



NORTHWESTERN UNIVERSITY

Long Term Care Plan

Summary Plan Description

January 2009

Plan Highlights

Plan Highlights

- The purpose of the Long Term Care Plan is to provide eligible faculty and staff with some degree of financial protection from the costs of a variety of services for individuals who are unable to care for themselves.
- Participation in the Long Term Care Insurance Plan is available to regular status staff scheduled to work a minimum of 17.5 hours per week (half-time) and to faculty and exempt staff who are appointed on at least a half-time (50%) basis.
- Faculty and staff may choose
 - a daily maximum benefit amount of \$100, \$150 or \$200, and
 - one of two inflation protection features,
 - guaranteed or
 - automatic.
- Premiums are based on an individual's age and coverage options selected.
- Premiums do not increase as an individual gets older and are not charged during the period benefits are received.
- Premiums are fully employee paid and are deducted on an after-tax basis.
- Premiums pay for the same month of coverage.
- Employees are guaranteed coverage if the enrollment process is completed within 31 days of employment. Otherwise, employees may apply for coverage within 31 days of a qualifying change in family or employment subject to providing evidence of good health satisfactory to the sponsoring insurance company.
- An employee's spouse, parents, parents-in-law, grandparents and grand-parents-in-law may apply for coverage subject to providing evidence of good health satisfactory to the sponsoring insurance company.
- An employee may continue coverage during a leave of absence or at termination of employment or retirement. The sponsoring insurance company will bill the individual directly. Premiums will remain the same as the individual was paying while actively employed.

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Purpose The purpose of the Long Term Care Plan is to provide eligible faculty and staff with some degree of financial protection from the costs of a variety of services needed by individuals who are unable to care for themselves.

Plan Administrator The University is the Plan Administrator and has the responsibility for operating and interpreting the Plan.

For further information The information contained in this Summary Plan Description is intended to summarize the major features of the Long Term Care Plan. It is not intended to be a complete explanation or list of benefits provided by the Long Term Care Plan. An individual should review the schedule of monthly premium rates and the certificate of insurance issued by the sponsoring insurance company for additional information.

Individuals may also contact a representative of the sponsoring insurance company with any questions.

Continuation of the plan The University intends to continue this Plan indefinitely, but reserves the right to modify or terminate the Plan at any time with or without notice.

Participation in this Plan is provided to eligible faculty and staff and does not constitute a guarantee of employment. Participation in the Plan also requires continued employment and eligibility and is subject to the terms and conditions of the Plan Document.

Eligibility

This section summarizes eligibility requirements for participation in the Long Term Care Plan.

Salary
requirement

An individual must receive University compensation paid by the University's payroll system and his or her University salary must be sufficient to cover the amount of monthly premium deductions.

Classification of
Employee

Staff. Regular status staff must be scheduled to work at least 17.5 hours per week (half time).

Bargaining unit employees should refer to union contracts.

Faculty. Faculty must be appointed on a full-time or part-time (half-time or greater) basis for the entire academic year or on a full-time basis for half the academic year. The University defines half the academic year as either one semester or 2 consecutive quarters.

Academic Full-Time and Half-Time Faculty. Such individuals must be compensated exclusively by one or more of the following affiliated McGaw Medical Center institutions including the University, Northwestern Memorial Hospital (NMH), Northwestern Medical Faculty Foundation (NMFF), Children's Memorial Hospital and its related faculty practice plans, the Rehabilitation Institute of Chicago, and the VA Lakeside Medical Center

NMFF income does not qualify to cover the amount of monthly premium deductions. An individual's University salary must be sufficient to cover deductions.

Contributed Service Faculty. Medical School faculty who volunteer to participate in the academic activities of the Medical School without direct financial compensation. Such individuals are not eligible to participate in the Long Term Care Plan.

ROTC Faculty. Employees, who serve as full-time faculty for ROTC and NROTC programs on campus, while not paid by the University, are not eligible to participate in the Long Term Care Plan.

Post Doctoral Fellows. Individuals classified as a Post Doctoral Fellow and appointed on at least a half-time (50%) basis are eligible to participate in Long Term Care Plan.

Post Doctoral Fellows – NRSA. Individuals classified as a Post Doctoral Fellow funded by NRSA and appointed on at least a half-time basis and meet specified salary criteria are not eligible to participate in the Long Term Care Plan.

Visiting Scholars. Individuals classified as a Visiting Scholar, appointed on at least a half-time (50%) basis, paid by the University's payroll system and meet specified salary criteria are not eligible to participate in the Long Term Care Plan.

**Eligibility,
continued**

Classification of
Employee, continued

Visiting Personnel. Individuals with academic appointments of half time or greater at the rank of professor, associate professor and assistant professor are eligible to participate in the Long Term Care Plan.

Disabled Employees. An employee who becomes permanently and totally disabled while working for Northwestern University and is receiving University-sponsored Long Term Disability benefits remains eligible to continue participation in the Long Term Care Plan. If an employee has not elected Long Term Care insurance, he or she may apply for such coverage but such coverage may be disapproved because of the individual's health condition.

Employees on a leave of absence. An employee on a paid leave of absence may continue participation in the Long Term Care Plan.

An employee on a leave of absence without pay may continue Long Term Care coverage by paying the monthly premium directly to the sponsoring insurance company. Failure to pay the monthly premium in a timely manner will result in the termination of coverage.

Retired employees. Individuals who retire from University employment may elect to continue Long Term Care coverage for himself and herself and his or her spouse. Should the retiree die, the surviving spouse may continue his or her own Long Term Care coverage.

Deceased Employees. A spouse of a deceased employee is eligible to continue Long Term Care coverage by paying monthly premiums directly to the sponsoring insurance company.

**Eligibility,
continued**

Other eligible
individual

Spouse. A spouse must be legally married to and have his or her principal residence with the eligible employee. Coverage is subject to evidence of good health and approval by the sponsoring insurance company. An employee pays CNA directly for spouse coverage.

Surviving spouse and children of a deceased employee. An eligible spouse of a deceased or retired employee may continue his or her participation in the Long Term Care Plan. Children are not eligible to participate in the Long Term Care Plan.

Domestic Partner. An employee's same-gender partner is eligible to apply for Long Term Care insurance. Coverage is subject to evidence of good health and approval by the sponsoring insurance company.

A opposite gender domestic partner and his or her children are not eligible to participate in the Long Term Care Plan.

Dependent Child. Dependent children are not eligible to participate in the Long Term Care Plan.

Parents and Grandparents. An employee's parents, parents-in-law, grandparents and grandparents-in-law, and University retirees are also eligible to purchase Long Term Care Insurance. Coverage is subject to evidence of good health and approval by the sponsoring insurance company. Premiums are paid directly to CNA.

Duration of Eligibility

Contributions to the Plan may continue to be made by payroll deduction for employee coverage for as long as an individual remains an eligible employee and receives a University salary.

Plan Options

This section summarizes coverage options for the Long Term Care Plan.

Enrollment Options

An individual may elect to enroll in the Long Term Care plan or to waive Long Term Care Coverage.

Daily Maximum Benefit and Lifetime Benefit

Faculty and staff may choose:

- a daily maximum benefit amount of \$100, \$150 or \$200, and
- one of two inflation protection features, guaranteed or automatic.

Daily maximum benefit. Nursing homes generally charge residents on the basis of a daily rate and vary in amount from one region of the country to another and from one nursing home to another. An employee may therefore choose one of three daily maximum benefit amounts:

- \$100
- \$150
- \$200

The daily maximum benefit provides a lifetime maximum benefit or a pool of money an employee can use for all eligible long-term care expenses. The lifetime maximum benefit will automatically increase when your daily benefit for nursing home increases.

For example, the \$100 daily benefit option translates to a life time benefit of \$182,500 (\$100 daily benefit x 365 days x 5 years) and the \$200 daily benefit option translates to a life time benefit of \$365,000 (\$200 daily benefit X 365 days X 5 years).

| Daily Benefit | Number of Days Per Year | Number Of Years | Lifetime Maximum Benefit |
|---------------|-------------------------|-----------------|--------------------------|
| \$100 | 365 Days | 5 Years | \$182,500 |
| \$150 | 365 Days | 5 Years | \$273,750 |
| \$200 | 365 Days | 5 Years | \$365,000 |

Inflation Protection Options

Guarantee. This plan feature helps a covered individual keep up with healthcare inflation and rising costs. At the third anniversary of the coverage effective date, an individual will be able to increase his or her maximum daily benefit amount, which automatically increases the lifetime maximum. Premiums for increases in the benefit amount are based on the individual's attained age at the time of offer.

Automatic. This plan feature helps a covered individual keep up with healthcare inflation and rising costs. Coverage levels will automatically adjust for inflation at the time that you use the benefit. You do not have to elect for this to happen, and your premium is locked at the same age rate in which you originally elected for the coverage.

Benefits

This section summarizes the payment of Long Term Care benefits.

Activities of Daily Living

Benefits are paid to an eligible individual for qualified long term care services if the individual is chronically ill and is certified by a licensed health care practitioner as being unable to perform (without substantial assistance from another individual) at least 2 Activities of Daily Living for a period of 90 days.

Activities of Daily Living include:

- bathing,
 - continence,
 - dressing,
 - eating,
 - toileting, and
 - transferring (moving into or out of a bed, chair or wheelchair).
-

Types of Services covered

Home healthcare provides care by a home health agency that sends home healthcare providers to your home to provide nursing care, nutritional services, meal preparation, housekeeping and physical therapy.

Adult day care provides a protective setting for those who cannot stay at home alone. Adult day care centers are not residential facilities but offer services for up to 12 hours per day.

Alternative care facility provides 24 hour care and supervision for those who need long term care services. These facilities do not provide the same level of care as a skilled nursing home, but can offer an alternative to a nursing home or a specialized part of a nursing home. Examples include Alzheimer's units and dementias units.

Assisted living facility is an apartment complex or residential community that provides a specialized combination of housing, personal support services and care in a home-like environment.

Other Benefits include caregiver training and a temporary bed holding benefit which provides for the payment of up to 100% of the eligible expense not to exceed the maximum daily benefit for nursing home care, up to 21 calendar days to hold your bed in a nursing home during your absence.

Hospice care Terminally ill individuals can receive hospice care to alleviate pain and make them as comfortable as possible during the final stages of illness. Hospice care encompasses the physical, social, emotional and spiritual needs of individuals and is also designed to provide emotional support to family members and primary caregivers.

In order to receive hospice care benefits, a physician must certify that you have less than six months to live. Care can be provided by a licensed provider in the home, in a hospice care facility or in a nursing home that specialized in hospice care and is licensed by the state.

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| Contributions | This section summarizes premium contributions for the Long Term Care Plan. |
| Premium Amount | <p>Employee. An employee may pay for Long Term Care Insurance coverage for himself or herself by payroll deduction.</p> <p>Employee's spouse. An employee's spouse pays for coverage directly to CNA.</p> <p>Parents and grandparents. An employee's parents, parents-in-law, grandparents or grandparents-in-law pay for approved coverage by submitting payment directly to the sponsoring insurance company.</p> <p>Premiums are based on a fixed daily benefit and on an individual's age at the time his or her coverage begins. As a result, premiums are expected to remain level over the individual's lifetime.</p> <p>An individual who begins Long Term Care insurance coverage at a younger age will benefit from a lower premium compared to premiums charged an individual who elects LTC coverage at an older age. Rates do not increase as an individual gets older. Premiums are fixed when coverage begins.</p> <p>Premiums are not charged during the period benefits are received.</p> |
| Premium Tax Status | Premiums are deducted from paychecks on an after-tax basis. This means that the premium amount is included as taxable earnings. Premiums are based on single or family coverage and the coverage options selected. |
| Premium Deduction Schedule | For individuals who are paid on a bi-weekly basis, premium deductions are taken from the first and second payroll of each month. For individuals who are paid on a monthly basis, deductions are taken from the paycheck issued the last working day of each month. |
| Premium Coverage Period | Premiums pay for coverage for the same month. For example, premiums deducted in March pay for March coverage. |
| Premium Rate Calculator | An individual may obtain monthly premium information by accessing an on-line premium calculator at www.LTCbenefits.com , password: NWUN or Northwestern. |
| Employees Receiving Long Term Disability Benefits | The payment of premium payments will continue by payroll deduction during the period an individual is receiving Long Term Disability benefits. |

Contributions,
continued

Employees Receiving
Short Term Disability
Benefits

Premium payments will continue to be made by payroll deduction during the period an individual is receiving Short Term Disability benefits.

Premium Refunds

The sponsoring insurance company will refund the total amount of premiums paid in the event of the death of a covered individual prior to age 65 less any benefits paid. After age 65, the amount of the premium refund will reduce by 10% each year. No premiums will be refunded after age 74. Death must occur while coverage is in effect for a refund to be paid.

**Enrollment
Procedures and
Deadlines**

This section summarizes enrollment procedures and deadlines.

**Initial Hire or Benefits
Eligibility**

Current faculty and staff who complete the enrollment process no later than 31 days from the date of hire are guaranteed coverage regardless of health status. Afterward, individuals may apply for coverage subject to evidence of good health satisfactory to the sponsoring insurance company. Should an employee neither elect nor waive coverage at hire, coverage will be automatically waived.

Individuals must select:

- one of three maximum daily benefit options, and
- one of two inflation protection features.

After Initial Eligibility

An individual may apply for Long Term Care Insurance after the date of hire or initial benefits eligibility by completing the enrollment process within 31 days from the date of a qualifying change in family or employment status. Coverage is subject to the approval of the sponsoring insurance company.

**An employee's spouse,
parents and
grandparents**

An employee's spouse, parents, parents-in-law, grandparents and grandparents-in-law should submit completed enrollment forms to the Benefits Division or to the Chicago Campus Human Resources Office. Completed forms will be forwarded to the sponsoring insurance company for review and approval or disapproval. A letter stating approval or disapproval will be sent to the applicant and to the Benefits Division.

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| Effective Dates of Coverage | This section summarizes coverage effective dates. |
| Initial Eligibility and Enrollment | The effective date of Long Term Care Insurance coverage is the first of the month following the month of hire or initial benefits eligibility. |
| After Initial Eligibility | The effective date of Long Term Care Insurance coverage is the date established by the sponsoring insurance company approving the evidence of good health application. |
| Open Enrollment | The effective date of Long Term Care Insurance coverage is January 1 st for an employee who completes the enrollment process during Open Enrollment. The effective date of coverage for a spouse, parent or grandparent who submits an evidence of good health application is established by the sponsoring insurance company. |
| Dropping LTC Coverage | An individual may drop Long Term Care Insurance by completing the enrollment process within 31 days of a qualifying change in family or employment status. |

**Claim Submittal
Procedures and
Deadlines**

This section summarizes claim submittal procedures.

Claim Filing
Procedures

To file a claim, an employee must submit a completed claim form to the sponsoring insurance company.

Denial of a Claim

If a claim is denied, the insured's authorized representative will receive a written notice giving the reason for the denial. The representative will then be entitled upon written request to a review of that claim decision.

If he or she is not notified at all within 90 days, this may be considered a claim denial and the representative will be entitled to a review as described above. Specific information regarding this review procedure can be obtained from the Benefits Division.

Changes in Family or Employment Status (life events)

This section summarizes the impact of changes in employment or family status on Long Term Care coverage.

Changes in Family Status

An employee may apply for Long Term Care Insurance by submitting a completed enrollment form to the Benefits Division or to the Chicago Human Resources Office. Coverage is subject to evidence of good health and the approval by the sponsoring insurance company.

Changes in Employment Status

An employee may apply for Long Term Care Insurance after initial hire or benefits eligibility by submitting a completed enrollment form to the Benefits Division or to the Chicago Campus Human Resources Office within 31 days from the date of a qualifying change in employment status. Coverage is subject to evidence of good health and the approval by the sponsoring insurance company.

Change in Spouse Employment Status

An employee's spouse may apply for Long Term Care Insurance by submitting a completed enrollment form to the Benefits Division or to the Chicago Human Resources Office within 31 days of a change of employment status. Coverage is subject to evidence of good health and the approval by the sponsoring insurance company.

Leave of Absence

During a leave of absence, covered individuals may continue his or her Long Term Life Insurance coverage by making premium payments directly to the sponsoring insurance company.

Leaves of absence for health or medical reasons. The employee continues to pay the monthly premium by payroll deduction for as long as the employee receives a University paycheck. Afterward, an employee pays the monthly premium by personal check made payable to the sponsoring insurance company, CNA.

Leaves of absence for personal reasons. Employees pay the full monthly premium directly to the sponsoring insurance company.

Leave coverage continuation procedures. Upon notification of approval of the leave, the Benefits Division will forward information to the employee detailing his or her benefit coverage, the monthly premium rate during the leave and a form for the employee to complete requesting continued coverage and return the completed form to the Benefits Division electing continuation of Long Term Care Insurance coverage.

Premiums should be by check payable to Northwestern University. Failure to pay the monthly premium in a timely manner will result in the termination of coverage.

Return from leave. Upon return from a leave of absence, an individual may resume Long Term Care Insurance coverage not continued during the leave.

Changes in Family or
Employment Status (life
events),
continued

Leave of Absence,
continued

Does not return from leave. An individual who decides not to return from a leave of absence has option of continuing Long Term Care Insurance by paying the premium to the sponsoring insurance company.

Termination of
Employment

At separation of University employment, covered individuals may continue his or her Long Term Care insurance.

The sponsoring insurance company, CNA, will bill an individual directly on a quarterly basis. Premiums will remain the same as the individual was paying while actively employed. An individual should contact the Benefits Division prior to termination so that arrangements can be made with CNA.

Retirement

At retirement, an individual may continue his or her Long Term Care Insurance.

The sponsoring insurance company, CNA, will bill an individual directly on a quarterly basis. Premiums will remain the same as an individual was paying while actively employed. An individual should contact the Benefits Division prior to retirement so that arrangements can be made with CNA.

ERISA Rights

Each participant in University sponsored benefit plans is entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA), as amended. ERISA provides that all Plan participants will be entitled to:

Examine, without charge, at the Plan Administrator's office, all Plan documents and copies of all documents filed by the Plan with the U.S. Department of Labor, such as detailed annual reports (if any) and Plan descriptions.

Obtain copies of all Plan documents and other Plan information upon written request to the Plan Administrator. The Plan Administrator may impose a reasonable charge for the copies.

In addition to creating rights for participants, ERISA imposes duties upon the people who are responsible for the operation of employee benefit plans.

The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of Plan participants and beneficiaries. No one, including the employer or other person, may terminate an individual's employment or otherwise discriminate against the individual in any way to prevent him or her from obtaining a benefit or exercising his or her rights under ERISA.

If a claim is denied in whole or in part, an individual must receive a written explanation of the reason for the denial. He or she has the right to have the Plan Administrator review and reconsider the claim. Under ERISA, there are steps an individual can take to enforce these rights. For instance, if an individual requests certain materials from the Plan and does not receive them within 30 days, he or she may file suit. In such a case, the court may require the Plan Administrator to provide the materials and pay the individual up to \$100 a day until he or she receives the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If an individual has a claim for a benefit plan which is denied or ignored, in whole or in part, he or she may file suit. If it should happen that Plan fiduciaries misuse the Plan's money (if benefits ever become funded), or if an individual is discriminated against for asserting his or her rights, he or she may seek assistance from the U.S. Department of Labor, or he or she may file suit. The court will decide who should pay court costs and legal fees. If the individual is successful, the court may order the person sued to pay these costs and fees. If an individual loses, the court may order him or her to pay these costs and fees if, for example, it finds the claim frivolous. If an individual has questions about this Plan, he or she should contact the Plan Administrator. If there are any questions about this statement or about an individual's rights under ERISA, he or she should contact the nearest Area Office of the U.S. Labor-Management Services Administration, Department of Labor. The Plan Administrator shall have the maximum authority permitted by law to construe and apply the provisions of the Plan.

Summary

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| Name of Plan | Northwestern University Long Term Care Insurance Plan |
| Plan Number | |
| Date Established | January 1, 2001 |

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|--------------|-------------------------------|
| Type of Plan | Welfare benefit plan |
| Plan Year | January 1 through December 31 |

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| Plan Sponsor – Employer | Northwestern University 720 University Place Evanston, IL 60208-1143 847 491-7513 |
| Employer Identification Number | 36-2167817 |

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| Plan Administrator | Northwestern University 720 University Place Evanston, IL 60208-1143 847 491-7513 |
| Claim Administrator | CNA CNA Plaza Chicago, IL |

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| Agent for Service of Legal Process | Office of General Counsel 633 Clark Street Evanston, IL 60208-1143 |
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| Contributions | Fully employee paid |
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