

4 BENEFITS 1 ENROLLMENT 2014 GUIDE

HEALTHCARE
PLAN TYPES
SPENDING
ACCOUNTS
ADDITIONAL BENEFITS

2014 • BU

ABOUT BENEFITS ENROLLMENT

When to enroll

Benefits enrollment is scheduled for Nov. 4 – Nov. 15, 2013, through the *Work Smart* web portal on the intranet, or by visiting <http://worksmart.vectren.com>. To ensure that employees receive new identification (ID) cards by Jan. 1, 2014 (if selecting a new health insurance plan), Vectren will close online open enrollment at 5:00 p.m. CST on Nov. 15.

Changing your selections

The benefits you select during open enrollment will be in effect Jan. 1, 2014, through Dec. 31, 2014. You may change your coverage during the year only if you have a change in status, such as marriage, divorce, birth, adoption, death of a spouse or dependent, change in employment status or changes in availability of other coverage (for example, losing coverage under your spouse's plan). If you have a change in status, please contact Vectren's Benefits department at (866) 200-5652 within 31 days of the event or change in coverage status. If you do not complete the change within 31 days, then you must wait until the next open enrollment period to make any changes.

Keeping your current coverage

If you want to keep your current coverage for medical, dental, vision, life, dependent life and long-term disability this year, you **MUST sign into the *Work Smart* web portal to simply confirm your current elections.**

Please note: Flexible spending account elections and buy/sell vacation will automatically default to zero unless you re-enroll for these benefits.

Use the *Work Smart* web portal to complete the 2014 benefits enrollment

Work Smart web portal: <http://worksmart.vectren.com>. Log on from home or at work.

Logging on to the portal

For most employees, the username is your first initial and last name, and the password is based on your personal preference.

Note: Your password will expire every 90 days and may need to be changed on the first login. Passwords need to be at least six characters long.

Forgot your password?

Contact the ServiceDesk at 1-4357 or (888) 482-7747 during normal business hours.

How to enroll

Step 1: Review

- Review all of the information included in this booklet, including important notifications, the Benefits Highlights Sheet and the Quick Reference Guide for completing your open enrollment.
- Review your current benefits elections online through the *Work Smart* web portal.
- Review your current premium payments on your online payslip through the *Work Smart* web portal.
- Evaluate any other health care, life or accident insurance coverage available to you, such as through your spouse's employer.

Step 2: Decide

- After reviewing your information, use this guide to help select the options right for you. Generally, the more coverage an option provides, the more it costs. View the Benefits vendor videos on the intranet under My Rewards, Benefits to see what each provider offers in addition to selected coverage.

Step 3: Enroll

- Please visit the *Work Smart* web portal to make your elections.
- Please print a copy of the confirmation page for your records.
- Review the Confirmation Statement to double check your elections.

Eligible Dependents

You may enroll yourself and your eligible dependents for health care, dental, vision and life insurance coverage. Eligible dependents include:

- Your spouse to whom you are lawfully married;
- Your children (through the end of the year in which they turn 26);
- Your children of any age who are unable to support themselves because of a mental or physical disability, dependent on you for support and maintenance and were covered under the plans prior to reaching the age limit.

If you add a dependent not currently on your plan, you must complete the required Dependent Verification form and submit it to the Benefits department. The form is available under the Policy and Benefits link on the intranet, as well as in the enclosed materials.

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High Deductible Health Plan (HDHP)

A HDHP carries a higher deductible than other plans and is designed where you pay 100% of medical and prescription drug expenses until the deductible is met. Once the deductible is met, the health insurance company pays a percentage of your medical and prescription drug expenses. Please refer to the enclosed Benefits Highlights sheet for detailed information.

Preventative care expenses such as physicals, immunizations and health screenings are always covered at 100% when you see in-network providers and are not applied toward your deductible.

Although HDHP has a higher deductible, it costs less in employee premiums (amount taken out of your paycheck).

Preventative care is covered at 100%, and there are no longer lifetime maximum limits.

Health Savings Account (HSA)

Due to its potentially high out-of-pocket expenses, the HDHP features a health savings account (HSA), which is a tax-free savings account. You can make contributions to your HSA through payroll deductions to pay for qualified medical expenses. In 2014, Vectren will deposit money into this account — “seed money” — to help offset the deductible or to accumulate in your account.

Money is available for use once it has been deposited into the account. Unused HSA money rolls over year-after-year. HSAs are advantageous because of tax-deductible contributions, tax-free investment earnings, tax-free distribution for medical expenses and access to the funds at all times. The tax on distributions from HSAs for non-qualified medical expenses is 20%.

To maximize your contributions to the HSA, you can contribute up to the Internal Revenue Service maximum of \$3,300 for employee coverage and \$6,550 for family coverage in 2014.

Preferred Provider Organization (PPO)

A PPO gives you the freedom to choose any doctor or hospital any time you need care. When you use a provider in the PPO network, you have a lower annual deductible to satisfy and the plan pays a higher percentage of your covered expenses than when you go out-of-network to any other provider. Vectren PPOs offer a national network, which means you have access to in-network providers throughout the country. This becomes especially important when you are away from home (for example, when you are on vacation) and need to see a healthcare provider. Preventative care is covered at 100%, and there are no longer lifetime maximum limits.

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Flexible Spending Accounts (FSAs)

FSAs let you pay for certain expenses, like child care and health insurance deductibles and co-pays with pre-tax dollars. Because your contributions are deducted from your pay before federal and social security taxes are withheld, you pay less in taxes and keep more money in your own pocket.

Important to note

Participants in the High Deductible Health Plan that have a Health Savings Account (HSA) can have a Limited Flexible Spending Account (LFSA) that can only be used for dental and vision costs.

Participants who do not have a Health Savings Account (HSA) can have a regular Medical Flexible Spending Account according to the rules listed below.

Medical Flexible Spending Account (FSA)

The Medical FSA lets you set aside pre-tax dollars from your paycheck to reimburse yourself for certain health care expenses. In general, health care expenses are eligible for reimbursement from the plan if they are:

- Incurred during the plan year while you are participating in the medical FSA;
- Not reimbursable under another health insurance plan;
- Considered tax-deductible by the Internal Revenue Service (IRS); and
- Medically necessary (cosmetic services are not eligible).

FSAs may not be used for over-the-counter drugs, except for prescription medicines and insulin.

Dependent Care Flexible Spending Account (FSA)

The Dependent Care FSA helps you pay for day care for your children or disabled dependent.

There are a few special rules for participating in this benefit: The day care services must be necessary, so you can work. If you are married, your spouse must either be employed, a full-time student at least five months during the year or mentally or physically disabled and unable to provide care for himself or herself. For more information on eligible expenses, please visit the IRS website at www.irs.gov (Publication 502) or check with a tax advisor.

To be reimbursed for dependent care services, please go to www.healthhub.com for reimbursement information.

If this option is available under your current contract, this will appear as an election option in *Work Smart* during enrollment.

PayFlex HealthHub® card

The HealthHub® card is a debit card that allows you to pay for eligible medical and dental expenses with just the swipe of the card. On Jan. 1, 2014, this debit card will be funded with the pre-tax amount that you elected during open enrollment. The HealthHub card can be used nationwide wherever MasterCard® is accepted. Simply swipe the card for your eligible goods or services, and the funds are deducted directly from your pre-tax flex account.

The HealthHub card reduces paperwork from paying up front and eliminates the need for reimbursement. The HealthHub card has built-in technology that allows it to process requests where traditional medical services, prescriptions and supplies are incurred (e.g., the doctor, dentist and pharmacy).

Important to note:

It is important to retain all receipts when using the HealthHub card. Payflex, our FSA administrator, will frequently request receipts verifying proof of purchase. One card will be issued per family. For more information on eligible expenses, please visit the IRS website at www.irs.gov (Publication 502) or check with a tax advisor.

Important FSA Rules

Because of the tax advantages available through the spending accounts, the Internal Revenue Service has established special rules for participating:

Use It or Lose It

If you do not spend all the money in your accounts during the year, any remaining balance will be forfeited. Forfeited medical and dependent care contributions are used to offset plan expenses.

No Transfer

You cannot transfer money between the medical and dependent care spending accounts, so estimate your expenses carefully and contribute only what you will spend during the year.

Maximum contribution limits

You may contribute up to the maximum to the medical spending account and the dependent care spending account per household per year. If this option is available under your current contract, this will appear as an election option in *Work Smart* during enrollment.

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Employee Life and Accidental Death Insurance

To protect you and your family, Vectren offers life insurance and accidental death insurance. At no cost, Vectren provides you with a basic level of life insurance and accidental death insurance coverage. You have the option to purchase additional employee life and accidental death insurance.

Accidental death insurance pays a benefit if you die or are seriously injured in an accident. If you increase your coverage amount beyond the company-provided benefit during open enrollment, then you will need to complete a statement-of-health form to determine your insurability before the new coverage goes into effect. You will be taxed on any employee life and accidental death insurance coverage that exceeds \$50,000.

Naming a Beneficiary

You must name a beneficiary to receive your life insurance benefits in the event of your death. It's important to keep your beneficiary information current. If you need to update your beneficiary, log in to the *Work Smart* web portal, select Benefits and make any necessary changes. If you wish to add a beneficiary, log in to the *Work Smart* web portal and print the beneficiary change form.

Dependent Life Insurance

You automatically receive accidental death and dismemberment insurance when you enroll in dependent life insurance. The amount paid is equal to the amount that you elect for dependent life insurance.

Dependent accidental death and dismemberment coverage pays a benefit if your covered dependent dies or is seriously injured in an accident. If this option is available under your current contract, this will appear as an election option in *Work Smart* during enrollment.

Dental

You may elect dental coverage for you and your family, which typically covers the following services:

- Preventative services such as cleanings and fluoride treatments up to age 19, sealants up to age 14;
- Diagnostic services such as exams and x-rays;
- Orthodontic services for dependents up to age 19;
- Restorative services such as fillings, root canals, periodontal surgery and oral surgery.

(Dental options vary. Be sure to review your Benefits Highlights sheet for your options.)

Prescription Drugs

Vectren's health care options include prescription drug coverage. Please refer to the enclosed Benefits Highlights sheet for detailed information about the prescription drug coverage available under the health care option you select.

Vision

You may elect vision coverage for you and your family, which covers the following services:

- No copay on yearly regular exam;
- Prescription glasses, lenses and frame every calendar year;
- Contacts (instead of glasses) every calendar year.

Buy/Sell Vacation

You may purchase or sell vacation during the annual benefits open enrollment *only*. NOTE: A day is typically defined as eight (8) hours. Employees working a regular twelve (12) hour schedule may only buy or sell in increments of 4, 8 or 12 hours.

IMPORTANT: You are buying or selling vacation in *hourly* increments and not in days. For example, if you choose to purchase 2, that means you are purchasing two (2) hours and not two (2) days. If you are a union employee, please check your insert to determine if you have the buy/sell vacation benefit. If you have the buy/sell vacation benefit, your insert will indicate the increments in which you can buy/sell your vacation.

NEW! Hyatt Legal Services

You may elect legal services provided by Hyatt Legal, which covers you and your family. Hyatt Legal provides you with telephone and office consultations for an unlimited number of matters with the attorney of your choice. During the consultation, the attorney will review the law, discuss your rights and responsibilities, explore your options and recommend a course of action. Call the client service center at 800-821-6400. For more information on Hyatt Legal Services, see the enclosed flyer.

RN OnCall

All full-time employees can take advantage of the RN OnCall service provided by Deaconess. Ever wonder if those symptoms are a reason to worry? Now you can ask a registered nurse who's as close as the nearest phone. Dial the Deaconess RN OnCall line, 24 hours a day, 7 days a week. RN OnCall offers quality assistance to all employees and members of their household at no charge. Call 800-967-6795 or 812-450-7681.

NEW! Energize Vectren LiveWell

Energize Vectren LiveWell will soon be available to you and members of your household through the Employee Assistance Program (EAP). LiveWell specialists can provide you with counseling support, as well as find solutions to everyday issues related to entertainment, travel or home maintenance, parenting or pet care and more. Look for more information about the new LiveWell services later this year.