GROUP INSURANCE

Isaac’s Deli, Inc. provides health, vision, dental, supplemental insurance, and prescription drug insurance benefits to all benefits eligible employees. The following is a brief description of the coverage Isaac’s Deli, Inc. offers. Please note that this is a brief summary of important features of our various insurance benefits. The actual contract shall govern the administration of the benefit.

# Health Insurance Policy

Isaac’s Deli, Inc. is a progressive leader with our Health and Wellness committee. To combat the ever-increasing cost of healthcare Isaac’s Deli, Inc. has implemented this policy to help our employee’s and our company remain healthy.

Each year employees and dependents age 18 and over that have health insurance through Isaac’s Deli, Inc. will be encouraged to complete a confidential Wellness Profile.

As this Wellness Profile is confidential; Isaac’s Deli, Inc. and our health insurance company do not see the individual results. Isaac’s Deli, Inc. will receive an aggregate report compiling all participants’ information to use as a tool to plan wellness activities to assist employees and dependents the age of 18 and over in obtaining and maintaining healthy life styles.

Benefits Eligible employees with health insurance will be encouraged to attend a yearly open enrollment training session and receive an annual physical.

All employees will be responsible for paying a portion of the cost of the total insurance premiums, dependent upon plan structure, costs and government regulations in effect at the time. If an employee and their dependent(s) age18 and over complete a Wellness Profile and the employee attends the yearly open enrollment training session and gets their annual physical they will receive a discount on their portion of the premium (PPO Plan) or a $10 per pay period contribution to their HSA (HSA GOLD Plan). **The Wellness Discount only applies to the HSA Gold & PPO Plans for group health/prescription coverage.**

Employees who complete the Wellness Profile within 60 days of becoming eligible to enroll in Isaac’s Health Insurance plan will be eligible for the discount (PPO Plan) or HSA contribution (Gold Plan) if the employee has attended an Open Enrollment training meeting and received a physical within the last year. The wellness incentives will take effect the pay period after confirmation the Wellness Profile was done.

**Health Insurance Options**

**PPO & HSA (Health Savings Account) Plans.** Employees have three plans to choose from for health insurance: the PPO, HSA Gold or HSA Silver plans. Please consult

each plan’s *Summary of Benefits* for plan specifics. Employees who elect the HSA Gold plan and contribute funds through bi-weekly payroll deduct to their HSA will have their contribution matched by Isaac’s, dollar for dollar, up to $10 per pay. Employees who elect the HSA Silver plan receive no contribution match to their HSA from Isaac’s.

Refer to Isaac’s Deli, Inc. health insurance administrator and the current plan in effect for an overview of all options, coverage and cost per pay information, (717) 394-0623. Isaac’s Deli, Inc. shares the cost of providing health insurance with our employees. The employee portion is automatically deducted from your paycheck each payday. Payments made for health insurance premiums through payroll deduction, under Isaac’s Deli, Inc. Section 125 Plan, are exempt from Federal, FICA, PA and local income taxes for those employees who elect to participate.

**Eligible Dependents**

An employee’s spouse who is not eligible for insurance coverage under their own employer sponsored health plan. An employer verification form must be completed and submitted with enrollment forms and renewed each open enrollment for any spouse being added to the plan.

An employee's children (including stepchildren, natural, or legally adopted children) are eligible, in accordance with current Federal Law or Plan Document, whichever takes effect first.

**Enrollment**

**You are not automatically added to the plan.** You shall receive a packet through the Isaac’s Deli, Inc. Courier Service from the Plan Administrator when you become eligible. You will have 30 days from your effective date to sign up for insurance. If you choose not to enroll (when you become eligible), you can enroll again during open enrollment, which is during the months of May and June, for coverage beginning July 1. There are other special enrollment provisions under specific circumstances. Please contact the Plan Administrator for a specific explanation of these special enrollment provisions.

When you become eligible for supplemental insurance, you will be notified by Isaac’s Plan Administrator and given the option to enroll.

### Effective Date

Your insurance shall become effective on your 90-day anniversary if you enroll after your initial evaluation period or are a full-time employee (*Benefits, section b-3*). It shall

be July 1 if you enroll during open enrollment. It shall be the date of application if you enroll under any of the qualified special enrollment provisions. It shall be either January 1 or July 1 if you enroll after the applicable standard measurement period. It shall be

the end of the administrative period (*Benefits, section b-5*) if you enroll after your initial measurement period.

Supplemental Insurance shall become effective on the first of the next full month following your enrollment.

**GROUP DENTAL INSURANCE**

**Eligible Dependents**

An employee’s spouse.

An employee's children (including stepchildren, natural, or legally adopted children) are eligible, in accordance with current Federal Law or Plan Document, whichever takes effect first.

**Insurance Coverage**

Refer to Isaac’s Deli, Inc. health insurance administrator and the current plan in effect for an overview of all options, coverage and cost per pay information, (717) 394-0623.

**GROUP VISION INSURANCE**

**Eligible Dependents**

An employee’s spouse

An employee's children (including stepchildren, natural, or legally adopted children) are eligible, in accordance with current Federal Law or Plan Document, whichever takes effect first.

**Insurance Coverage**

Refer to Isaac’s Deli, Inc. health insurance administrator and the current plan in effect for an overview of all options, coverage and cost per pay information, (717) 394-0623.

**THE HEALTH CARE MARKETPLACE**

At Isaac’s we strive to provide our eligible employees and their eligible dependents with quality health care insurance. As a key provision of the Patient Protection and Affordable Care Act (PPACA), Isaac’s Deli, Inc. is required to inform employees of our compliance with the law and to make employees aware of their options in the Health Insurance Marketplace.

The function of this policy is to provide employees with a general explanation of their health care options. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

Several legal requirements apply to group health plans offered by many employers. These include:

* minimum value thresholds for coverage provided (i.e. the portion of covered benefits that the plan pays); and
* affordability standards (i.e. the portion of coverage paid for by the employer)

We have worked to ensure that we offer a plan that is affordable and of minimum value, as defined by PPACA, to all of our eligible employees. Our goal is to have a plan where employee contributions for single coverage that will not exceed 9.5% of an established federal income level known as "FPL" and the plan's share of the total allowed benefit costs covered by the plan will be no less than 60% of those costs.

**The Marketplace**

Although our group health plans offer quality insurance at affordable rates, we recognize that some employees may want to explore other insurance options on the “Marketplace”.

The Marketplace is designed to help individuals find health insurance that meets their needs and fits their budget. The Marketplace offers "one-stop shopping" to find and

compare private health insurance options. Individuals may also be eligible for a new kind of tax credit (if certain criteria are met) that can lower their monthly premium for coverage bought through the Marketplace.

Individuals may qualify for tax credits that will enable them to save money and lower monthly premiums for coverage purchased through the Marketplace, **but only if their employer does not offer coverage, or offers coverage that doesn't meet certain standards**. As noted above, we have worked to ensure that we offer a plan that meets these standards established by the new law. Therefore, we do not believe that our benefit eligible employees will qualify for tax credits to purchase coverage in the Marketplace. For individuals who do qualify, the amount of their tax credit will depend on household income.

If an individual’s employer offers health coverage that meets certain standards, **the individual will not be eligible for a tax credit through the Marketplace and may**

**wish to enroll in (or remain on) the employer's health plan**. However, tax credits that lower monthly premiums or a reduction in certain cost-sharing may be available if an employer does not offer coverage at all or does not offer coverage that meets certain

standards. If the cost of an employer’s plan for individuals only (and not any other members of their family) is more than 9.5% of an employee’s household income for the year, or if the employer-provided coverage does not meet the "minimum value" standard set by PPACA, an individual may be eligible for a tax credit.

**Note:** If you purchase a health plan through the Marketplace instead of accepting health coverage that we offer, then **you will lose the employer contribution (if any) to the employer-offered coverage**. **Also, note that employer and employee contributions toward the cost of employer-provided health coverage is typically excluded from income for Federal and State income tax purposes.** **On the other hand, payments for coverage through the Marketplace are made on an after-tax basis. Finally, if you are eligible to participate in our group health plan but decline to do so, you**

**will not be able to participate in the plan until the next open enrollment period, unless a qualifying event occurs. See our group health plan documents for further details.**

For more information about your coverage offered by your employer, please check your summary plan description, Summary of Benefits and Coverage or contact Isaac’s Human Resources Department.

For more information on the Marketplace, including your eligibility for coverage through the Marketplace and its cost, visit [www.HealthCare.gov](http://www.HealthCare.gov) Information available there includes an online application for health insurance coverage and contact information for a Health Insurance Marketplace in Pennsylvania.

**COBRA BENEFITS**

Isaac’s Deli, Inc. complies with the federal law, Consolidated Omnibus Budget Reconciliation Act of 1985, P.L. 99 272, and later amendments, otherwise known as COBRA. Covered employees and their dependents who lose insurance coverage for any of the following reasons are eligible to continue their coverage through COBRA: termination of the covered employee’s employment, reduction in the covered employee’s working hours, divorce or legal separation, death of the employee, eligibility for Medicare or loss of dependent child status under the insurance plan. All administrative rules and processes as well as changes in plan benefits and premiums apply to those on continuation coverage.

In the event of divorce or legal separation, or the loss of dependent child status under the plan, a covered employee or dependent must notify Human Resources within 60 days to maintain the right to continue coverage. At that time, Human Resources will provide enrollment materials to the employee or covered dependent within 14 days of that notification.

The covered employee or dependent has 60 days to elect continuation of coverage from either the date that coverage would ordinarily have ended under the plan by reason of a qualifying event or the date of notification, whichever comes later.

COBRA premiums will be billed and the first premium will be due within 45 days of the date of election. Failure to make timely payments will result in termination of coverage without notice.

COBRA continuation coverage will end for any of the following reasons: Isaac’s discontinues its insurance plan, the premium payment is not made in a timely fashion and the person who elected continuation of coverage becomes covered under another insurance plan or Medicare. Continuation coverage will end after 18 months if the qualifying event was termination or reduction in hours, unless the qualified beneficiary is disabled at the time of termination or reduction in hours, in which case coverage may extend to 29 months. Continuation coverage will otherwise end after 36 months.

**GROUP LIFE INSURANCE**

**Life Insurance Coverage**

Refer to Isaac’s Deli, Inc. health insurance administrator and the current plan in effect for an overview of all options, coverage and cost per pay information, (717) 394-0623.

**Applications and Effective Date**

You must be ELIGIBLE for Isaac’s Deli, Inc. health insurance in order to get the Life Insurance coverage. Enrollment is automatic with the completion of the Health Insurance application or waiver. You will be required to complete a Life Insurance application to establish a beneficiary. Life Insurance is effective with the effective date on your Health Insurance application or waiver.

**SHORT TERM DISABILITY**

**Policy**

The short-term disability benefit provided by Isaac’s Deli, Inc. is a benefit for income replacement for General Managers, Senior Managers and equivalent positions in Maintenance, Liberty Bread and the Corporate Office who are unable to work due to illness, pregnancy/birth or injury.

**Eligibility**

Any benefits eligible General Manager, Senior Manager and equivalent positions in Maintenance, Liberty Bread and the Corporate Office who has completed 24 months of continuous employment with Isaac’s and 12 months in said position and who is unable

to work for more than 14 consecutive days due to illness, pregnancy/birth or injury (other than intentional self-inflicted injuries or unlawful activities) is eligible. In cases where eligibility requirements are in question, FMLA eligibility criteria will apply. FMLA eligibility criteria for this purpose are limited to the employee’s illness, pregnancy/birth or injury (other than intentional self-inflicted injuries or unlawful activities).

The employee must have exhausted all paid time off (PTO). An employee receiving workers’ compensation or disability pay under any state or federal plan is ineligible for this benefit. To be eligible for short term disability benefits, the employee must not engage in outside employment and is expected to avoid activities that may delay recovery and a return to work.

Benefits begin after 14 consecutive days due to illness, pregnancy/birth or injury. In cases where the employee does not have enough accrued PTO to cover all or part off the 14 day period, short term disability benefits may be paid retroactively to the first day absent without PTO coverage. Paid Time Off and Short-Term disability benefits do not run concurrently.

**Medical certification**

The employee must provide medical certification of the disability that includes the starting and expected ending date of the disability. This certification must be submitted to the Senior Manager of People who will review the certification and make a determination on benefit qualification.

**Benefit payment**

The short-term disability benefit payment is 50 percent of the employee’s base bi-weekly salary. The benefit may be paid up to 8 weeks in a rolling 12-month period (calculated by counting backward from the first day of leave). Payments are made on regularly scheduled paydays. The benefit is taxable income. Short-term disability benefits will discontinue if and when long-term disability benefits begin.

Employees on Short-term disability leave continue to be covered by ISAAC’S DELI, INC. group health benefits plan on the same terms that are applicable for active employees. Short-term disability leave does not cause employees to lose any previously accrued employment benefits. If an employee elects to continue health benefits for himself/herself and/or his/her dependents, the employee must continue to make the required employee contributions.

Short-term disability leave is not considered a break in service for determining Paid Time Off eligibility or length of continuous service with the Company.

**Return to work**

The employee must return to work as soon as permitted by his or her health care provider. The employee must submit a fitness-to-return-to-duty clearance to the Senior Manager of People. An employee whose absence has been designated as FMLA (Family and Medical Leave Act) leave is eligible for reinstatement as provided by the FMLA.

At the end of the short term disability benefit period, an assessment will be made to see if the employee qualifies for disability benefits under the Isaac’s Deli, Inc. Long-Term

Disability Plan. If at that time, the employee cannot be certified disabled by the Long-Term Disability Plan Administrator, his or her employment may be terminated with the option for rehire when the employee’s health allows (excluding leaves that are covered under FMLA). If it becomes clear that the employee’s return to work is imminent, after paid Short-Term Disability benefits lapse, a personal leave of absence (policy defined elsewhere) without pay may be authorized by the Senior Manager of People.

Employees with any questions regarding this policy should contact the Senior Manager of People.