

Dependent Care Tax Credit

The current tax law allows you to take a tax credit for some of your dependent care expenses. However, the law does not allow you to use both a tax credit and a Dependent Care FSA for the same dependent care expenses. You can claim a tax credit on eligible expenses up to \$2,400 per year for one dependent, or \$4,800 per year for two or more dependents.

If you use a combination of the tax credit and the FSA, the tax credit will be reduced, dollar for dollar, by the amount you are reimbursed by a Dependent Care FSA.

Generally, if your family's annual income is \$25,000 or more, the FSA will save you more in taxes. If your family's income is less than \$25,000, it is probably better to take the tax credit. If you have questions about whether a Dependent Care FSA or tax credit would be better for you, please contact your tax advisor.

Dependent Life Insurance Plan

Employees who are regularly scheduled to work 20 or more hours per week and weekend option nurses are eligible to buy Dependent Life Insurance for their legal spouse or same-sex domestic partner and dependent child(ren) including child(ren) of a same-sex domestic partnership. New employees are eligible for this coverage on the first of the month following date of hire, with a completed enrollment form. When you buy this coverage, you receive coverage for your spouse equal to \$10,000. For each dependent child up to age 25 who relies on the employee for financial support, coverage is equal to \$5,000. Your share of the cost is \$0.56 bi-weekly for your spouse and \$0.46 for your dependent child(ren) regardless of how many children you have, which is deducted from your paycheck on an after-tax basis. If you decide to elect family coverage, the cost will be \$1.02 bi-weekly.

If your spouse also works for JHHCG, your spouse cannot be covered for optional life insurance as both an employee and dependent. In addition, your eligible dependents may only be covered by one parent's plan.

Proof of Good Health Required

Current employees may buy dependent coverage with proof of your dependent's good health. If you are a current employee, you will need to provide proof of good health if you are selecting this coverage for the first time or adding a dependent (other than when enrolling a spouse or child within 31 days of marriage or birth). An Evidence of Insurability form is required (please refer to enrollment instructions regarding this). The insurance company must approve your coverage before your new benefit amount can become effective. Payroll deductions will not begin until coverage is approved.

Short-Term and Long-Term Disability Benefit Plans

Short-Term Disability

Employees (except weekend option nurses) who are regularly scheduled to work 20 or more hours per week automatically receive Short-Term Disability benefits. If approved, Short-Term Disability benefits replace 60 percent of your bi-weekly base pay for up to 11 weeks of disability, after a 14-day elimination period, as long as you are under a doctor's care. If you become disabled and have accumulated Sick time, or Vacation hours or Personal days that you have not used, this time will be used to supplement your Short-Term Disability payments. Short-Term Disability benefits are separate from any FMLA benefits you may be receiving.

Mid- and Long-Term Disability Insurance

In addition to the Short Term Disability coverage, regular employees who are scheduled to work 20 or more hours per week are eligible to buy Mid-Term/Long-Term Disability benefits. Weekend option nurses are eligible to buy Long-Term Disability benefits, but are not eligible for Mid-Term Disability. Coverage for new employees is effective on the first of the month following the date of hire, with a completed enrollment form. In order to obtain Mid-Term Disability coverage, you must elect to participate in Long-Term Disability Insurance coverage. Benefits include:

- Mid-Term Disability that replaces 60 percent of your bi-weekly base pay for up to 13 weeks following the first 13 weeks (this includes the 14-day elimination period) of Short-Term disability benefits (if eligible), provided you are under a doctor's care.
- Long-Term Disability Insurance that replaces 60 percent of your monthly base pay, to a maximum of \$8,000 per month, after you have been continuously disabled for 26 weeks. Benefits may continue to age 65 as long as you are certified totally disabled by the insurance carrier. If you begin to receive disability benefits after age 60, your benefits may continue as long as you are certified disabled, based on the schedule shown in the Summary Plan Description. If you are certified disabled due to a mental illness, substance abuse and/or self-reported symptoms, benefits are paid up to a maximum of 24 months as long as you continue to be certified disabled.
- Effective January 1, 2010, Conversion of Long Term Disability will no longer be available. For complete information regarding pre-existing conditions, exclusions and limitations, please refer to your Summary Plan Description.

Proof of Good Health Required

Current employees may apply for long-term disability insurance (if not currently enrolled) with proof of good health. If you are a current employee, you will need to provide proof of good health if you are:

- Selecting this coverage for the first time

Please refer to the enrollment instructions regarding Evidence of Insurability. The insurance company must approve your coverage before your new benefit amount can become effective. Payroll deductions will not begin until coverage is approved.

Cost of Coverage

To calculate the bi-weekly cost of your coverage, use the following formula:

$$(\text{HOURLY RATE}) \times (\# \text{ OF SCHEDULED WEEKLY WORK HOURS}) \times .0115 = \text{BI-WEEKLY COST OF COVERAGE}$$

For example, let's suppose you are regularly scheduled to work 40 hours per week and your hourly rate is \$14.42 (\$30,000 annually). Your calculation would look like this: $\$14.42 \times 40 \times .0115 = \6.63 bi-weekly.

Retirement Benefits

Option to Join Lincoln Alliance 403(b) Retirement Plan

Under this program, you elect to have a percentage of your annual salary deposited in your account each pay period, on a pre-tax basis. You are not taxed on the money until it is withdrawn, presumably at retirement, when you may be in a lower tax bracket. You become eligible for matching contributions each year of service during which you have worked 1,000 hours or more and attain 21 years of age. JHHCG will contribute \$0.50 for every \$1.00 you save, up to two percent of your base salary. After meeting the eligibility criteria, you may receive employee discretionary contributions based on 3% of your compensation. For more information, call Lincoln Financial Group toll-free at 1-866-347-6851 or visit www.lfg.com.

Employees hired on or after May 1, 2009 will be automatically enrolled in the Plan. The initial automatic contribution percentage is 2%, with annual increases up to 4% of compensation. If an employee who is automatically enrolled decides within the first 90 days of Plan participation that he or she does not wish to participate in the Plan, the employee may request a cash withdrawal of automatic contributions. The employee may also increase or decrease his or her contributions.

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Years of Vesting Service With Employer	Applicable Vesting Percentage
1	0%
2	20%
3	40%
4	60%
5	80%
6	100%

Please note: There is an annual limit on contributions, as determined by the IRS. You may receive additional information by contacting the Pension Office at 410-955-5970.