

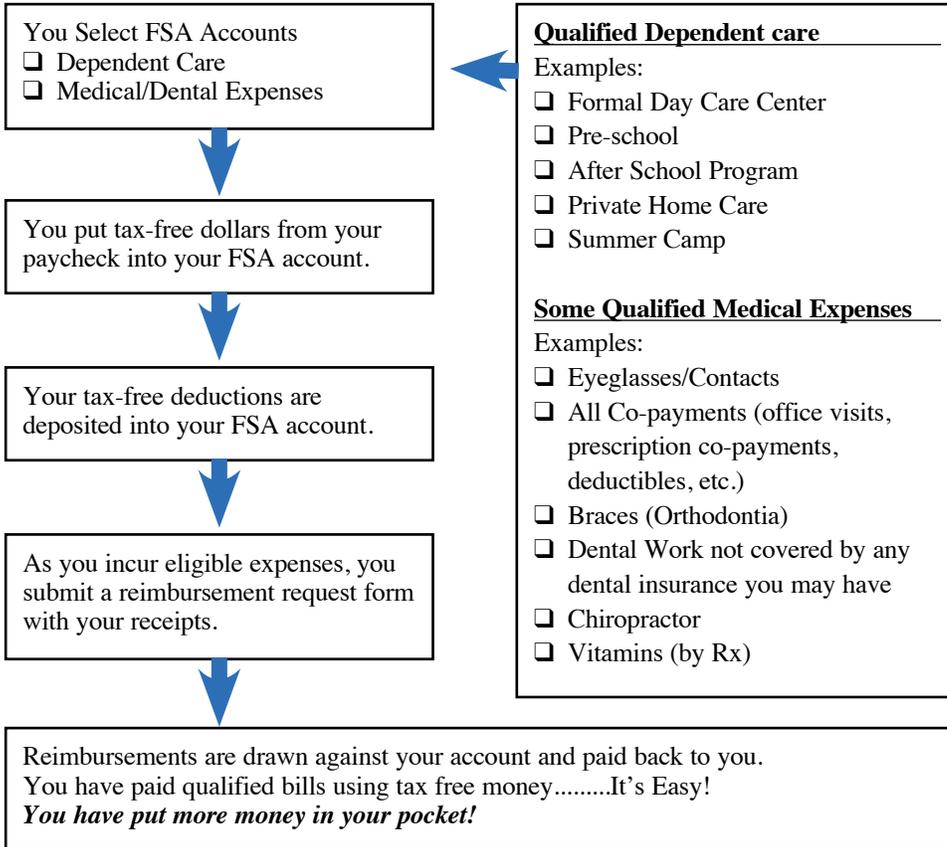


**City of Medford**  
*Special Benefits*

# Pay Yourself Before You Pay Your Taxes

## Set up a Tax Free Account to Pay for Qualified Medical and Dependent Care Expenses

### Flexible Spending Account – FSA



Flexible Spending Accounts allow you to set aside pre-tax dollars to pay for unreimbursed medical and dependent care expenses. Your medical FSA allows you to set aside a maximum of \$1,500 and dependent care accounts allow for a maximum of \$5,000. The amounts are deducted evenly from your pay throughout the year, and are exempt from federal, state, and Medicare withholding.

Example:

	With FSA	Without FSA
<b>Your Weekly Pay</b>	500.00	500.00
<b>Your Deductions</b>		
<b>Medicare</b>	5.02	7.25
<b>Federal*</b>	93.46	135.00
<b>State</b>	18.35	26.50
<b>Medical FSA</b>	57.69	0
<b>Dependent FSA</b>	96.15	0
<b>Take Home</b>	229.33	331.25
<b>Med/Dental</b>	0	57.69
<b>Day Care</b>	0	96.15
<b>Spendable Income</b>	\$229.33	\$177.41

\*Assumes married, filing jointly in 27% tax bracket

\*Medicare @ 1.45%, Federal @ 27% and MA State @ 5.3%

**Put more money in your pocket!!!**

If you have questions about the City's Flexible Spending Account, please contact Cafeteria Plan Advisors directly at 1-800-544-2340.

### Universal Life Insurance Plan

Employees up to 80 years of age can apply for voluntary universal life insurance for permanent protection. This insurance is simplified issue with just a few health questions and no medical exam. The plan provides cash value accumulation at a competitive interest rate, is fully portable, and can be maintained for life. Coverage on spouse and children, and grandchildren is also available.

- **Terminal Illness Benefit.** Advances up to 75% of the plan's death benefit (up to \$187,500) if a physician determines your life expectancy is 24 months or less.
- **Accidental Death Benefit.** Doubles the death benefit if death occurs by accident.
- **Waiver of Premium.** Waives premiums if you become totally disabled.
- **EZ Value Option.** As a hedge against inflation, this option automatically increases coverage annually on the policy's anniversary without additional underwriting.

### Living Benefits

**Accelerated Benefit for Chronic Illness Feature.** The Universal Life plan also offers an additional living benefit that provides a monthly benefit for up to 25 months for a Medically Necessary stay in a qualified Long-Term Care or Assisted Living Facility, or for Medically Necessary Home Health and Adult Day Care services. Benefits proportionately reduce both the final death benefit and the plan's cash value. There is a 90-day elimination period before benefit can be paid. Under this feature, benefits paid may or may not be taxable, depending on how the IRS interprets applicable portions of the Tax Code.

**Benefit Restoration.** Restores your death benefit and accumulated cash value as benefits are paid under the Chronic Illness Benefit feature.

**Extension of Benefits Option.** Extends benefits payable under the Chronic Illness Benefit feature for up to 25 additional months.



# City of Medford *Special Benefits*

## Accident Insurance

You do everything you can to keep your family safe, but accidents do happen. When they do, it's good to know you have help to manage the medical costs associated with accidental injuries. Trustmark's Accident insurance helps take care of medical bills, so you can take care of your family.

### Accident Insurance Provides 24-hour Coverage

- Hospital Admission Benefit: \$1,000
- Hospital Confinement Benefit: \$200
- Hospital Intensive Care Unit Benefit: \$400
- Emergency Room Treatment: \$150

*Hospital Confinement and ICU Benefits cannot be paid at the same time*

- **Initial Care Benefits:** Physician visit, ambulance, emergency room treatment, hospital benefits, lodging, blood, surgery, emergency dental
- **Injury Benefits:** Burn; concussion; dislocation; eye injury; fracture; herniated disc; laceration; loss of finger, toe, hand, foot, sight; tendon, ligament, rotator cuff injury; torn knee cartilage
- **Follow-up Care Benefits:** Physical therapy, appliances, prosthetic device, artificial limb, skin graft, transportation
- **Accidental Death Benefit**
- **Catastrophic Accident Benefit**

*Please refer to Schedule of Benefits for benefit amounts*

### Highlights

- **Guaranteed Issue.** No medical questions for employees or children; one disability question for spouse.
- **Guaranteed Renewable.** Coverage remains in force for life, as long as premiums are paid.
- **Family Coverage.** Insure yourself, your spouse, your children and financially dependent grandchildren.
- **Take your policy with you.** It's yours to keep even if you change jobs or retire.
- **Benefits paid to you** regardless of any other coverage you have.
- **Rates do not increase** as you age.
- **No Pre-existing Condition Limitations**

*Please refer to policy A-607 for Exclusions that apply.*

## Disability Income Insurance

### Group Short- (non-occupational) and Long-Term (24-hour coverage) Disability

The City offers active full-time employees (working 20 hrs per week or more) the opportunity to apply for short- and/or long-term disability insurance that provides a reliable source of income when you are unable to work due to a covered illness or injury. Premium rates are based on age and the amount of coverage you are eligible to receive.

Your most important asset is your ability to earn a living. You count on it to provide the things you need today and to achieve the dreams you have for tomorrow. But, what would happen if that ability were suddenly taken away because of an unexpected illness or injury?

Disability Insurance goes to work when you can't by providing monthly income benefits tailored to your financial needs.

- Elect coverage amounts between 40-60% of income, up to \$3,000 monthly, with medical questions.
- Benefits sent directly to you. Hospitalization or home confinement not required. No restrictions on how to use your benefits.
- Premiums do not increase with age. *Your benefit is reduced, dollar for dollar, by Primary and Family Social Security (referred to as Full family Social Security Offset) and all other income benefits as defined in the policy, to a minimum benefit of 25% of the gross monthly benefit (STD), or a flat \$200 (LTD) after integration.*

Two plans are available to protect your earning power.

### Short-Term (Non-occupational)

- Weekly benefit payments for total and continuous disability due to a covered non-occupational injury or accident.
- Benefits continue up to 12 months.
- Weekly benefit available up to 60% of earnings to a weekly maximum of \$750.
- You select a 14, 30, 60, 90 or 180 day elimination period.

**Pre-existing Conditions.** *Benefits for disabilities caused by sickness or injury for which you received treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medications in the twelve (12) months immediately prior to the effective date of coverage, will not be covered unless the disability begins more than 12 months after your coverage effective date.*

### Long-Term (24 Hour)

- Guarantee issue coverage up to 40% of income to a maximum of \$2,000 monthly.
- Monthly benefit payments available up to 60% of earnings to a monthly maximum of \$3,000.
- Benefits are payable for up to 10 years if you are disabled prior to age 60. If you are disabled at or after age 60, a schedule of decreasing benefit duration applies until age 70. Benefits are payable for one year if you are disabled at or after age 70.
- Elimination period (the number of days of continuous disability that must pass before benefits are payable): the greater of 360 days, or after the benefits of the Short-Term plan expire.
- Waiver of Premium benefit is included. **Mental /Substance Limit.** *A disability resulting from a mental illness, alcoholism or drug abuse is limited to 12 months unless you are hospital confined. Consult policy for complete details, limitations and exclusions. No benefits are paid for disability which results from: intentionally self-inflicted injury or attempted suicide, while sane or insane; commission of, or attempt to commit, a felony; engaging in an illegal occupation; war or act of war, declared or undeclared; participation in a riot.* **Pre-existing Conditions.** *Benefits for disabilities caused by sickness or injury for which you received treatment, consultation, care or services including diagnostic measures or took prescribed drugs or medicines in the 12 months prior to the effective date of coverage, will not be covered unless the disability begins more than 24 months after your coverage effective date.*
- **Covered Maternity Benefits.** A pregnancy is covered the same as sickness when it commences after the plan's effective date and satisfies the policy's pre-existing condition limitation.

## Critical Illness Plan

**Critical Illness** – This insurance plan will provide a lump sum cash benefit when you or a covered family member is first diagnosed with a covered critical illness after the plan's effective date. The benefit can be used any way you and your family need. The benefit amount selected at enrollment is paid in full even if treatment costs are less than the benefit. Insure yourself, your spouse, your children and financially dependent grandchildren.

The Critical Illness plan benefit is intended to provide security for many expenses not covered by basic medical insurance such as:

- Income replacement during recovery
- Out-of-network medical treatment
- Medical insurance co-pays and deductibles
- Alterations to home or car

### Plan Features

- Hospitalization or treatment is not required.
- Family coverage available.
- No physical exam—just a few health questions to apply.
- No deductible. No offset for other coverage.
- Rates do not increase as the insured gets older.
- Coverage doesn't decrease at age 65.
- EZ Value Option.
- Portable coverage if you change jobs or retire.
- \$50 Health Screening Benefit. Pays the cost of one screening test per calendar year (up to \$50 maximum) for each insured. Some of the many screening tests covered include:
  - Serum cholesterol
  - Prostate specific antigen
  - Stress test
  - Colonoscopy
  - Bone marrow
  - Chest X-ray
  - Full cost of a baseline mammogram, ages 35-40
  - Full cost of annual mammogram, ages 40+
  - Full cost of annual cytologic screening (PAP smear), ages 18+

### Covered Critical Illnesses

- Heart Attack
- Stroke
- Invasive Cancer (excluding skin cancer)
- ALS (Lou Gehrig's Disease)
- Blindness
- Renal (Kidney) failure
- Transplant of a major organ
- Paralysis of at least two limbs
- Occupational HIV
- Carcinoma In Situ (25% benefit\*)
- Coronary Artery Bypass surgery (25% benefit\*)

#### Subsequent condition benefit<sup>†</sup>

Pays a lump-sum cash payment when you are diagnosed<sup>1</sup> with any and every covered condition included in your policy. There are no limits to the number of payouts for each insured family member and no reduction in payouts for later-diagnosed conditions. (Coronary artery bypass and carcinoma in situ are limited to one payout for each condition, which will not reduce any subsequent benefits.)

\*If the insured receives the 25% benefit for carcinoma in situ or coronary artery bypass surgery, the remaining 75% benefit will be available for a first diagnosis of another covered illness or condition, or double benefit, if included. Coverage for an insured terminates once a full benefit has been paid.

#### Best Doctors<sup>®</sup>

##### Medical Advice When You Need It Most.

Being diagnosed with a critical illness can change your life. At the onset it is frightening and confusing, and once the initial shock wears off, questions may arise. Trustmark combines the financial benefit of Critical Illness insurance with the one-on-one support of Best Doctors<sup>®</sup>, a leader in connecting you to the medical information you may need. Best Doctors assistance for covered conditions is built into every Critical Illness policy, so you have immediate access to these valuable services.

## The Company Behind the Benefits

In 1913, four men on the Chicago Northwestern Railroad, who felt that passing the hat was an inadequate solution when a fellow worker was injured or disabled, formed a fraternal society – the Brotherhood of All Railway Employees. Its members and officers came from the rank and file of railroad workers. Over the decades the company grew dramatically and expanded its services to American workers in all walks of life. Today that company is Trustmark.

With its tradition of quality service, financial strength and stability, Trustmark ranks among the leading life insurers in the United States, and is managed for the benefit of its more than 2.6 million covered persons. The company began with a handful of railroad workers who saw a need, and in that sense, Trustmark has not forgotten its origins. It's still a company committed to people.

**Trustmark**  
INSURANCE COMPANY

PERSONAL. FLEXIBLE. TRUSTED.

400 Field Drive  
Lake Forest, IL 60045  
800.918.8877

This brochure provides a brief description of coverage and is not a contract. Refer to plans IUL-205 and riders HH/LTC and BRR/EOB, A-607, CACI-82001, STDL and LXX underwritten by Trustmark Insurance Company, Lake Forest, Illinois for exact terms and provisions, and limitations and exclusions. Best Doctors Membership is not insurance, see Form MCRPSO-ME for a description of services. Trustmark is not endorsing the quality of any diagnosis or physician selected through this service. Best Doctors programs can be removed from the plan at any time without notice.

<sup>†</sup>Separation periods between diagnoses may apply. Not available in all states. <sup>1</sup>As defined by policy/group certificate. Most states define eligibility as first diagnosis. First diagnosis means the first time a physician identifies a covered condition from its signs or symptoms. If you've been diagnosed with a covered condition prior to having coverage, you may not be eligible for a benefit. Covered Critical Illnesses are defined in the policy. Eligibility and insurability requirements must be met by each applicant. Coverage is not available to anyone who is not currently covered under major medical or basic hospital and medical coverage.