

CASE No. 2013-00237
WATER SERVICE CORPORATION OF KENTUCKY
RESPONSES TO COMMISSION STAFF'S FIRST INFORMATION REQUEST

18. Provide a detailed list of all fringe benefits available to Water Service Corporation employees and the cost of each benefit in 2010, 2011, and 2012 and expected cost of each benefit provided in 2013. Indicate which fringe benefits, if any, are limited to management employees.

Response:

- a. For a description of the fringe benefits please see the PDF titled DR-18 2013 Employee Benefits Guide, bate-stamped as WSCK_R_PSCDR1_No 18a 000001 through WSCK_R_PSCDR1_No 18a 000015.
- b. Please see the attached Excel schedule DR-18b containing Employee Benefit costs 2010, 2011, 2012, projected 2013, bate-stamped as WSCK_R_PSCDR1_No 18b 000001.

Witness – Lowell Yap.



Employee Benefits Guide



2013

Plan Year - 1/01/2013 - 12/31/2013

For Full Time Employees Only
Except where noted herein

Employee Benefit Summary/Contents Page

Benefit	Description	Cost to Employee/Requirement	Eligibility	Page															
Medical Insurance	Medical insurance provides cost-effective medical care through Blue Cross Blue Shield. The PPO plans feature a network of participating doctors, hospitals, and facilities to provide health care services to plan members at reduced rates.	<p>Monthly Employee Deductions The deductions below include a preventive incentive. See page 5 for details on how to qualify for the preventive incentive.</p> <table border="1"> <thead> <tr> <th></th> <th>Plan A</th> <th>Plan B</th> </tr> </thead> <tbody> <tr> <td>Employee Only</td> <td>\$95.00</td> <td>\$83.59</td> </tr> <tr> <td>Employee + Spouse</td> <td>\$249.30</td> <td>\$218.13</td> </tr> <tr> <td>Employee + Child(ren)</td> <td>\$209.82</td> <td>\$183.60</td> </tr> <tr> <td>Family</td> <td>\$363.56</td> <td>\$318.11</td> </tr> </tbody> </table>		Plan A	Plan B	Employee Only	\$95.00	\$83.59	Employee + Spouse	\$249.30	\$218.13	Employee + Child(ren)	\$209.82	\$183.60	Family	\$363.56	\$318.11	Enrollment is available within the first 30 days of your employment, during open enrollment, or in the first 30 days following a Life Qualifying Event (LQE). Benefit begins on the 31st day of employment, the date of a LQE or January 1st for open enrollment. Enrollment form required and located in the HR folder on the UIWatermain.	4
	Plan A	Plan B																	
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Dental Insurance	Dental insurance provides cost-effective dental care through Delta Dental. While there are no restrictions on your choice of dentist, using a Delta network dentist enhances your benefit.	<p>Monthly Employee Deductions</p> <table border="1"> <tbody> <tr> <td>Employee Only</td> <td>\$10</td> </tr> <tr> <td>Employee + Spouse</td> <td>\$22.35</td> </tr> <tr> <td>Employee + Child(ren)</td> <td>\$16.76</td> </tr> <tr> <td>Family</td> <td>\$33.52</td> </tr> </tbody> </table>	Employee Only	\$10	Employee + Spouse	\$22.35	Employee + Child(ren)	\$16.76	Family	\$33.52	Enrollment is available within the first 30 days of your employment, during open enrollment, or in the first 30 days following a Life Qualifying Event (LQE). Benefit begins on the 31st day of employment the date of a LQE or January 1st for open enrollment. Enrollment form required and located in the HR folder on the UIWatermain.	6							
Employee Only	\$10																		
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Employee + Child(ren)	\$16.76																		
Family	\$33.52																		
Vision Insurance	Vision insurance is provided through Vision Service Plan. Many services from a network provider are covered in full after a nominal co-pay.	This is a Company paid benefit contingent upon your enrollment into a medical plan.	Benefit begins on the day Medical Insurance is effective. Automatic enrollment with enrollment into a medical plan.	7															
Flexible Spending Account (FSA)	UI provides a FSA program designed to save you money on out-of-pocket expenses incurred for health and dependent care. Employees can save up to 30% on eligible expenses by using tax-free dollars.	Employees may contribute pre-tax dollars, through payroll, up to \$2,500 for health care expenses and up to \$5,000 for dependent care expenses.	Enrollment is available within the first 30 days of your employment, during open enrollment, or in the first 30 days following a Life Qualifying Event (LQE). Benefit begins on the 31st day of employment, the date of a LQE or January 1st for open enrollment. Enrollment form required and located in the HR folder on the UIWatermain.	7															
Life and Accidental Death and Dismemberment (AD&D) Insurance	Life and AD&D insurance through MetLife provides financial aid for your family if you die or are seriously injured in an accident. The life benefit equates to 1.5 times your annual salary plus \$10,000. The AD&D benefit is the same amount.	This is a Company paid benefit.	Automatic enrollment effective the first day of the month following 30 days of employment.	8															
Short-Term Disability Benefit	The short-term disability (STD) benefit provides 100% of your pre-disability base income if you are unable to work due to illness or injury. The duration of the benefit is based upon your years of service.	This is a Company paid benefit.	Automatic enrollment after one year of employment.	8															
Long-Term Disability Benefit	The long-term disability benefit provides income to employees who are disabled beyond six months of short term disability. The benefit includes 50% of pre-disability monthly earnings less income offsets.	This is a Company paid benefit.	Automatic enrollment effective the first day of the month following 30 days of employment. Benefit has a 180 day waiting period.	8															
Voluntary Life Insurance	Supplemental term life insurance offers you and your dependents the opportunity to purchase additional life insurance.	Employee costs are based upon age and the elected benefit amount.	Available the first day of the month following 30 days of employment or the receipt and acceptance of your enrollment form by MetLife at any time following your initial 30 days of employment. Located in the HR folder on the UIWatermain.	9															
Supplemental Travel/Accident Insurance	Supplemental travel/accident insurance through ACE American Insurance Company provides an additional amount of insurance whether on personal or work-related business.	This is a Company paid benefit.	Automatic enrollment effective the first day of the month following 30 days of employment.	9															
Employee Assistance Program (EAP)	UI provides an EAP for employees and their immediate families who are dealing with personal issues.	This is a Company paid benefit.	Automatic enrollment effective the first day of the month following 30 days of employment.	10															
Patient Advocacy	Provides a confidential resource to assist with claims and benefit issues, help with locating providers and scheduling procedures and appointments.	This is a Company paid benefit.	Automatic enrollment effective the first day of the month following 30 days of employment.	10															
Education Assistance	UI offers up to 90% reimbursement of tuition costs for work related courses pre-approved by the Executive Team.	Reimbursement of tuition expenses are determined by Executive Team approval, course completion, and grades.	Available after 1 year of employment with required approvals.	11															
Certification Bonus	UI offers a certification bonus for licenses and certifications for work related education and development based on the level of the certification.	A pre-approved list of bonus amounts by state and level are listed in the Payroll folder on the UIWaterMain.	Requires Director level approval	11															
401(k) Retirement Plan	<p>401(k) Performance Based Company Contribution Upon Board of Directors' approval, UI may make an annual contribution to your 401(k) account based on Company performance.</p> <p>Employee Contribution & Employer Match Employees may contribute to the 401(k) plan to save for their retirement. UI will match 50% of employee contributions up to 6% of your annualized base salary.</p>	Entitlement to employer contributions is subject to a vesting schedule. Please refer to the Summary Plan Description for more details.	<p>401(k) Performance Based Company Contribution After one year of service</p> <p>Employee Deferral & Employer Match After 90 days of service</p> <p>Online enrollment required at www.retirementlink.jpmorgan.com</p>	12															
Vacation Pay	We have a market based schedule for vacation. Please see the "Vacation Accrual" schedule for further details.	This is a Company paid benefit.	Employees accrue vacation time dependent on their hire date. There is a 30-day waiting period after your hire date to use vacation time.	13															
Holiday Pay	UI offers 8 paid holidays each year.	This is a Company paid benefit.	Eligible 30 days after your hire date.	13															
Contact Information				14															

Eligibility

An employee is eligible to participate in the Utilities, Inc. Benefit Programs if you are classified as a full-time employee scheduled to work a minimum of 30 hours per week (with the exceptions for Limited Eligibility noted below).

Temporary, seasonal and agency employees are not eligible to participate in the benefit programs offered through the Company.

Eligible full-time employees can also enroll a legal spouse and dependent child(ren) for coverage. A "dependent child" is the subscriber's or spouse's natural child, stepchild, foster child or legally adopted child.

Children are generally considered dependents until:

- Age 26
- Any age, if they are mentally or physically disabled, chiefly dependent on the employee for support, and not capable of self-sustaining employment.
- Age 30 if enlisted in Military

Limited Eligibility

An employee classified as part-time scheduled to work less than 30 hours per week and a minimum of 1,000 hours per calendar year qualifies for participation in the 401(k) plan and is entitled to paid vacation time (see "Vacation Pay" for explanation of paid part-time vacation balance accrual).

A brief summary of the various benefits offered by Utilities, Inc. are shown in this guide. If an employee does not elect to enroll in any plan during the open enrollment period or when the employee first becomes eligible for benefits, the employee will not be allowed to enroll until the next open enrollment period unless the employee has a special enrollment event as defined by HIPAA (see "Life Qualifying Events" below).

When Coverage Begins:

Employees must enroll for medical, dental, vision, choose to participate in the reimbursement accounts, and/or elect Voluntary Life and AD&D benefits within 30 days of the employee's initial eligibility date. Health benefits begin on the first day following the 30 day waiting period. Enrollment in employer paid benefits is automatic.

New Hires:

Eligible new hires are required to select or waive coverage within 30 days of their initial eligibility date. Employees failing to select coverage under one or more of the optional plans within this time will be deemed to have voluntarily waived eligibility for coverage for the entire plan year. Once made, selections are irrevocable and remain in effect for the plan year unless a qualified status change occurs.

Life Qualifying Events

Your initial new hire eligibility period allows you thirty (30) days from your hire date to submit enrollment forms for the benefits you wish to enroll in. You are allowed to change your enrollment during the plan year only when you have a life qualifying event that significantly affects your benefit needs. Life events can include:

1. Marriage or Divorce
2. Birth or adoption of a child or placement of a child for adoption
3. Death of a child or spouse
4. Loss of or obtainment of other coverage.

An employee wanting to change elections due to a life qualifying event should contact Human Resources as soon as possible following the event, but no later than 30 days following the event. Appropriate documentation will be required to substantiate a change and must be received within 30 days of the life qualifying event. Effective date for changes will be the actual date of the event. Any change reported or supporting documentation received after 30 days following the life qualifying event will not be accepted. In such an instance, the next opportunity to make a change will be during the next open enrollment period. The open enrollment period is the time employee's may make changes (such as moving from one plan to another, adding dependents, etc.) Freely without supporting documentation. The next open enrollment date is January 1st.

Medical and Dental Premiums

The employee medical and dental premiums are listed below. Utilities Inc. covers 100% of the cost for vision insurance upon enrollment to a medical plan. Utilities, Inc. also covers 100% of the cost of basic life and AD&D insurance, short term disability insurance and long term disability insurance.

	With Preventive Incentive		Without Preventive Incentive	
Medical Insurance - PPO Plan A	Hourly Employees	Salaried Employees	Hourly Employees	Salaried Employees
	(26 pays per year)	(24 pays per year)	(26 pays per year)	(24 pays per year)
Employee Only	\$43.85	\$47.50	\$226.56	\$245.45
Employee + Spouse	\$115.06	\$124.65	\$543.76	\$589.08
Employee + Child(ren)	\$96.84	\$104.91	\$457.67	\$495.81
Family	\$167.80	\$181.78	\$792.98	\$859.07
* Working Dependent Surcharge	\$129.23	\$140.00	\$129.23	\$140.00
	With Preventive Incentive		Without Preventive Incentive	
Medical Insurance - PPO Plan B	Hourly Employees	Salaried Employees	Hourly Employees	Salaried Employees
	(26 pays per year)	(24 pays per year)	(26 pays per year)	(24 pays per year)
Employee Only	\$38.58	\$41.80	\$198.24	\$214.77
Employee + Spouse	\$100.68	\$109.07	\$475.79	\$515.44
Employee + Child(ren)	\$84.74	\$91.80	\$400.46	\$433.83
Family	\$146.82	\$159.06	\$693.86	\$751.68
* Working Dependent Surcharge	\$129.23	\$140.00	\$129.23	\$140.00
Dental Insurance	Hourly Employees	Salaried Employees		
	(26 pays per year)	(24 pays per year)		
Employee Only	\$4.62	\$5.00		
Employee + Spouse	\$10.31	\$11.17		
Employee + Child(ren)	\$7.74	\$8.38		
Family	\$15.47	\$16.76		

Pre-Tax/Post-Tax Contributions

Generally, the cost to participate in Utilities, Inc.' Health plan and/or reimbursement accounts is taken from the employee's paycheck on a **pre-tax basis**. This means the employee does not pay Federal Income Tax, Social Security Tax, and in most cases state/local taxes on those contributions.

*Working Dependent Surcharge

A working dependent surcharge is an additional contribution that Utilities, Inc. will charge an employee to cover a working dependent that has other health coverage available, such as through his or her own employer, and chooses not to enroll in that coverage. The surcharge amount listed above will be applied to each dependent you choose to cover that has other coverage available (ex: if you choose to cover a spouse and a dependent child that both have other health coverage available, you will be charged the applicable surcharge times two.). The dependent surcharge does not apply to dependents who are unemployed or whose employers do not offer health insurance. The surcharge is designed to encourage dependents to use the health coverage available through their own employer. The surcharge is used to contribute to the added cost of covering dependents on our plan who choose not to participate in their employer's coverage. Every employee choosing to enroll in a medical plan with UI, and is covering a dependent, must complete the Working Dependent Medical Plan Affidavit. All forms must be returned to the Human Resources Department. The surcharge will automatically be charged to all employees choosing to cover a working dependent that did not return the Working Dependent Medical Plan Affidavit with the medical enrollment form.

Preventive Incentive

In an effort to promote a healthy lifestyle, we encourage our employee's to receive a routine annual physical with blood draw. It is important to maintain a healthy lifestyle and monitor your health on a regular basis. Having an annual physical is the first step toward taking control of your health.

If you choose to enroll in the medical insurance and complete a routine annual physical with blood draw, you will enjoy employee premium amounts less than the standard premium. Depending on the plan you choose and the number of dependents you cover, this incentive could save you anywhere from \$4,700 to \$16,000 per year!

Both medical plans offer a benefit to cover the cost of your physical and blood draw under the Preventive Care benefit. The plan will pay 100% with no co-payment. Please note the following tips to keep in mind to ensure you receive this level of benefit:

1. You must receive these services by an in-network provider
2. All services billed on the date you obtain your annual routine physical with blood draw must be billed as "routine". Any services billed on this date of service that are not "routine" will be subject to co-pays and deductibles.
3. You are allowed one routine annual physical per calendar year.

In order to qualify for the preventive incentive, you and your spouse, if you choose to cover your spouse, must have a routine physical with blood draw documented with a date of service within 60 days of your insurance becoming effective. A Routine Physical Verification Form must be completed for both yourself and your spouse by the physician and returned to the HR Department within the time frame. Routine Physical Verification Forms received after 60 days of your insurance becoming effective will not be accepted and your insurance premiums will increase effective the 61st day of your insurance being effective.

Medical Plans A & B

Utilities, Inc. provides a choice of two PPO Medical plans to all eligible employees effective the 31st day of employment.

	PPO Plan - A - Group #P17022		PPO Plan - B - Group #P17023	
	In-network	Non-network	In-network	Non-network
Deductible	\$400 Individual \$1,200 Family	\$800 Individual \$2,400 Family	\$1,500 Individual \$4,500 Family	\$4,500 Individual \$13,500 Family
Out-of-Pocket Maximum Excludes deductibles and co-pays	\$1,750 Individual \$5,250 Family	\$3,500 Individual \$10,500 Family	\$3,500 Individual \$7,000 Family	\$10,500 Individual \$21,000 Family
Physician Office Visits One co-payment per day when you receive services from a Family Practice, Internal Medicine, OB/GYN, or Pediatrician. Surgeries, therapies and certain diagnostic procedures performed in a physician's office may be subject to the deductible and/or coinsurance, including mental health and substance abuse services.	\$15 co-pay for PCP \$25 co-pay for Specialist; then 100%	60% after deductible	\$35 co-pay for PCP \$45 co-pay for Specialist; then 100%	50% after deductible
Preventive Care Routine annual physicals, well-baby exam, annual vision and hearing exams, immunizations, and other preventive health services as determined by the USPSTF.	100%	60% after deductible	100%	50% after deductible
Maternity Services Co-payment applies to first prenatal visit. All other maternity physician covered services are paid the same as Medical/Surgical Services	\$15 co-pay for PCP \$25 co-pay for Specialist; then 100%	60% after deductible	\$35 co-pay for PCP \$45 co-pay for Specialist; then 100%	50% after deductible
Medical/Surgical Services Coverage for surgical procedures, inpatient visits, therapies, allergy injections or treatments, and certain diagnostic procedures as well as other physician services.	80% after deductible	60% after deductible	70% after deductible	50% after deductible
Hospital Admission Deductible (Maximum 3 days/calendar year)	\$100 per day	\$100 per day	\$100 per day	\$100 per day
Inpatient Hospital Services Coverage includes services received in a hospital, skilled nursing facility, coordinated home care and hospice. Room allowances based on the hospital's most common semi-private room rates.	80% after deductible	60% after deductible	70% after deductible	50% after deductible
Outpatient Hospital Services Coverage for services includes, but is not limited to outpatient or ambulatory surgical procedures, x-ray, lab tests, chemotherapy, radiation therapy, renal dialysis, and mammograms performed in a hospital or ambulatory surgical center. Routine mammograms performed in an in-network outpatient hospital setting are payable at 100%, no deductible will apply.	80% after deductible	60% after deductible	70% after deductible	50% after deductible
Outpatient Emergency Care (Accident or Illness) The co-payment applies to both in and out of network emergency room visits. The co-payment is waived if the member is admitted to the hospital.	\$100 co-pay	\$100 co-pay	\$100 co-pay	\$100 co-pay
Muscle Manipulation Services* Coverage for spinal and muscle manipulation services provided by a physician or chiropractor. Related office visits are paid the same as other Physician Office Visits. Limited to 30 visits per calendar year.	\$25 co-pay; then 100%	60% after deductible	\$45 co-pay; then 100%	50% after deductible
Therapy Services - Speech, Occupational and Physical Coverage for services provided by a physician or therapist.	80% after deductible	60% after deductible	70% after deductible	50% after deductible
Temporomandibular Joint (TMJ) Dysfunction and Related Disorders	80% after deductible	60% after deductible	70% after deductible	50% after deductible
Other Covered Services - Private Duty Nursing - Naprapathic Services* up to \$3,000 max per calendar year - Blood and blood components - Ambulance Services - Medical Supplies	80% after deductible	80% after deductible	60% after deductible	60% after deductible

Prescription Drug Benefit for Medical Plans A & B

	Generic	Formulary Brand	Non-Formulary Brand
Contracting Retail Pharmacy Up to a 34-day supply. Includes diabetic supplies: blood glucose test strips, lancets, diagnostic agents used with urine testing and glucagon.	\$10	25% Minimum Co-pay \$25 Maximum Co-pay \$75	50% Minimum Co-pay \$25 Maximum Co-pay \$75
Mail Service Up to a 90-day supply.	\$20	25% Minimum Co-pay \$50 Maximum Co-pay \$150	50% Minimum Co-pay \$50 Maximum Co-pay \$150
Contraceptives Available at retail and mail service at the appropriate co-payment level based on drug classification.	As Indicated Above		
Self-Injectables Available at retail and mail service at the appropriate co-payment level.	As Indicated Above		

FREE Generic Mail Order Pharmacy Plan Option

Utilities, Inc. employees and their enrolled dependents are eligible to receive free generic maintenance medication by utilizing the Rx 'n Go mail order pharmacy service. Rx 'n Go offers a comprehensive listing of nearly 1,200 available generic maintenance medications. By filling your generic maintenance medication through Rx 'n Go, Utilities, Inc. will pay the entire cost of the medication. A ninety (90) day supply of medication will arrive directly at the member's home address or designated delivery location.

Please consult with your physician or health care provider if you are not currently taking a generic medication to determine if any of the prescriptions offered through the Rx 'n Go pharmacy may be an option.

Interested plan members are required to have their health care provider submit a completed Rx 'n Go prescription order form via e-mail or fax (or the member may mail the original order form via regular mail.) The order form is available in the HR/Payroll>Enrollment Forms>Prescription Drug folder on the UIWaterMain to take to your provider's office.

Dental Plan - Delta Dental Group #20159

	PPO	Premier	Out-of-Network
Annual Maximum	\$1,000 per person		
Annual Deductible Applies only to Basic and Major Services. Charged one time per calendar year.	\$25 per person; \$75 per family		
Preventative/Diagnostic Services <ul style="list-style-type: none"> • Oral evaluations up to two times per benefit year • X-Rays (bitewings up to two per benefit year; full mouth - once every three years) • Prophylaxis (cleaning up to two per benefit year) • Fluoride treatments up to once per benefit year for children under age 19 • Space Maintainers • Sealants 	100% of reduced fee ¹ No Deductible	100% of MPA ² No Deductible	100% of MPA ³ No Deductible
Basic Services <ul style="list-style-type: none"> • Fillings • Oral Surgery • Periodontics • Endodontics • General Anesthesia in conjunction with oral surgery • Recementing of crowns and bridges 	80% of reduced fee ¹ Deductible Applies	80% of MPA ² Deductible Applies	80% of MPA ³ Deductible Applies
Major Services <ul style="list-style-type: none"> • Crowns, jackets, cast restorations • Fixed and removable bridges • Partial and full dentures • Implants 	50% of reduced fee ¹ Deductible Applies	50% of MPA ² Deductible Applies	50% of MPA ³ Deductible Applies

¹ You will not be "balance billed" for charges exceeding Delta Dental's allowed PPO fee.

² You will not be "balance billed" for charges exceeding Delta Dental's maximum plan allowances (MPAs).

³ You are responsible for charges exceeding Delta Dental's maximum plan allowances (MPAs).

Your dentist chooses the Delta Network they participate in whether it is PPO, Premier, Both or Neither. Consult your dentist to determine which network they participate in and how insurance is applied to that coverage. In the event your dentist participates in the PPO and Premier Networks, PPO becomes the default network.

The preceding information is a brief summary of the Utilities, Inc. Dental Plan and the services it covers. If you have specific questions regarding benefit coverage, limitations or exclusions, contact Delta Dental at (800) 323-1743.

Flexible Spending Accounts (FSA) – Paychex

Employees are eligible to participate in the Flexible Spending Account after thirty (30) days of employment. An FSA allows you to set aside pre-tax dollars from your paycheck to pay for eligible health and dependent care expenses, lowering your taxable income and increasing your take home pay. The plan year for this benefit is January 1 thru December 31.

[Health Care Flexible Spending Account](#)

A Health Care FSA reimburses you for eligible medical care expenses incurred for yourself, your spouse and your dependents. This account can be used to pay for qualified, medically necessary medical, dental or vision expenses not covered by your insurance. Physician office visit and prescription co-payments are some examples of qualified expenses. The IRS allows up to \$2,500 to be contributed to this account per plan year.

[Dependent Care Flexible Spending Account](#)

A Dependent Care FSA helps you pay for child or elder care services so you can work. The IRS allows up to \$5,000 to be contributed to this account per plan year.

NOTE: If you are married and file jointly, your combined contributions may not exceed \$5,000. If you are married and file separately, your individual contributions may not exceed \$2,500.

Upon enrollment to an FSA, you will elect an annual contribution amount to participate in one or both of the FSA's. This election and contribution amount is binding for the entire plan year. Only a LIFE QUALIFYING EVENT will allow you to change an FSA election. Your annual contribution amount must be used for expenses incurred within that plan year. Any dollar amount not reimbursed for expenses during the plan year will be forfeited. This is known as the “use it or lose it” rule.

- If you are enrolled in one of the Blue Cross Blue Shield medical plan options, you may elect automatic claim submission of your medical expenses not paid after a claim is filed to your healthcare FSA. Enrollment in this feature allows reimbursement for out of pocket expenses without having to submit a claim form.
- If you enroll in either the healthcare or dependent care FSA, you may also enroll in direct deposit to have your reimbursements directly deposited into the bank account of your choice.

Vision Benefits – Vision Service Plan (VSP) Group #12159678

100% Employer Paid

Enrollment in the vision plan through Vision Service Plan is automatic with enrollment in either of the medical plans and is effective on the 31st day of employment. Utilities, Inc. pays the entire cost of this benefit. Please note, VSP does not provide member ID cards.

	In-Network	Out-of-Network	Frequency
	Co-pay	Reimbursement	Once
Exams	\$10	Up to \$25.00	Every 12 months
Prescription Glasses (Including Lenses and Frame)	\$25		
<i>Lenses</i>			
Single vision		Up to \$30.00	
Lined Bifocal		Up to \$35.00	
Lined Trifocal		Up to \$45.00	
<i>Frames</i>		Up to \$45.00	Every 24 months
Contacts (in lieu of glasses)	\$0	Up to \$105.00	Every 12 months

Short – Term Disability Insurance

100% Employer Paid

Utilities, Inc. provides short-term disability insurance to all eligible employees after one year of employment. This benefit is paid at 100% income replacement in accordance to the regular payroll schedule based on years of service. Short-term disability insurance is to provide paid leave for off-the-job sickness, injury or pregnancy. To qualify for this benefit, a Certification of Health Care Provider Form (found on the UIWaterMain) must be completed by your physician to establish a “serious health condition” for sickness or injury. For pregnancy/maternity leave, paid short-term disability time is available to eligible employees. Employee eligibility for paid time uses the same schedule as the short-term disability benefit. A Certification of Health Care Provider Form is required for any paid short-term disability time while on pregnancy/maternity leave. At the end of your paid short-term disability, whether eligible paid time has exhausted or your medical provider’s certification period expires, you may be required to use your accrued vacation time for any additional time off.

1 - less than 2 Years of service	1 week of income replacement per rolling 12 month period from the first day of paid short term disability
2 years, but less than 4 years of service	3 weeks of income replacement per rolling 12 month period from the first day of paid short term disability
4 years, but less than 6 years of service	6 weeks of income replacement per rolling 12 month period from the first day of paid short term disability
6 years, but less than 12 years of service	2 weeks of income replacement per year of service per rolling 12 month period from the first day of paid short term disability
12 years of service or more	6 months of income replacement per rolling 12 month period from the first day of paid short term disability

Long – Term Disability Insurance – MetLife Group #95164

100% Employer Paid

Utilities, Inc. provides long-term disability insurance to all eligible employees effective first of the month following thirty days of employment. In order to receive benefits under this plan, you must satisfy requirements set by MetLife during the application process. In the event of a disability, it is suggested that you begin the application process to receive benefits no later than your twelfth week of continuous disability to ensure sufficient time for review.

Benefits Begin	After 180 days of continuous disability
Monthly Benefit	50% of base pre-disability earnings
Minimum Monthly Benefit	\$100
Maximum Monthly Benefit	\$10,000

Life and AD&D Insurance – MetLife Group #95164

100% Employer Paid

Utilities, Inc. provides both Basic Life and Accidental Death and Dismemberment insurance to all eligible employees effective first of the month following thirty days of employment. The Basic Life benefit amount is equal to 1 ½ times your base annual salary plus \$10,000. The Accidental Death and Dismemberment amount is the same. These benefits are convertible to an individual policy upon termination. Requests to convert these benefits must be made to HR within 30 days of your termination date.

Voluntary Life Insurance – MetLife Group #95164

Utilities, Inc. offers the option of purchasing additional life insurance for yourself, your spouse and/or your child(ren). These benefits are available for purchase on a post-tax basis. Paying tax on the premiums allows benefit payments to be tax-free. The table below illustrates a summary of these benefits. Please note that MetLife requires the purchase of coverage in stated increments. Employees must purchase coverage for themselves before they are able to purchase coverage on dependents. Requests to enroll in this benefit must be made during your first 30 days with the Company to take advantage of the guarantee issue amounts. If you wish to enroll in this benefit after your new hire eligibility period, you may do so during any Open Enrollment period or within 30 days of a Life Qualifying Event as defined earlier. Enrollments in conjunction with an Open Enrollment period or Life Qualifying Event will require a Statement of Health and approval from the MetLife underwriting department before the benefit can be issued. This benefit is portable upon termination. Requests to port this benefit must be made to HR within 30 days of your termination.

Voluntary Benefit Amounts

Employee	Sold in increments of \$10,000 Maximum issue amount = \$300,000
Spouse	Sold in increments of \$10,000 up to a maximum of \$150,000 Maximum issue amount = 100% of the voluntary employee life amount of \$150,000; whichever is less
Child(ren)	Issued as a flat amount equal to \$10,000

Guarantee Issue Amount*

Employee	\$50,000
Spouse	\$10,000
Child(ren)	Entire Benefit Amount

* Guarantee Issue refers to the amount of coverage you are eligible to purchase during your initial enrollment period without providing evidence of “good health”. However, if you do not enroll when initially eligible, you will be required to provide evidence of “good health” for any amount elected by completing a Statement of Health form. The Statement of Health form will be submitted to the underwriting department at MetLife for approval before the benefit can be issued.

Monthly Premiums for Voluntary Life Insurance

	Employee Cost	Spouse Cost
Age	Per \$10,000 of Coverage	
Under 30	\$0.94	\$0.94
30 - 34	\$1.16	\$1.16
35 - 39	\$1.59	\$1.59
40 - 44	\$2.20	\$2.20
45 - 49	\$3.95	\$3.95
50 - 54	\$5.89	\$5.89
55 - 59	\$8.24	\$8.24
60 - 64	\$12.96	\$12.96
65 - 69	\$20.06	\$20.06
Over 69	\$40.00	\$40.00
Monthly Cost for the Child(ren) Life equal to \$10,000 is \$1.19		

Supplemental Travel/Accident Insurance - ACE American Insurance

100% Company Paid

Plan Number: 01AH585

Policy Number: ADD N01062487

Utilities, Inc. provides travel accident insurance to further financially assist your family members in the event of loss of life while traveling for business.

The value of this benefit is based your position classification.

	Employee	Spouse	Dependents
Operations & Field	\$100,000	\$25,000	\$10,000
Office & Clerical	\$50,000	\$25,000	\$10,000

Employee Assistance Program (EAP) – MetLife

100% Employer Paid

The EAP is a confidential and professional service that provides information, referral services and telephonic counseling by licensed professionals to all employees and members of their immediate families who may be experiencing personal difficulties in their lives.

The EAP provides confidential services without cost to employees and their immediate family members for a variety of work/life related issues including legal and financial issues, child and elder care assistance, identity theft recovery services, relationship, marriage or family issues, and alcohol and drug dependency.

To obtain these services, you can call the confidential hot-line (800) 511-3920 24 hours a day, 7 days a week.

Patient Advocacy - Health Advocate

100% Employer Paid

Health Advocate is a company that provides employees with access to trained professionals who understand the intricacies of the healthcare system and assist you in navigating through it.

Health Advocate services are provided by professional Health Advocates, typically registered nurses, backed up by a team of medical directors and administrative experts who will help you, your spouse, dependent children, parents or parents in-law.

You Are Already Enrolled At No Cost To You!

The Top 10 Reasons to Call Health Advocate

- **Find the best doctors**, hospitals, dentists and other leading healthcare providers anywhere in the country. This includes locating providers in the BlueCross BlueShield of Illinois network.
- **Schedule appointments** with providers including hard to reach specialists and critical care providers and arrange for specialized treatments and tests.
- **Help resolve insurance claims** and assist with negotiating billing and payment arrangements, and related administrative issues.
- **Assist with elder care** and related healthcare issues facing your parents and parents in-law.
- **Obtain unbiased health information** to help you make an informed decision. This includes pricing for an elective procedure to ensure you are controlling your healthcare expenses.
- **Work with insurance companies** to obtain appropriate approvals for needed services and to foster communications between physicians and insurance companies.
- **Answer questions** about test results, treatment recommendations and medications recommended or prescribed by your physician.
- **Assist in the transfer of medical records**, x-rays and lab results.
- **Locate and research the newest treatments** for a medical condition.
- **Assist and initiate appeals** for denied claims, disputes and issues related to care received. Providing members with guidance in filing a grievance or complaint to the insurance company.

This service is completely confidential and no information is exchanged between Health Advocate and Utilities, Inc. Advocates are available Monday through Friday from 9 a.m. To 8 P.m. Central time. An advocate is also available 24 hours a day, seven days a week to provide assistance that needs attention during non-business hours.

Help is just a phone call or click away.

Visit their website at <http://www.healthadvocate.com> or contact them at 1-866-695-8622

Education Assistance

Full-time employees may continue their education in a related field, and Utilities, Inc. may reimburse some of the tuition costs. All courses and costs must be pre-approved by the manager and the Executive Team before taking the class and must be completed on the employee's own time. Once the course is complete, a certified transcript of your grades and the receipts for your expenses must be submitted. Utilities, Inc. will reimburse you for the portion of the tuition that was pre-approved on the following course by course basis:

Grade	Reimbursement
A	90% of the amount that was pre-approved
B	75% of the amount that was pre-approved
C	50% of the amount that was pre-approved

In cases where classes are graded based on a pass or fail, a passing grade will be reimbursed at 90% of the amount that was pre-approved.

In order to qualify for this education assistance benefit you must:

- Advise your manager, prior to enrolling for the class that you intend to take a particular course. Your manager will advise you whether the course is of a nature that Utilities, Inc. will approve for reimbursement of tuition.
- The course must be job oriented and offered by an approved education institution.
- The course and maximum reimbursement amount must be approved by the Executive Team prior to the start of the course.
- You must receive a passing grade of "C" or better.
- You must have at least one (1) full year of prior service with Utilities, Inc.
- If you are eligible to receive educational benefits from other sources, such as the Veterans Administration, Utilities, Inc. will only consider some reimbursement of the part that remains unpaid after application of those benefits for your educational expenses.

Utilities, Inc. will require you to sign an agreement stating that if you leave the Company within 12 months of completing a class, you will repay the amount you were reimbursed.

For income tax free purposes the course must meet IRS section 127 rules that state the education is required by the employer or by law for the employee to keep his or her present salary, status, or job. The required education must serve a bona fide business purpose of the employer or the education maintains or improves skills needed in the job.

Certification Bonus

Utilities, Inc. requires certain positions to have the proper license and/or certifications for certain job titles. These requirements are listed on the job description for each title, which can be found on the HR/Payroll>Communications folder on the UIWaterMain. Bonus amounts are listed in the HR/Payroll>Payroll>General Information folder on the UIWaterMain, as well as a bonus check request.

Adoption Benefit

Adoption benefits are available to full-time employees after one year of service. The adopted child must be 18 years of age or younger unless the child is physically or mentally incapable of caring for himself or herself. Eligible adoption related expenses will be reimbursed as they are incurred during the adoption process up to a maximum of \$5,000 per child.

401(k) Plan – JP Morgan

Employer Matching – You are eligible to contribute 100% of your salary up to the IRS maximum through pre-tax payroll deductions for your 401(k) Plan as long as you are at least 21 years of age and have satisfied ninety (90) days of employment. If you are 50 years of age or older, you are allowed an additional \$5,500 in catch up contributions to the plan. If you elect to make contributions to the 401(k) Plan, the company will make a matching contribution to your 401(k) account. Prior to the beginning of each year, the Company will announce the applicable matching level and cap for that year. For 2013, the Company will match \$.50 on every \$1.00 you contribute to the 401(k) Plan up to a maximum contribution equal to 3% of your base annual compensation. Matching contributions will be made in the same pay period in which you make your contributions. If you do not contribute to the 401(k) Plan you will not be eligible for a matching contribution.

401(k) Performance Based Company Contribution – Contributions will be based upon the performance of the Company. The Company will determine the amount of the 401(k) Performance Based Company Contribution, if any, at the end of each year when final performance results become available. If a Contribution is made, it will be added to your account regardless of whether you have contributed any savings of your own.

You are always 100% vested in your contributions to the plan. Both the Employer Matching & 401(k) Performance Based Company Contributions to your 401(k) Plan are vested based on your years of service at Utilities, Inc. For employees hired on or after January 1, 2010, your “vested percentage” is as follows:

Years of Service	Vested Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

To enroll in this benefit, you must login to the JP Morgan website at www.retirementlink.jpmorgan.com. To login for the first time, you will use your 9 digit social security number as your user name with your birth date (MMDDYYYY) as your password.

For more detailed plan and ERISA information, please refer to the Summary Plan Description and 204(h). These documents can be obtained from HR or on the UIWatermain.

Vacation Pay

Vacation is a time for you to rest, relax, and pursue special interests. Utilities, Inc. has provided paid vacation as one of the many ways in which we show our appreciation for your loyalty and continued service. Only full-time employees and eligible part-time employees are entitled to paid vacation. You are eligible to accrue paid vacation within your first completed month of service; however, you may not take paid vacation until you have completed 30 days of employment.

Vacation Accrual	Hourly Employees (Full-time)	Hourly Employees (Part-time)	Salaried Employees
First Month of Employment	If hired on or between the 1st and 15th - 8 hours	If hired on or between the 1st and 15th - 4 hours	If hired on or between the 1st and 15th - 1 day
	If hired on or between the 16th and 31st - 4 hours	If hired on or between the 16th or 31st - 2 hours	If hired on or between the 16th or 31st - 1/2 day
Less than 1 Year	8 hours for each completed calendar month of service	4 hours for each completed calendar month of service	1 day for each completed calendar month of service
1 year to less than 6 years	96 hours annually	48 hours annually	12 Days annually
6 years to less than 15 years	96 hours annually plus 8 hours for each year of service over 5 years	48 hours annually plus 4 hours for each year of service over 5 years	12 Days annually plus 1 Day for each year of service over 5 years
15 years or more	176 hours	88 hours	22 Days

Unused Vacation Time

Employees are encouraged to use their paid vacation time each year. However, Utilities, Inc. does acknowledge that circumstances may arise which do not make that possible. If an employee has unused vacation time remaining at year-end, employees may carry up to 5 days (40 hours for full time/20 hours for part time). Carry-over vacation time must be used the following year, unless an exception is pre-approved by your manager and the HR manager. Unused roll-over vacation time is not paid out upon termination.

Part-Time Employees

Part-time employees are entitled to vacation time and pay unless they are disqualified for this benefit by working less than 1,000 hours in the current calendar year.

Terminated Employees

At the time of employment termination, the amount of vacation pay accrued will be calculated by taking the number of full months worked during the current year times the amount of vacation time earned in one month. Any unused time will be prorated and paid upon termination. Unused vacation days which rolled-over from the previous year will not be paid.

Holiday Pay

For 2013, Utilities, Inc. is recognizing the following holidays:

New Year's Day – Tuesday, January 1st
 Memorial Day – Monday, May 27th
 Independence Day – Thursday, July 4th
 Labor Day – Monday, September 2nd
 Thanksgiving Day – Thursday, November 28th
 Day after Thanksgiving Day – Friday, November 29th
 Christmas Eve - Tuesday, December 24th
 Christmas Day - Wednesday, December 25th

All full-time employees receive the Company selected holiday benefit. Please note that the designated holidays may change each year. Be sure to watch for a revised holiday schedule prior to each New Year.

You may take time off to observe religious holidays. If available, a vacation day may be used for this purpose, otherwise the time off is without pay. You must notify your manager in advance.

Only full-time employees are eligible for holiday pay. You are not eligible to receive holiday pay during the first thirty (30) days of your employment, nor are you eligible to receive holiday pay if you are a part-time employee or a temporary employee.

Holiday Policies

If a holiday occurs during your scheduled vacation, you are permitted to take an extra day of vacation. In order to qualify for holiday pay, you must work the scheduled workday immediately before and after the holiday. Only scheduled vacation will be considered exceptions to this policy.

Contact Information

Vendor/Resource	Telephone	Website
BlueCross BlueShield of Illinois - Medical		
Medical Claim and Benefit Information	(800) 828-3116	www.bcbsil.com
Prime Therapeutics - Prescription Drugs		
Pharmacy and Prescription Drug Inquiries	(800) 423-1973	www.myprime.com
Rx 'n Go Free Generic Mail Order Maintenance Pharmacy		
Rx 'n Go/PBM Plus	(888) 697-0646	www.rxngo.com
Delta Dental of Illinois - Dental		
Dental Claim and Benefit Information	(800) 323-1743	www.deltadentalil.com
MetLife - Life and Accidental Death & Dismemberment		
Life and AD&D Claims and Benefit Information	(800) 638-6420	www.metlife.com
MetLife - Long-Term Disability		
Disability Claims and Benefit Information	(800) 300-4296	www.metlife.com
Paychex - Flexible Spending Accounts		
Healthcare and Dependent Day Care FSA Questions, Account Balances and Information	(888) 712-0088	www.mypaychex.com
Ace American Insurance - Travel Accident		
Inside the United States	(800) 243-6124	www.ACETravelAssistance.com
Outside the United States Call Collect	(202) 659-7803	
MetLife - Employee Assistance Program		
Confidential assistance with personal, legal, financial or elder care issues.	(800) 511-3920	www.metlife.com
JP Morgan - 401(k) Retirement		
Plan Details Enrollment Account/Balance Information	(800) 854 -0647	www.retirementlink.jpmorgan.com
Health Advocate - Patient Advocacy		
Confidential assistance with medical/dental claim issues Medical or dental benefit questions Assistance scheduling medical procedures	(866) 695-8622	www.healthadvocate.com
Human Resources		
Director of Human Resources	(847) 897-6503	jpdevine@uiwater.com

This Employee Benefits Guide has been prepared to help you review and understand the key factors associated with our benefit plans. This guide does not provide all of the provisions, limitations and exclusions included in our benefit plans and policies and should be considered only as a summary of our current benefits. If any differences exist between this summary and the official plan documents, the official plan documents shall control. Additionally, the benefits described herein are subject to change without notice. Neither this Employee Benefits Guide nor any of the benefits described herein constitute a contract of employment, nor should they be construed as giving you any legal rights to continue to be employed. Your employment with the Company is and will continue to be "at will."

Rescission of Coverage

Utilities, Inc. reserves the right to terminate the health coverage of you/and your dependent(s) prospectively without notice for cause (as determined by **Utilities, Inc.**), if you and/or your dependent(s) are otherwise determined to be ineligible for coverage under the plan. In addition, if you or your dependent commits fraud or intentional misrepresentation in an application for health coverage under the plan, in connection with a benefit claim or appeal, or in response to any request for information by **Utilities, Inc.** Or its delegates (including **BlueCross BlueShield of Illinois Utilities, Inc.** may terminate your coverage retroactively upon 30 days of notice. Failure to inform **Utilities, Inc.** that you or your dependent is covered under another group health plan or knowingly providing false information in order to obtain coverage for an ineligible dependent are examples of actions that constitute fraud under the plan.



2335 Sanders Road, Northbrook, IL 60062-6196

WSC of Kentucky
Docket 2013-00237
Comparison of per books 2010 ,2011 , 2012, projected 2013 benefits expense

<u>Account</u>	<u>Account Description</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Projected 2013</u>
5625	401K PROFIT SHARING	23,014.44	32,153.84	21,871.15	16,431.19
5630	HEALTH & DENTAL PREMIUMS	14,799.08	13,503.19	16,013.77	16,195.68
5635	DENTAL INS REIMBURSEMENTS	-	4,202.45	3,666.57	4,349.86
5645	EMPLOYEE INS DEDUCTIONS	(30,831.48)	(25,682.14)	(24,112.96)	(23,917.37)
5650	HEALTH COSTS & OTHER	683.64	671.31	1,672.29	533.66
5655	HEALTH INS REIMBURSEMENTS	96,648.48	86,572.65	90,264.98	98,665.87
5660	OTHER EMP BENEFITS	1,484.25	1,376.42	798.62	451.18
5665	PENSION / 401K MATCH	5,970.48	6,770.96	7,556.88	8,881.63
5670	TERM LIFE INS	4,084.59	4,344.92	5,226.73	4,969.20
5675	TERM LIFE INS-OPT	(692.96)	(702.44)	(636.65)	(721.37)
5680	DEPEND LIFE INS-OPT	(85.23)	(74.98)	(403.07)	(444.39)
5690	TUITION	1,766.56	766.40	222.73	32.69
	Total	116,841.85	123,902.58	122,141.04	125,427.82