SEA EDUCATION ASSOCIATION

BENEFIT PROGRAMS

FOR CREW
Introduction to LIFE INSURANCE, AD&D INSURANCE, LONG TERM DISABILITY INSURANCE, MEDICAL INSURANCE, DENTAL INSURANCE, FLEXIBLE BENEFIT and RETIREMENT programs for Crew

These are the costs and enrollment procedures. Descriptions of these programs as extracted from the SEA Personnel Policy Manual follow.

**Life Insurance, AD&D Insurance and Long Term Disability Insurance** are fully paid for you by SEA and will be effective starting on the 1st day of the month following your first date of employment as a regular full time employee.

To participate in this benefit plan please complete the Jefferson Pilot Insurance Company enrollment form completing your social security number, date of hire, name, sex, occupation, beneficiary information, date of birth and please sign the form. A calculated annual wage based on your contract(s) will be entered for you.

**Medical Insurance** (OPTIONAL) Coverage is effective on the 1st of the month following your first date of employment as a regular full time employee. If you are a Massachusetts resident, you have the option of choosing the HMO plan or the PPO plan. **Please fill in and return the Harvard Pilgrim Form.** If you are electing family coverage, fill in the spouse and dependent information.

<table>
<thead>
<tr>
<th>MEDICAL RATES AS OF 1/1/05</th>
<th>HMO</th>
<th>HMO</th>
<th>PPO</th>
<th>PPO</th>
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<tr>
<td></td>
<td>SEA</td>
<td>Employee</td>
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<tr>
<td>Single Rates:</td>
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<tr>
<td>50%</td>
<td>$150.52</td>
<td>$150.50</td>
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<tr>
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<td>Individual +1:</td>
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<tr>
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<td>Family Rates:</td>
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<tr>
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SEA will pay 50% of the medical premium for single, single +1 or family coverage if you work at least 180 days during a contract period of 12 months. Very occasionally, a crewmember will work 240 days or more during a contract period of 12 months. In that case, SEA will pay 60% of the premium. A similar pro-rating of work days to calendar days will be applied to contract periods which exceed 13 months. Coverage is effective on the 1st of the month following your first date of employment as a regular full time employee. Please contact the Business Office if you have any questions about SEA’s contribution rate for your medical insurance.

**Dental Insurance** (Optional) SEA will pay 50% of the medical premium for single, single+1 or family coverage.
Coverage is effective on the 1st of the month following your first date of employment as a regular full time employee. If you choose to participate, please fill in the **Delta Dental Eligibility Form**.

<table>
<thead>
<tr>
<th></th>
<th>SEA Share</th>
<th>Employee Share</th>
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<tbody>
<tr>
<td><strong>Single Rates:</strong></td>
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<td></td>
<td></td>
<td>$20.86</td>
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<td></td>
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<td>$41.70</td>
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<td><strong>Family Rates:</strong></td>
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**NOTE:** Included with this packet of information on benefit programs is the federally required COBRA notice. Read this as it pertains to continuation of medical and dental insurance benefits upon termination or other change in your employment status.

**Flexible Benefits** (OPTIONAL) SEA offers crew members who are scheduled to work at least 125 days in an anniversary year, a "flex" benefits plan with three optional parts. All three options allow you to designate a certain portion of your earnings as non-taxable income.

If you choose to participate, **please fill in the Flexible Benefits Plan enrollment form** and be sure to sign and date the last page. We strongly recommend that you check the first election under Part One of the Flex Benefits Enrollment Form if you are electing either medical or dental coverage (or both). By electing Part One, your premium contributions will not be subject to federal tax, state tax or FICA. We cannot elect this option for you. You must do this yourself for each plan year by completing and signing the enrollment form.

Part Two and Part Three of the Flexible Benefits Plan are a bit more complicated. Please refer to the SEA Policy Manual description. If you would like full information about the Flexible Benefits Plan prior to making an enrollment decision, please contact the Business Office. If you are electing Part II or Part III, please fill in the annual total amount that you want to set aside and the number of months in your contract for distribution of the reduction. Note that except for a change in family or employment status, you may not change your election choices until the next plan year once you have submitted the enrollment form.

**Please return these forms prior to the start of your employment, predated to coincide with your date of hire. If you are not sure about how to fill in any of the information on these forms, leave the items blank, but be sure to sign your name on the form. All enrollment forms must be returned to SEA no later than 20 days following your date of hire to ensure coverage by the first possible effective date.**

**Retirement Plans** (BOTH MANDATORY and OPTIONAL) **You will be notified when you become eligible for participation in the mandatory regular Retirement Plan** and at that time, an enrollment package will be sent to you. You may elect to participate now in the optional voluntary Supplemental Retirement Plan. This plan has no further eligibility requirements. You choose the amount to contribute per year subject to an annual IRS limit. SEA does not contribute to this plan. Please first read the attached policy description, and then **if you are interested, contact the Business Office for an enrollment package** for the Supplemental Retirement Plan.

The following information is extracted from the current **SEA PERSONNEL POLICY MANUAL**:

Life Insurance, Accidental Death and Dismemberment Insurance and Long Term Disability Insurance
Regular Full-Time employees are eligible for coverage under our group policy through the Jefferson Pilot Insurance Company. Please be sure to refer to your policy for a complete description of actual plan provisions and restrictions. This policy provides life insurance benefits, accidental death and dismemberment benefits and long term disability insurance.

Eligibility begins on the first day of the next month following the date you were hired or classified as a Regular Full-Time employee, subject to any proof of eligibility required by the insurance company.

The costs of your life insurance, accidental death and dismemberment insurance and long term disability insurance policies are fully paid by SEA.

**Life Insurance**

The life insurance benefit amount is equal to your annual salary (up to $50,000). Under certain conditions, life insurance coverage may be extended to cover a period of total disability. You may request conversion of the life insurance group policy coverage to an individual plan upon termination.

**Accidental Death and Dismemberment Insurance**

The accidental death and dismemberment insurance benefit amount is equal to your annual salary (up to $50,000). This is payable in full in the event of loss of life or multiple loss of limbs or loss of sight in both eyes, and payable at one-half of the benefit amount for the loss of a single limb or the loss of sight in one eye. Under certain conditions, this insurance coverage may be extended to cover a period of total disability.

**Long Term Disability Insurance**

This policy provides 60% of basic monthly earnings with a minimum monthly benefit of $100 and a maximum monthly benefit of $5,000, starting 90 days after the starting date of total disability. A partial disability benefit is available in the event that you are able to return to work on a reduced basis. Benefits are payable if you are unable to perform the duties of your own occupation. Benefits are payable up to your normal retirement age with the exception of mental health related disabilities which are limited to a period of 24 months. You may be required to undergo a physical exam by the insurance carrier to determine the extent and nature of your disability.

Due to business reasons, SEA may find it necessary to terminate your employment if you are not able to return to work within 6 months after the onset of a disability. If you are receiving long term disability benefits payments, such termination will have no affect on the continuation of disability benefits.

**Medical Insurance**

Regular Full-Time employees are eligible for medical coverage under our group policy with Harvard Pilgrim Health Care. Please be sure to refer to your policy for a complete description of actual plan provisions and restrictions.

Eligibility begins on the first day of the next month following the date you are hired or classified as a Regular Full-Time employee, subject to any proof of eligibility required by the insurance company.

The cost of your medical insurance is shared by SEA and you. Your share is determined by the terms of your employment at SEA, and will range from 40% to 50% of the monthly premium. Medical insurance is available on an individual, individual+ 1 or family basis. Coverage is provided through Harvard Pilgrim Health Care and includes a choice of a PPO plan or an HMO plan. As of 1/1/03, the Harvard Pilgrim PPO provider network has expanded to include providers across the U.S through a partnership with Private Healthcare Systems (PHCS). This means that
Harvard Pilgrim PPO members will have in-network access nationwide.

The PPO (Preferred Provider Organization) plan includes two categories of coverage: (1) For services provided in the geographic network by a participating provider and (2) For services provided outside of the geographic network and/or for services anywhere by a non-participating provider. The first type of coverage requires a $20 co-payment for office visits. The second type of coverage generally requires a 20% co-payment after satisfying a $500 annual deductible per family member. Both require a $100 co-payment for emergency room treatment.

The Best Buy HMO 500 (Health Maintenance Organization) plan covers residents of Massachusetts and portions of Maine and New Hampshire only. You must choose a PCP (Primary Care Physician) in the HPHC network and should you need specialty care this physician will refer you. This coverage requires a $20 co-payment for office visits/preventive care. Certain other treatments and procedures will be covered in full after satisfying a $500 annual deductible per family member. There is a $100 co-payment for emergency room treatment.

Covered services include hospital and outpatient care, routine physical, maternity care, mental health inpatient treatment and outpatient visits and emergency treatment.

Prescription drugs for both plans are covered at a $10 co-payment for Generic drugs and $25 for Select brand drugs and $40 for Non-select brand drugs if you use specific pharmacies in the network. Prescription drugs (Maintenance medications only) are also available through HPHC’s mail service prescription drug program. You may purchase a 90 day supply of maintenance medications with the following co-payments; Generic, $20, Select brand, $50, and Non-select brand $120.

Upon termination, or if you or a covered member of your family is no longer eligible for medical insurance, coverage may be continued under Cobra for up to a minimum of 18 months by assuming full premium costs and a small administrative fee.

Dental Insurance

If you are a Regular Full-Time employee, you may participate in our group dental insurance program through Delta Dental Plan of Massachusetts. Please refer to your policy for a complete plan description and coverage details. Eligibility begins on the first day of the next month following the date you were hired or classified as a Regular Full-Time employee, subject to any proof of eligibility required by the insurance company. The cost of your medical insurance is shared by SEA and you. Your share will 50% of the monthly premium.

Dental insurance is available on an individual, individual+1 or family basis. The plan covers 100% of the cost of up to 2 diagnostic visits, X-rays, and cleanings per year for each individual or family member with no deductible. Certain restorative services such as fillings, extractions, periodontic and endodontic care are covered at 80%, subject to an annual $50 deductible per individual up to a maximum $150 deductible per family. Major restorative services such as Dentures, Crowns or Bridges are covered at 50%.

Upon termination, or if you or a covered member of your family is no longer eligible for medical insurance, coverage may be continued under COBRA for up to a minimum of 18 months by assuming full premium costs and a small administrative fee.

Flexible Benefits Plan

If you are scheduled to work at least 1000 hours per year or 125 days per year for crew, you may participate in the Flexible Benefits Plan. (When computing days per year for either the Retirement Plan or the Flexible Benefits Plan, we use the anniversary year based on your first date of employment with SEA.)
As allowed under Section 125 of the Internal Revenue Service Tax Code, this plan allows you to designate a portion of your earnings each year as nontaxable income; subject to certain limits and conditions, it will not be subject to federal tax, state tax or FICA. Please refer to your plan description for full information regarding details of the plan.

There are three parts to the Flexible Benefits Plan offered by SEA. You may elect to participate in one, two or all three parts. Participating in one part of the plan in one year does not mean that you can not participate in the other parts in future years. You will need to fill in a new enrollment form every year, assuming continued eligibility.

If you are a new employee or if you have just become eligible for participation in this plan, you will have 31 days to return the enrollment form with your elections. Each year thereafter, you will need to complete a new enrollment form during the month of December for the next plan year. The plan year is the calendar year from January to December.

Part One of the Flexible Benefits Plan is called Premium Conversion. By electing this part of the plan, your premium contributions for medical and/or dental insurance will not be subject to federal tax, state tax or FICA.

Part Two of the Flexible Benefits Plan allows you to set up a reimbursement account for uninsured health care expenses up to a limit of $10,000 per year. This is an aggregate total for you and all dependents. Eyeglasses, contact lenses, hearing aids, dentures, braces, co-payments and deductibles are all examples of typical uninsured health care expenses. (See caution below.)

Part Three of the Flexible Benefits Plan allows you to set up a reimbursement account for dependent care expenses to care for a spouse, child or parent while you work. If you are single or if you are married filing a joint return, the limit is $5,000 per year. This is an aggregate total for all dependents you may have. (See caution below.)

Caution: The amount you set aside in either reimbursement account (Part Two or Part Three) will not be subject to federal tax, state tax or FICA, however you must be careful to avoid setting aside too much. If you do not use up the amounts you have set aside by the conclusion of the plan year, any amount "left over" will be not be returned to you. It will be forfeited to a general employee benefits account, which will be used to reduce future increases in employee premiums.

There is a detailed plan description along with other information that will guide you in making your decision regarding participation in the Flexible Benefits Plan. The plan description also explains how reimbursement accounts are maintained and the process for requesting reimbursements.

Please note that electing medical or dental coverage through SEA, does not automatically mean that you will save tax and FICA on your share of the premium. SEA cannot make this happen automatically. In addition to filling out the medical and/or dental enrollment forms, you will need to fill out the Flexible Benefits Plan Enrollment Form to elect Part One (the premium conversion part of the plan) in order to save taxes and FICA on your premium contributions.

Retirement Plans

SEA offers both a regular Retirement Plan with required employer and employee contributions and a Tax Deferred Annuity Program, which allows you to make voluntary contributions to either the regular Retirement Plan or to the Supplemental Retirement Plan. Please refer to plan summary documents for full information.

The Regular Retirement Plan
If you have completed the eligibility requirements and you are scheduled to work at least 1000 hours per year or 125 days per year for crew, you may participate in the Retirement Plan provided through TIAA-CREF. (When computing days per year for either the Retirement Plan or the Flexible Benefits Plan, we use the anniversary year based on your first date of employment with SEA.)

Eligibility is determined based on the completion of two years of service with no intervening break in service. The terms "year of service" and "break in service" are defined in the plan summary. If you have previously worked for an educational institution or an educational research institution, you may be able to satisfy the eligibility requirements through your prior work.

This is a mandatory retirement program; that is, you must participate once you have been determined eligible. The Business Office tracks your employment with SEA and will notify you when you have completed the eligibility requirements. At that point, you will have an option to participate in the plan with contributions delayed until you have completed 5 years of service or you may participate in the plan with contributions starting immediately. You must continue to satisfy the eligibility requirements in terms of hours or days worked per year to allow contributions to be made to the plan. Contributions are deferred from federal tax and state tax until funds are withdrawn or paid out at retirement.

Your contribution of 5% of gross annual wages is matched by SEA at 5%. You do need to decide how funds are to be allocated between the TIAA (guaranteed rate of return plus dividends) and CREF (stock, money market, global equities and other) accounts.

All contributions are fully vested. They belong to you. If you leave SEA, you may continue with the same plan at another institution offering TIAA-CREF or if that institution does not offer TIAA-CREF, you may be able to continue to participate on your own by making after tax contributions.

**Voluntary Contributions To the Regular Retirement Plan**

Under SEA's Tax Deferred Annuity Plan, if you are eligible to participate in the regular Retirement Plan, you may choose to make additional contributions on a voluntary basis, subject to annual IRS limits. Voluntary contributions are deferred from federal tax and state tax until retirement or until funds are withdrawn.

**Supplemental Retirement Plan**

Under SEA's Tax Deferred Annuity Plan, you may make voluntary contributions to another plan called the Supplemental Retirement Plan provided through TIAA-CREF. All Regular (not temporary) employees may participate in this voluntary retirement plan. There are no other eligibility requirements. For employees who are not eligible or not yet eligible for the regular Retirement Plan, the Supplemental Retirement Plan provides a means to set aside funds for retirement on a voluntary basis. Voluntary contributions are deferred from federal tax and state taxes until retirement or until funds are withdrawn.

This plan is very similar to the regular Retirement Plan, allowing distribution of your contributions to the same funding vehicles, which are available under the regular Retirement Plan. There is a slightly reduced interest rate on TIAA funds, but the Supplemental Retirement Plan is somewhat less restrictive on withdrawal of funds prior to retirement if there is a qualifying event. Further, there is a loan option which allows you to borrow funds for any reason at competitive rates, using accumulated TIAA funds as collateral.

Several SEA employees participate in both the mandatory regular Retirement Plan and the voluntary Supplemental Retirement Plan. TIAA-CREF reports fund accumulations for both plans in a similar format with both separate and combined totals.