

# STOWERS MACHINERY CORPORATION

## EMPLOYEE BENEFITS SUMMARY

PLAN	ELIGIBILITY	BENEFIT SUMMARY
<b>1) Medical Plan</b>  <b>TPA: BlueCross BlueShield of TN (BCBST)</b>	Active full time employees*  Effective on 91st day of full time employment	Self-insured Grandfathered Plan with limited routine/wellness services covered.  Deductibles - \$600 per person per calendar year; \$1200 per family per calendar year. Out-of-Pocket Limits: \$1,200 per person per calendar year; \$3,600 per family per calendar year.  Network Physicians - \$35 co-pay for office visit; No deductible; Pays 85% for hospital or outpatient allowable charges after deductible; Physician files claim.  Non-Network Physicians - Pays 60% for hospital or outpatient allowable charges after deductible; Physician files claim.  Network Hospitals - Pays 85% for hospital or outpatient allowable charges after deductible; Hospital files claim.  Non-Network Hospitals - Pays 60% for hospital or outpatient allowable charges after deductible; Hospital files claim.  Prescription Card - Generic \$10; Preferred Brand \$35; \$40 Non-preferred Brand up to 30 day supply. No deductible. Mail Order - 100-day supply for 2 co-pays.  Vision Discount Program included.
<b>2) Dental Insurance (Delta Dental)</b>	Active full time employees*  Effective on 91st day of full time employment	Deductibles - \$50 per person per calendar year; \$150 per family per calendar year. No deductible for diagnostic & preventive services. Maximum Benefit: \$1,000 per person per calendar year.  Network Dentists - 100% for diagnostic & preventive services; 80% for basic services, 50% for major services. Orthodontia not covered. Dentist files claims.  Non-Network Dentists - Dentist can charge over usual & customary rates. Dentist does not file claims. Vision Discount Program included.
<b>3) Vision Insurance (BCBST)</b>	Active full time employees*  Effective on 91st day of full time employment	In-Network Benefits - Exams every 12 months with \$10 co-pay. Lenses every 12 months with minimum \$25 co-pay. Standard contacts every 12 months with \$55 co-pay. Frames every 24 months with \$0 co-pay up to \$120 allowance, then 20% off balance.  Out-of-Network benefits also available.
<b>4) Life &amp; Accidental Death &amp; Dismemberment Insurance - Basic (Sun Life)</b>	Active full time employees*  Effective on 91st day of full time employment	Term life & AD&D provided according to the following classifications: Officers - \$60,000; Other Salaried Personnel - \$50,000; All Hourly Personnel - \$40,000; Spouse - \$3,000; Children (6 months to 26 years) - \$2,000.  Convertible to individual policy upon termination of employment at employee's option.
<b>5) Life - Supplemental (Standard)</b>	Active full time employees*  Effective on 91st day of full time employment	Can elect up to \$500,000 for employee; \$250,000 for spouse and \$5,000 for each dependent. Guaranteed issue amount is \$75,000 for employee and \$50,000 for spouse.  Policy includes "Accelerated Benefits" and offers conversion and portability options upon termination of employment.
<b>6) Short Term Disability (Standard)</b>	Active full time hourly employees*  Effective on 91st day of full time employment	Provides 60% of pay to a maximum of \$850 per week for up to 24 weeks with a 14 day elimination period.  Payment may be reduced by deductible sources of income and disability earnings.

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7) <b>Long Term Disability (Standard)</b>	Active full time employees*  Effective on 91st day of full time employment	Provides 60% of pay to a maximum of \$8,000 per month for up to 2 years with a 180 day elimination period.  Employee can buy up the option of extending coverage to age Social Security Normal Retirement Age.  Payment may be reduced by deductible sources of income and disability earnings.
8) <b>Flex Accounts (BCBST)</b>	Active full time employees*  Effective on 91st day of full time employment	Available under Section 125 of the IRS code. Allows employee to set aside money on a pre-tax basis to cover eligible expenses that are not covered by other plans. By using pre-tax income to pay for these expenses, the employee saves by not paying social security or federal income taxes.  Choose Medical Reimbursement Account for medical-related expenses. Annual contribution limit of \$2,600. Auto-reimbursement option available if participate in our medical plan. Choose Dependent Care Reimbursement Account for child care expenses. Annual contribution limit of \$2,500.
9) <b>401(k) Plan (Nationwide)</b>	Active employees* (excluding Interns)  Must be 18 years of age and complete 90-day waiting period. Automatically enrolled at 5% on the first of the month unless opt-out.	The company may make an annual discretionary match based on company performance.  Employees contribute up to 100% of base pay on a pre-tax basis. Contributions (including match) are invested weekly in the daily valued plan. Employees are 100% vested upon entry into plan.  Employees direct investments from list of mutual funds.  Includes auto-acceleration to 20% and auto-reenrollment features. Hardship and rollover withdrawals are available under certain conditions.
10) <b>Holidays</b>	Active employees* Part time employees must work at least 200 hours during 8 weeks preceding a holiday to qualify.	All stores are closed on New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving Day, Day after Thanksgiving, Christmas Eve (1/2 day) and Christmas Day.
11) <b>Vacations</b>	Active full time employees*	Vacation accrual is based on years of service. It is accrued one year for use the following year. New hires will have some vacation available in year of hire upon completion of waiting period (see schedule below). Maximum accrual is 20 days. It cannot be carried over and must be taken in full day increments.  Accrual rate for new hires is prorated based on hire date. Employees who begin work:  Jan-Mar: get 4 days after completion of waiting period Apr-Jun: get 3 days after completion of waiting period Jul-Sep: get 2 days after completion of waiting period Oct-Dec: get 7 days after completion of waiting period
12) <b>Personal Time</b>	Active full time employees*	2 days a year are available to use in at least 2-hour increments for personal reasons. Any hours not used by the end of the year are paid out in the final paycheck of that year (hourly employees only). Personal time can be used in conjunction with vacation or holidays.  New employees will have 1 day available after 90 days and 1 day after 180 days.
13) <b>Sick Pay</b>	Active full time employees*	Sick pay accrual is based on complete years of service. Maximum accrual is 130 days.  Up to 10 days of sick pay can be accrued per year. Maximum accrual is 30 days. Sick Pay pays 75% of base pay per day used.
14) <b>Group Banking (BB&amp;T)</b>	Open	Free checking. No minimum balance. No monthly service charge. Free CheckCard. Discounts on installment loans. (Employee must sign up for direct deposit to take advantage of this benefit).
15) <b>Direct Deposit (Mandatory)</b>	Open	Can direct deposit into two different accounts. Takes up to two pay cycles to establish.
16) <b>Credit Union (CEFCU)</b>	Open	Membership in Construction Equipment Federal Credit Union (CEFCU) is open to employees and dependents. CEFCU offers full service banking and is ranked among the top 15 credit unions in the U.S. Can direct deposit through payroll deduction.
17) <b>CAT Financial PowerInvestment Account</b>	Active full time employees*	Offers higher interest rate than conventional savings or credit union accounts. Free checking with unlimited checks. Minimum \$250 per check. No fees or penalties for withdrawal.
18) <b>Tool Insurance</b>	Per job requirements	Company provides coverage up to \$25,000 for loss. Deductible - \$500 (will be waived in cases where employee is found not negligent in safeguarding tools). Employee must maintain updated inventory (including replacement cost) on annual basis.
19) <b>Tool Purchase Plan</b>	Per job requirements	Employees can purchase tools on company credit provided it is approved by manager and credit manager.
20) <b>Uniforms</b>	Per job requirements	Employee may choose to pay the difference between the cost of standard uniform and 100% cotton uniform.
21) <b>Safety Boots</b>	Per job requirements	SMC pays for at least half the cost of safety shoes for any employee whose job requires them.
22) <b>Safety Glasses</b>	Per job requirements	Company provides prescription and non-prescription safety glasses, or goggles for employee use in required areas.

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\*Active full time employees working an average of 30 hours per week.

**For more information, refer to the specific Summary Plan Description or contact Stowers Machinery Corporation Human Resources Department.**