Please note that the benefits described in this guide may be changed at any time and do not represent a contractual obligation on the part of the City of Winston-Salem.



Key Terms Relating To Your Employee Benefits

COBRA —	A federal law that allows workers and dependents who lose their medical, dental or health care flexible spending account coverage to continue any of those coverages for a specified length of time.
Coinsurance —	The percentage of the medical charge that you have to pay.
Copayment —	A flat fee that you pay for medical services, regardless of the actual amount charged by your doctor or another provider. This generally applies to physicians' office visits and prescription drugs.
Deductible —	The amount you pay toward medical and dental expenses each calendar year before the plan begins paying benefits.
Reasonable-and-Customary (R&C) Limit —	The usual amount charged by most doctors for a particular medical service. The R&C limit may be different in two different geographic areas or if the service was provided under different circumstances (<i>for example in an emergency versus a nonemergency</i>). R&C charges may apply only if you use out-of-network providers.
Summary Plan Description — (SPD)	A legal document that describes your benefits, as well as, your rights and responsibilities under the Plan. We encourage you to read your SPD and any attached Riders and/or Amendment carefully and to keep your SPD and any attachments in a safe place for your future reference. Please be aware that your Physician does not have a copy of your SPD and is not responsible for knowing or communicating your benefits.



City of Winston-Salem Council Members

Mayor: Allen Joines

City Council: Vivian H. Burke, Mayor Pro Tempore, Northeast Ward; Dan Besse, Southwest Ward;
Robert C. Clark, West Ward; Derwin L. Montgomery, East Ward; Molly Leight, South Ward;
Denise D. Adams, North Ward; Wanda Merschel, Northwest Ward; James Taylor, Jr., Southeast Ward

City Manager: Lee Garrity

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