

FEDERAL RESERVE BANKS

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2015 Benefits Highlights



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This document provides an overview of Federal Reserve benefits effective as of Jan. 1, 2015, unless otherwise noted. Details of the benefits are contained in the benefits handbooks and the plan documents. If there is any discrepancy between the highlights provided here and the plan documents, the plan documents will govern. While the Federal Reserve intends to continue its benefits plans and programs, it reserves the right to change or discontinue them at any time for any reason. This document is not a contract or offer of employment, and participation in any of the plans or programs does not guarantee employment.

What Employee Benefits Do the Federal Reserve Banks Offer?



The Federal Reserve Banks offer a benefits package that is highly competitive in today's marketplace. We make it a priority to compare our benefits to those of other large organizations to help ensure our programs are among the best offered to employees.

Our total compensation package reflects the Federal Reserve's benefits philosophy, which emphasizes value, flexibility, convenience and choice so that our employees can select the plans and programs that are right for them.

THE FEDERAL RESERVE'S EXTENSIVE OFFERINGS INCLUDE THE FOLLOWING:

- Thrift Plan (401(k) Plan)
- Retirement Plan
- Medical Plans
- Prescription Drug Plan
- Dental Plans
- Vision Plan
- Flexible Spending Accounts (Health Care and Day Care)
- *Live Smart, Plan Smart* Health and Wellness Program
- Basic Life Insurance
- Business Travel Accident Insurance
- Disability Insurance
- Auto and Home Insurance*
- Group Legal Insurance*
- Personal Accident Insurance*
- Group Universal Life Insurance*
- Financial Planning Education Program
- *SurvivorSupport* and *TransitionalSupport*
- Advocacy Services
- SmartBenefits Website
- Federal Reserve Benefits Center

*These benefits are voluntary and paid for by the employee.

You are eligible for plan benefits if you are a regular Federal Reserve Bank employee scheduled to work at least 780 hours per calendar year at the time you are hired. Certain temporary employees, independent contractors and other employees with special classifications are not eligible to participate in the Federal Reserve System's benefit plans.

This document highlights each of the benefits that may be available to you should you become an employee of a Federal Reserve Bank. Reserve Banks may offer other benefit plans or programs as well, including Paid Vacation/Paid Time Off, Employee Assistance Programs, Education Assistance and Work/Life Programs. If you are employed at a Federal Reserve Bank, detailed descriptions of these plans and instructions on how to enroll will be available to you.



Thrift and Retirement Benefits

The Federal Reserve's Thrift Plan (a 401(k) plan) and Retirement Plan are designed to help employees prepare for retirement and attain their financial goals.

THRIFT PLAN (401(K) PLAN)

The Thrift Plan, which features several investment options with varying levels of risk, makes it easy for eligible employees to save money for retirement. If you become a Federal Reserve employee, you will be automatically enrolled in the Thrift Plan with an initial pre-tax contribution of 3 percent of pay. If you are automatically enrolled and do not change your contribution rate, your pre-tax contributions from your pay will increase by 1 percent each year until reaching 6 percent of pay. You may change your contribution rate at any time.

Your Thrift Plan account will include:

- Your contributions (pre-tax, Roth 401(k) or after-tax);
- Employer contributions; and
- Investment returns on those contributions.

In addition, the Federal Reserve adds to your savings through matching contributions made on your behalf to your Thrift Plan account. It matches your contributions at \$1 for every \$1 you contribute, up to 6 percent of your salary per pay period. The Federal Reserve will also automatically make a contribution of 1 percent of pay to your Thrift Plan account (regardless of whether you are contributing).

Employer contributions and their earnings vest based upon the following schedule:

YEARS OF SERVICE	% VESTED
One	20%
Two	40%
Three	60%
Four	80%
Five or More	100%



RETIREMENT PLAN

The Federal Reserve's Retirement Plan is considered highly competitive, especially when compared with employee benefits offered by the private sector. At a time when many organizations no longer offer a traditional pension plan, the Federal Reserve's Retirement Plan is recognized for the value it provides in helping secure employees' financial future during their retirement years. The Retirement Plan, along with the Federal Reserve's Thrift Plan, is an important part of your total compensation package.

Eligible employees are automatically enrolled in the Retirement Plan upon employment. The Federal Reserve pays the entire cost of this benefit, and once you have completed five years of service and/or have reached age 65, you are fully vested, meaning you have a right to your benefit.

The Retirement Plan provides cost-of-living increases to retirees' pensions beginning at age 62.

Pension

The Retirement Plan is designed to provide you with a monthly pension benefit starting at retirement, payable over the remainder of your lifetime. Your years of service and your pay determine the amount of the benefit you receive, based on a formula.

Your Retirement Plan benefit is payable to you after you retire. Normal retirement is at age 65, although you may retire as early as age 55 with a reduced benefit and at least five years of service. In addition, increased pension accruals are available if you work past age 65 (up to age 70).



PORTABLE CASH OPTION (PCO)

The Retirement Plan includes a feature called the PCO, which provides you the flexibility to take all or part of your benefit as a lump sum if you leave the Federal Reserve after at least five years of service. Your PCO account is credited with deposits equaling 5 percent of your pay for each of the first five years of employment, and 10 percent of your pay for each of the next 10 years of employment. The account also accrues interest. If you leave or retire after five years of service, you can take your PCO account balance with you or roll it over into the Thrift Plan, another employer's qualified plan or an Individual Retirement Account. Your PCO account balance is based upon your years of service and earnings, plus accrued interest.

PENSION PURCHASE OPTION (PPO)

The PPO is a feature of the Retirement Plan that allows eligible retirees/surviving spouses of retirees to use some or all of their eligible Thrift Plan account balance to increase the monthly pension (that is, pension payment) they already receive from the Federal Reserve's Retirement Plan. Participants must have at least \$25,000 of eligible Thrift Plan funds and may purchase a PPO annually.

DOMESTIC PARTNERS OR SPOUSES

Domestic partners or spouses are eligible for certain benefits under the Thrift and Retirement Plans, including the subsidized survivorship pension and the active service death benefit.

Once you identify your partner as a domestic partner or spouse, that person automatically becomes the beneficiary under both the Thrift Plan and Retirement Plan if:

- You have already identified your partner as a eligible domestic partner or spouse for purposes of any of the Federal Reserve Bank benefits administered by the Federal Reserve Benefits Center, such as health or life insurance benefits; and
- The domestic partner or spouse meets the eligibility criteria.

You must obtain written consent from your domestic partner or spouse if you want to designate someone else as your beneficiary.



Health Benefits Program

Under the Health Benefits Program, the Federal Reserve Banks provide medical, prescription drug, dental and vision benefits, and Flexible Spending Accounts. Health care coverage is available to all eligible employees and their dependents, including domestic partners.

MEDICAL PLAN

The Health Benefits Program offers a variety of Medical Plans so eligible employees can choose the one that best meets their needs. Contingent on the Bank at which you work, you may be eligible for the Premier Plus Preferred Provider Organization (PPO), Premier PPO and the Standard PPO. Local Health Maintenance Organization (HMO) Plans may also be available, depending on your district and where you live.

The three PPOs provide benefits (at varying copayments and coinsurance rates) that allow you to receive a greater benefit and pay less out of your own pocket when you receive care in-network, and do not require you to have a primary care physician or a referral to see a specialist. If you choose to obtain services from providers who are not in the network, you will have higher out-of-pocket medical expenses.

Your recruiter may provide you with more information about the medical benefit options, including any available local plan options.

Note: You and you eligible dependents will be eligible for retiree health care coverage under the Health Benefits Program (except Flexible Spending Accounts, or FSAs) if you are at least age 55 with at least 10 years of service after age 45 at the time of your retirement. After turning age 65 or becoming eligible for Medicare, a Medicare supplemental plan — and depending on your district — Medicare Advantage HMOs are available.

PRESCRIPTION DRUG PLAN

The Prescription Drug Plan is included in all the Medical Plans offered by the Health Benefits Program (and with some local HMOs) and provides coverage for generic and brand-name drugs.

Generic Drugs

The program offers generic drugs at low, fixed copayments whether you purchase them from a participating network pharmacy or through a mail-service program.



Brand-name Drugs

You pay a percentage of the cost for brand-name drugs, whether you purchase them at a participating network pharmacy or through the mail-service program. To protect you against the high cost of certain brand-name drugs, your share of the cost is limited to a maximum dollar amount per prescription.

Mail Order

The mail-service program enables you to save money by filling your prescription through the mail and receiving up to a 90-day supply of drugs for the same copayment or coinsurance you would have paid for a 60-day supply at a retail network pharmacy.

Dental Plans

The Health Benefits Program offers you the choice of three Dental Plans, depending on your Bank and where you live:

- Standard Dental PPO Plan;
- Premier Dental PPO Plan; and
- Dental HMO (DHMO) Plan.

The Dental PPOs provide you in-network and some out-of-network coverage. If you use an in-network dentist, you will generally pay less because your share of the cost will be based on negotiated discounted fees.

The PPO Plans provide coverage for preventive, basic and major restorative services (for example, exams, and cleanings, fillings and root canals). The Premier Dental PPO offers higher levels of coverage for most dental services than the Standard PPO and includes coverage for orthodontia and implants (if medically necessary).

VISION PLAN

The Vision Plan is available to employees who want comprehensive vision benefits, including coverage for eye exams, standard and progressive lenses and frames, contact lenses (in lieu of glasses) and discounts for laser surgery. Vision benefits offer you a network of vision care providers from which to choose. Each time you need services, you can use an in-network provider for a higher level of coverage for your vision benefits or use an out-of-network provider for a lower level of benefits.

FLEXIBLE SPENDING ACCOUNTS (FSAs)

With FSAs, you may set aside a portion of your paycheck before-tax to reimburse yourself for eligible health care and day care expenses.

Health Care FSA

With the money you contribute to a Health Care FSA, you can reimburse yourself for eligible expenses that are not covered by your Medical, Dental, Vision or Prescription Drug Plans. This includes — but is not limited to — copayments, coinsurance, deductibles, over-the-counter medications with a doctor's prescription, and certain vision and hearing expenses.

Day Care FSA

The Day Care FSA is designed to help you pay the cost of day care for dependent children up to age 13 or for adult day care for disabled adults who qualify as your dependents for federal income tax purposes.

Live Smart, Plan Smart Health and Wellness Program

At the Federal Reserve, we care about the health and wellness of our employees, which is why we offer the *Live Smart, Plan Smart* Health and Wellness Program. Participation in this program is voluntary, and personal health information is kept confidential.

The *Live Smart, Plan Smart* Health and Wellness Program is a holistic care model designed to help you and your family get healthy, stay healthy or live better with a condition. This program offers numerous resources, such as:

- Coaching programs;
- An online health assessment and tracking tools;
- Biometric screenings;
- 24/7 access to an experienced registered nurse via the NurseLine; and
- Preventive health resources intended to help you make better health care decisions.

This program is part of the Federal Reserve Medical Benefits Plan under the Health Benefits Program. You may access the resources at various levels if you are enrolled in the Medical Benefits Plan or a local HMO Plan option.



Insurance and Other Benefits

Important components of the Federal Reserve Banks' total compensation package are the life, accident and disability coverages, which provide financial protection for employees and their families in the event of an accident, disability or death.

BASIC LIFE INSURANCE

Basic Life Insurance automatically pays a lump-sum benefit payment equal to one times your salary. The benefit is provided automatically at no cost to employees (there is no need to enroll) and takes effect on your date of hire. The Internal Revenue Service requires that the value of all Employer-paid life insurance in excess of \$50,000 be added to your pay as imputed income. If your salary exceeds \$50,000, you can avoid imputed income on life insurance by limiting your Basic Life Insurance coverage to \$50,000.

BUSINESS TRAVEL ACCIDENT INSURANCE (BTAI)

Eligible employees are automatically enrolled in BTAI upon employment, and the Federal Reserve pays the entire cost. BTAI covers you while traveling on Federal Reserve business anywhere in the world.

DISABILITY

The Federal Reserve offers two Bank-paid disability plans to provide financial assistance if employees are disabled or unable to work:

Short Term Disability/Medical Leave

- Short Term Disability/Medical Leave; and
- Long Term Disability (LTD) Income Plan.

Short Term Disability/Medical Leave benefits are offered locally and vary by Bank.



LTD Income Plan

The Federal Reserve's LTD Income Plan, which is automatically available to eligible employees upon employment, offers financial protection to you when you need it most — if you become totally disabled and can no longer work. The LTD Plan will also help you to return to work, if appropriate. If you become totally disabled, you may receive 60 percent of your basic salary after you have satisfied the 180-day waiting period for benefits. Your benefit amount will be offset by any other benefits you are receiving, including but not limited to, Social Security or Workers' Compensation. Your monthly benefits are subject to federal income tax and may be subject to state and local taxes.

The following benefits, which are offered through the Federal Reserve, are voluntary. If you decide to participate in any of these benefits as a Federal Reserve Bank employee, you will pay the entire cost of the plan at the Federal Reserve group rate through payroll deductions.

AUTO AND HOME INSURANCE

As a Federal Reserve Bank employee, you may be able to purchase auto and home insurance for less than if you had bought the insurance individually. You can receive insurance packages with coverage for liability, medical, collision, personal property and more.

GROUP LEGAL INSURANCE

Group Legal provides affordable access to legal services when you have an issue that requires legal advice, document review and preparation, or legal representation. As a plan member, you will also have access to trusted online legal resources and education. In addition, you will have toll-free access to Certified Identity Theft Case Managers who can help you get your life back in order and repair any damage done to your identity, should an issue arise.

PERSONAL ACCIDENT INSURANCE (PAI)

PAI offers additional benefits in the event of dismemberment, permanent total disability or death as a direct result of an accident. With PAI, you receive 24-hour coverage for accidents occurring on or off the job — anywhere in the world.



For individual coverage, you can purchase a minimum of \$10,000, up to a maximum of \$500,000. You may also elect coverage for your spouse or domestic partner (up to \$300,000) and eligible children (up to \$100,000). Coverage for your spouse or domestic partner and children cannot exceed your coverage amount, and you must elect PAI for yourself to purchase coverage for your dependents.

GROUP UNIVERSAL LIFE (GUL) INSURANCE

You can purchase additional life insurance coverage with an optional cash accumulation feature at competitive group rates.

You may purchase coverage for yourself up to the lesser of 10 times your annual base salary or \$2.5 million. You may also purchase coverage for your spouse or domestic partner up to the lesser of two times your salary or \$100,000. A flat \$10,000 term policy is available for your eligible children as long as you purchase GUL for yourself or your spouse or domestic partner. Your rates and coverage levels increase annually as your age and salary increase.



Services and Resources

Many services and resources are available to Federal Reserve Bank employees at no charge, including the *Ayco AnswerLine* service, Financial Planning Education Program, *SurvivorSupport* and *TransitionalSupport*, Advocacy Services, the SmartBenefits website and the Federal Reserve Benefits Center.

AYCO ANSWERLINE SERVICE

The *Ayco AnswerLine* service provides unlimited telephone access to a professional financial planner who can help you with all aspects of financial planning, at no cost to you, including:

- Understanding your Federal Reserve benefits;
- Managing cash flow and debt;
- Developing savings and asset allocation strategies;
- Planning for retirement; and
- Answering questions about taxes, home buying, estate planning, college funding and other topics.

FINANCIAL PLANNING EDUCATION PROGRAM

The Financial Planning Education Program is designed to provide employees of the Federal Reserve Banks with a basic understanding of financial planning, the information and tools necessary to develop a personal financial plan, and guidance on how System and Bank benefits can help you achieve your financial goals.

The Financial Planning Education Program, which is available at no cost to Federal Reserve Bank employees upon the date of hire, includes in-person topical seminars that cover a variety of financial planning and benefit plan-specific topics.



SURVIVORSUPPORT

The Federal Reserve offers a program called *SurvivorSupport*, which provides financial counseling assistance at no charge to:

- You and your family, if your spouse or domestic partner passes away; or
- Your spouse, domestic partner or other appropriate beneficiary if you pass away.

This benefit is available to eligible Federal Reserve Bank employees and is paid entirely by your Reserve Bank. The administrator of this service works with families, their attorneys, accountants and other professionals to prepare a written Personal Financial Plan (including an Action Item Checklist). Family members can receive assistance with estate settlement, Social Security income, investments and other financial issues.

TRANSITIONALSUPPORT

The Federal Reserve offers a program called *TransitionalSupport*, which provides financial counseling assistance at no charge to employees who have been diagnosed with a life-threatening illness. This benefit is available to eligible Federal Reserve Bank employees and is paid entirely by your Reserve Bank.

ADVOCACY SERVICES

Advocacy Services is available at no cost to you for assistance with any unresolved access or claim issues under the Health Benefits Program after you have already attempted to resolve the issues yourself.

SMARTBENEFITS WEBSITE

The SmartBenefits website is your resource for Federal Reserve benefits and total rewards information. This password-protected site gives you personalized, integrated and interactive benefits information and total rewards tools.

FEDERAL RESERVE BENEFITS CENTER

Federal Reserve Bank employees who prefer to use an automated call center or do not have Internet access may call the Federal Reserve Benefits Center toll-free to access personalized benefits information or speak with a benefits specialist.



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