

**SCHAEFFLER**



## Benefit Overview



# Health Care Plans at a Glance

At Schaeffler the health of our employees and their families are a priority to us. Our benefits are designed to help them manage their physical and financial health today and in the future.

## Welcome to Our Benefit Overview

At Schaeffler we are committed to providing our employees with tools and resources to help them understand all benefit options so that they can make informed decisions to meet their needs. This benefit overview includes basic information on company-sponsored benefit plans and highlights some other programs and features.

## Medical

**BlueCross BlueShield of SC:  
All Employees (except Joplin)**

### FMH Benefits: Joplin Employees

Schaeffler employees at each location are offered a choice of two medical plans. The provider varies depending on the place of employment.

- **Plan 1** costs more up front in premiums in exchange for paying a lower deductible, flat copays on such services as doctor and specialist office, and slightly lower copays on certain prescription drugs
- **Plan 2** costs less up front in premiums in exchange for paying coinsurance on all services once a higher deductible is satisfied (twice that of Plan 1) and paying



slightly higher copays on some prescription drugs

- **Both plans:**
  - › Cover in-network preventive care at 100 percent
  - › Offer discounted rates on medical services when using in-network providers
  - › Feature an extensive network of physicians and hospitals in each state

### Helpful Terminology

Here are some simple definitions of key health insurance terms:

- **Deductible** — the annual amount you must pay for covered

expenses before the medical plan pays benefits.

- **Copayment (copay)** — the fixed amount you pay for health care services.
- **Coinsurance** — the percentage shared by you and the plan once you satisfy your deductible.
- **Coinsurance limit**—the most you have to pay out of pocket before the plan begins to pay at 100 percent. Deductibles and copays are not included in the coinsurance limits.

We focus on providing our employees the tools and incentives they need to take ownership of their well-being and to lead a healthy, responsible lifestyle.

## Prescription Drugs

### CVS Caremark

Prescription drug coverage is automatically activated when employees enroll in one of the medical plans offered by Schaeffler. Prescription drug copayments vary based on whether they choose Plan 1 or Plan 2 and by type of medication: generic, preferred brand, non-preferred brand, or specialty/biotech categories.

Certain types of medications, which are taken on an ongoing basis, are considered maintenance medications. These maintenance drugs must be dispensed as a 90-day supply, either through the mail order program or through CVS retail pharmacies.

## Dental

### Delta Dental

Schaeffler employees are offered a choice of two dental plans. Each plan allows visits to any dentist, but the annual deductible and out-of-pocket costs will be lower if an in-network provider is used. Our employees have access to providers in both the Delta Dental Premier and Delta Dental PPO networks.

## Vision

### Superior Vision

Excellent vision benefits are available to Schaeffler employees through a vision plan administered by Superior Vision. As with all plan, benefits can be maximized by using in-network providers whenever possible.

## Flexible Spending Accounts (FSAs)

### Flores & Associates

Flexible spending accounts (FSAs) give employees the opportunity to set aside pre-tax dollars from their pay to cover anticipated eligible expenses not reimbursable by other benefits plans. Schaeffler offers its employees two types of flexible spending accounts (FSAs):

**Health Care FSA** — health care FSAs are designed to reimburse employees for eligible medical, dental, vision, and hearing expenses for themselves and eligible dependents up to \$2,500 annually. Examples of eligible expenses include deductibles, copays, prescription eyeglasses, vision exams, and dental expenses.

**Dependent Care FSA** — dependent care FSAs are designed to reimburse employees for eligible dependent care expenses, such as day care, after school care, or elder care, up to \$5,000 annually (or \$2,500 if married and filing separately).





Schaeffler offers various choices to increase the insurance coverage our employees seek to meet their family's needs.

### **Basic Life and AD&D Insurance**

#### **CIGNA**

At the time of hire, eligible employees are automatically enrolled in basic life/basic AD&D insurance and coverage is effective on the first of the month coincident with or following one month of service. The Company provides and pays for basic life and AD&D insurance in the amount of one times the employee's annual base salary. AD&D benefits are paid to the employee for the loss of a limb, sight, or hearing because of an accident, or to the employee's beneficiaries in the event of an accidental death.

### **Supplemental Life and AD&D Insurance**

#### **CIGNA**

Schaeffler offers the option for employees to purchase supplemental life insurance and AD&D for themselves from one to four-times their annual base salary through after-tax payroll deductions. Supplemental life insurance cannot exceed a maximum of \$700,000. A limitation of \$700,000 is also placed on the supplemental AD&D coverage. Proof of good health is not required to purchase supplemental life or dependent life when an employee first becomes eligible. It will, however, be required if the employee decides to enroll at a later date.

### **Dependent Life Insurance**

#### **CIGNA**

Employees may purchase voluntary dependent life insurance for their spouse and children through after-tax payroll deductions. Three coverage options are offered. Dependent children may be covered to age 26.



Schaeffler provides benefits that will help in case of illness or injury.

## Short-Term Disability (STD)

### Schaeffler

The loss of income due to a disabling illness or injury can cause financial strain on an individual or family. To help protect our employees and their families, Schaeffler short-term disability benefit pays a percentage of an employee's income to assist him/her in meeting the financial obligations should the employee become disabled due to a non-job-related illness, injury, or the birth of a child. If the employee must be absent from work for more than seven consecutive calendar days, he/she may be eligible for an STD benefit of at least 60 percent of the normal wages for up to 26 weeks per calendar year. Eligibility begins following 90 days of employment. This benefit is a salary continuation program paid for and administered entirely by Schaeffler.

## Long-Term Disability (LTD)

### CIGNA

A disability of a lengthy duration can devastate the financial and emotional status of an individual or family. To help protect employees from the effects of this income loss that results from a serious disability, Schaeffler enables all employees to purchase group LTD insurance at a



reasonable cost. Schaeffler pays 50 percent of the total cost of this benefit. The employee's portion of the cost will be \$.235 per \$100 of wages per month. Benefits begin after the individual has been totally disabled for 180 days. The plan pays 60 percent of the Basic Monthly Earnings\* up to \$11,000, minus any disability income that is received from other sources. The minimum benefit is the greater of \$100, or 10 percent of the employee's monthly pay. The maximum length of time that benefits will be paid depends on the age at the time of disability and the duration of the disability.

## Life Assistance Program (EAP)

### CIGNA

As part of the long-term disability program offered through CIGNA, we are pleased to provide you and your family members with access to CIGNA's Life Assistance Program. This program provides professional support services for the many challenges, big or small, that life brings. You have 24-hour access to a range of free services that can help you with a variety of issues such as stress, work/life issues, relationship issues, substance abuse concerns, etc. And, your household dependents can also access these same services.

Live comfortable in retirement and participate in Schaeffler's excellent 401(k) savings retirement plan.

### Savings Retirement Plan – 401(k)

#### Fidelity

Planning for retirement is important for everyone regardless of age and Schaeffler offers a 401(k) Savings Retirement Plan to help be prepared. Most employees are eligible to participate in Schaeffler Group's Savings Retirement Plan on the first day of the month following two months of service. Schaeffler matches 100 percent of the first six percent of pay an employee contribute to his/her account and the employee is always 100 percent vested in the entire account balance.

New employees are automatically enrolled in the plan at a contribution rate of three percent of pre-tax eligible earnings, and contributions are invested in a Fidelity Freedom Fund based on the employee's target retirement date.

The plan is administered by Fidelity Investments, Inc. and features a wide variety of investment opportunities from which employees can choose.

### Time Away from Work

Schaeffler knows that time away from work is critical to a healthy work-life balance. Therefore, we offer our regular employees paid holidays, vacation and leaves of absence.





### Education Reimbursement

Schaeffler will reimburse employees for the cost of tuition, books, and supplies for courses that pertain to career growth or lead to a career-related degree. The annual maximum reimbursement for undergraduate courses is \$2,500, and for graduate level courses the maximum is \$5,250. Employees are eligible at their hire date to register for eligible classes and must achieve a grade of “C” or better to receive their reimbursement.



### Wellness Initiatives

Schaeffler’s comprehensive health insurance program includes generative health care benefits for employees and their covered family members. The services covered include vaccinations, mammograms, prostate exams, and physicals. We offer “Flu Shot Clinics” at each of our locations and provide the vaccinations to employees and their spouses at no cost. We also arrange for a mobile mammogram truck to visit many of our facilities so screenings can be done on-site.

All employees enrolled in the health care plans will be asked to complete

a FREE, on-site biometric screening (blood pressure and blood work) during the first six months of the year via independent, third-party providers. Following the screening, employees receive their confidential results detailing their current health status.

Employees completing either the on site biometric screening or wellness exam with their physician, will receive a \$100 Health Plan Reward Incentive. An additional \$100 cash incentive is paid if the covered spouse also completes a wellness screening with his/her physician. The

cash incentives will usually be processed through payroll during the month of August the same year of the screening.

Schaeffler will also cover up to \$25 monthly or \$300 annually for a membership to a gym or fitness center (excluding country clubs, racquet, and swim clubs, etc.).

In addition to preventive health care initiatives, other wellness activities offered may include planned fitness activities, weight loss challenges, and employee health education programs.

# Additional Benefit Programs

## REWARDS

### Continuous Improvement Program (CIP)

We encourage employees to be proactively involved in Schaeffler's continuous improvement process by rewarding them for innovation, observation, and safety awareness in their day-to-day work. This program provides employees with an opportunity to recommend improvements which may enhance productivity, efficiency, or safety in any area of our operations. Each accepted suggestion is awarded with points that can be used to select valuable prizes.

### Patent Remuneration Program

Many suggestions for improvement or innovative ideas may be eligible for a patent. Employees are encouraged to forward those suggestions and ideas for a patent evaluation. If a patent is filed, the Company will offer compensation depending on

the achieved patent status and the annual sales volume of the patented product(s) or idea.

### Employee Referrals

Schaeffler recognizes that employees are often the best source of finding qualified external candidates, therefore Schaeffler will reward employees for referring individuals who are hired and have successfully completed their initial employment period. Referring employees will receive 16 hours (or two days) of vacation that can be used for that calendar year.

#### Company-Wide Recognition

In addition to prizes and monetary awards, recipients of CIP Awards and Patent Remunerations are regularly recognized company-wide through our employee magazine, the *SCHAEFFLER LINK*.

## EVENTS & ACTIVITIES

### Employee Appreciation Meals

To show our appreciation for the contributions of our employees, Schaeffler sponsors appreciation meals throughout the year at our various locations.

### Family Outings

Because we know that our employees' families are a big part of who they are and how integrated they are with the Company, Schaeffler may sponsor various family-oriented events during the year. Depending on locations, these may include holiday activities for employees and their families or other family outings.

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Schaeffler is pleased to offer a complete range of employee benefits. Our comprehensive package is like getting a second paycheck worth an average of 35 percent added earnings earmarked each year for benefits.





# Provider Information

## Benefits at a Glance

Benefit Plans	Who Pays		How Pay	
	Company		Pre-tax	After-tax
Medical / Prescription Drugs	X	X	X	
Dental	X	X	X	
Vision	X	X	X	
Basic Life Insurance (1x Annual Salary)	X		NA	NA
Basic Accidental Death & Dismemberment (AD&D) (1x Annual Salary)	X		NA	NA
Supplemental Life		X		X
Supplemental AD&D		X		X
Dependent Life		X		X
Short-Term Disability	X		NA	NA
Long-Term Disability	X	X		X
Healthcare Flexible Spending Account		X	X	
Dependent Care Flexible Spending Account		X	X	

**Schaeffler Group USA Inc.**