

Section 1: General Terms

GENERAL TERMS YOU SHOULD KNOW

The following are general terms used throughout this Handbook. Definitions of terms that are benefit-specific are defined in the applicable sections of this Handbook.

Actively At Work

For all benefits under the Caltech benefits program except for your medical, dental and vision coverage, you must be Actively At Work on the day your coverage under the Caltech benefits program or any election changes you have made to your benefits is to begin. Otherwise, coverage or election changes begin on the day you return to work as a Benefit-Based Employee.

Medical, dental and vision coverage or benefit election changes made during annual enrollment while you are on an unpaid leave of absence will not become effective until you return to work as a Benefit-Based Employee. However, if you are on an approved FMLA leave and your medical, dental and vision coverage is in effect and has not lapsed, any election changes made during annual enrollment will become effective while you are on your FMLA leave.

Refer to the EOCs for each benefit plan's definition of Actively At Work. Generally, Actively At Work means any day that you are performing your duties as a Benefit-Based Employee.

Adopted or Adoption

Refers to legal Adoption or placement for Adoption.

Beneficiary

The person(s) you designate to receive death benefits provided under the Caltech Benefits program in the event of your death.

Benefit-Based Employees

Refer to page 2.3.

Caltech

Refers to California Institute of Technology, including the Jet Propulsion Laboratory (JPL) and all other off-campus facilities. See also "Institute."

Campus or JPL Benefits Office

The Benefits Office on campus is a component of the Human Resources Department of the California Institute of Technology and is responsible for the administration of the Caltech benefits program. The Benefits Office at Jet Propulsion Laboratory (JPL) is responsible for the day-to-day administration of the Caltech benefits plans at JPL.

Change(s) in Status Events

Refer to page 6.3 for the list of qualifying Changes in Status and other IRS-approved events that allow you to add, cancel, or change your elections during the plan year.

COBRA

Under certain circumstances, if you or your covered Dependents lose Caltech medical, dental, vision, Health Care Spending Account coverage or EAP coverage you have a right under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) to a temporary extension of that coverage. See pages 2.22-2.32.

Deductible

The amount of covered expenses that must be paid each year before certain benefit plans will pay its portion of eligible expenses. Refer to each benefit plan's EOC, if applicable, for a description of the deductible amount.

Dental Health Maintenance Organization (DMO)

A dental plan that provides, offers, or arranges for coverage of designated dental services needed by plan members for a fixed, prepaid premium. Services are provided by a participating dentist.

Dependents

Refer to pages 2.4. Dependent coverage eligibility is also subject to state and federal requirements.

Domestic Partners

Refer to Registered Domestic Partners and Same-Sex Domestic Partners, as defined in this section of the Handbook.

Employee Assistance Program (EAP)

The Institute offers an Employee Assistance Program (EAP) to assist employees and eligible dependents in handling personal or work related matters. EAP Services include counseling and referrals to appropriate resources.

Enrollment Period

A period during which a Benefit-Based Employee may add or drop certain benefits and add or drop Dependents without restriction, subject to each specific benefit plan's limitation.

ERISA

The Employee Retirement Income Security Act of 1974. This law mandates, among other items, certain reporting and disclosure requirements for group life, health, and retirement plans. Your ERISA rights are summarized in Section 8, Plan Information. Non-ERISA plans are not subject to the same requirements and mandates. A list of the Caltech plans which shows ERISA/Non-ERISA status is also in the Plan Information Section on pages 8.24.

Evidence of Coverage (EOC)

Refers to the Evidence of Coverage certificates issued by insurance carriers or HMOs. The EOC provides you with a detailed summary of your benefits coverage. This Handbook provides eligibility features of each benefit plan and Caltech-specific policies and procedures. Start with the Handbook and then refer to the applicable EOC. These documents together constitute your Summary Plan Description (SPD) under ERISA. Any terms in the Handbook with respect to eligibility and Caltech-specific policies and procedures shall supersede any items in conflict with the EOC, with the exception of any terms that are required by law or the California regulatory agency with jurisdiction over the insurance carrier or HMO.

Applicable EOCs are posted on the Internet. Please refer to the medical section of the Caltech benefits website at www.benefits.caltech.edu.

Evidence of Insurability (EOI)

Proof presented through a written statement and/or a medical examination that an individual meets the minimum requirements of good health as defined by the individual plan. It is usually only required for late enrollments, certain increases in life coverage, or for coverage over certain limits but will not apply to Medical plan enrollment. Also known as Evidence of Good Health or a Statement of Good Health. Refer to the specific plan for a description of the plan's EOI requirements, if applicable.

Health Maintenance Organization (HMO)

A Health Maintenance Organization (HMO) is an organized system of medical care providers who offer a wide range of medical care services (e.g., pediatrics, internal medicine, surgery, obstetrics, etc.) to its members. HMO members receive medical care for a fixed, prepaid monthly fee. Medical services are usually provided by a primary care physician who may

refer you to other physicians within the HMO network. Claim forms are not required but members pay a copayment for services received under the plan. Only services from providers in the HMO network are covered under the plan.

Health Savings Account

If you enroll in the High Deductible PPO, and you are not enrolled in Medicare parts A and/or B, you can open a Health Savings Account (HSA), which you can fund using employee pre-tax contributions. You can use money in your HSA to pay for your qualified health care expenses that are not otherwise covered. Your unused HSA balance rolls over to the next year and earns interest, so you can build tax-free savings over time.

High Deductible PPO

With the Anthem Blue Cross High Deductible PPO, you receive PPO-type coverage, including the option to seek care with any licensed provider. By using a participating (or in-network) PPO provider, you will not be required to pay for covered services at the time of service, and the claims will be submitted directly to the carrier by the provider. When using a non-participating provider (or out-of-network), the services will cost you more because you pay a higher percentage of covered charges than you would if you used participating providers since their fees may be greater than those negotiated with participating providers.

In addition, the plan includes a Health Savings Account (HSA) option that lets you save using employee tax-free contributions for current and future qualified health care expenses. Your unused HSA balance rolls over to the next year and earns interest, so you can build tax-free savings over time.

HIPAA

The Health Insurance Portability and Accountability Act of 1996. To protect your privacy, federal law sets rules about the proper use and disclosure of your personal health information and gives you certain rights. HIPAA also provides plan participants with special enrollment rights and other benefits-related protections that are applicable to the Caltech benefits program. Refer to pages 2.9 – 2.11 for information on Special Enrollment Events under HIPAA.

Initial Enrollment

The initial enrollment period is the first 31 days after you become eligible to enroll for coverage under the Caltech benefits program. If you wait until after 31 days, you may not enroll for medical or dental insurance or a Health Care or Dependent Care Spending Account until the next annual enrollment period unless you experience a HIPAA Special Enrollment Event or Change in Status Event (see pages 2.9 – 2.11 for information on HIPAA Special Enrollment Events or page 6.2 - 6.4 for information on Change in Status Events). Late enrollment for Supplemental Life and Supplemental Disability insurance will be subject to satisfactory Evidence of Insurability (EOI).

Institute

Refers to the California Institute of Technology, including the Jet Propulsion Laboratory (JPL) and all other off-campus facilities. See also “Caltech.”

Jet Propulsion Laboratory (JPL)

An operating division of the California Institute of Technology, and a Federally Funded Research and Development Center (FFRDC) under NASA sponsorship.

Non-Benefit-Based Employees

Refer to page 2.4.

Preferred Provider Plan (PPO)

A PPO stands for a Preferred Provider Organization. A type of medical plan, such as the Anthem Blue Cross PPO Plan, allows you to use a PPO provider or any non-participating provider each time you need care. By using a PPO provider, you will not be required to pay for covered services at the time of service, and the claims will be submitted directly to the carrier by the provider. When using a non-participating provider, the services will cost you more because you pay a higher percentage of covered charges than you would if you used participating providers since their fees may be greater than those negotiated with participating providers.

Personnel Memoranda (PM)

Personnel Memoranda outlining official Caltech policies with respect to staff employees.

Postdoctoral Scholar

Caltech or JPL Research appointees sponsored by professorial faculty for contractual terms reviewed annually.

Qualified Domestic Relations Order (QDRO)

An order, decree, judgment, or administrative notice (including a settlement agreement) which establishes the rights of another person (the “alternate payee”) to your pension benefits, issued by a domestic relations court or other court of competent jurisdiction, or through an administrative process established under state law which has the force and effect of law in that state and which meets the requirements of ERISA.

Qualified Medical Child Support Order (QMCSO)

An order, decree, judgment, or administrative notice (including a settlement agreement) requiring health coverage for a child, issued by a domestic relations court or other court of

competent jurisdiction, or through an administrative process established under state law which has the force and effect of law in that state and which meets the requirements of ERISA.

Regular Salary

Your base wage or compensation for your regular hours of employment. Salary includes any salary reductions under IRC Section 125, but excludes bonuses, commissions, overtime, extended work week compensation, per diems, shift differential, field rate bonuses, flight bonuses, off-site service pay, and similar payments. With respect to the Institute Retirement Plans only, see page 7.5 for definition of earnings used for Retirement Plan purposes.

Registered Domestic Partner

Under the Caltech benefits program described in this Handbook, Registered Domestic Partners are two adults of the opposite sex, one of whom is at least age 62 and covered under Medicare, or Same-Sex Domestic Partners who have a Certification of Registered Domestic Partnership on file with the California Secretary of State, or other applicable state agencies. Registered Domestic Partners and their Dependents may be enrolled as Dependents in a Benefit-Based Employee’s medical, dental, vision, group life and personal accident insurance (PAI) plan, provided the general terms and conditions of coverage for the respective plans are met. Medical coverage payments for Registered Domestic Partners are exempt from taxation by the State of California. The Tax Savings Plan and spending accounts are available only for Registered Domestic Partners who are Tax-Qualified Dependents under the Internal Revenue Code. Employer-provided coverage for a Registered Domestic Partner who is not a Tax-Qualified Dependent, will be subject to “imputed income.” Contact the Campus or JPL Benefits Office for a tax information sheet.

Registered Domestic Partners and their covered Dependents are eligible for continuation of medical, dental and vision insurance benefits similar to COBRA and have similar conversion rights under medical, vision, group life and PAI coverage. Contact the Campus or JPL Benefits Office regarding Registered Domestic Partner certification, termination and rates.

Same-Sex Domestic Partner

Under the Caltech benefits program described in this Handbook, Same-Sex Domestic Partners are two adults of the Same-Sex who have a Certification of Domestic Partnership on file with the Campus or JPL Benefit Office and who have registered with the California Secretary of State, or other applicable state agencies. Same-Sex Domestic Partners and their Dependents may be enrolled as Dependents in a Benefit-Based Employee's medical, dental, vision, group life and personal accident insurance (PAI) plans, provided the general terms and conditions of coverage for the respective plans are met. The Tax Savings Plan and spending accounts are available only for Same-Sex Domestic Partners who are Tax-Qualified Dependents under the Internal Revenue Code. Employer-provided coverage for a Same-Sex Domestic Partner who is not a Tax-Qualified Dependent, will be subject to imputed income. Contact the Campus or JPL Benefits Office for a tax information sheet.

Registration with a state agency is not required for those enrolled prior to January 1, 2011.

Same-Sex Domestic Partners and their covered Dependents are eligible for continuation of medical, dental and vision insurance benefits similar to COBRA and have similar conversion rights under medical, group life and PAI coverage. Contact the Campus or JPL Benefits Office regarding Same-Sex Domestic Partner certification, termination, rates, and a tax information sheet.

Spouse

Under the Caltech benefits program described in this Handbook a spouse refers to your husband or wife under a legally valid marriage. Spouses and their Dependents may be enrolled as Dependents in a Benefit-Based Employee's medical, dental, vision, group life and personal accident insurance (PAI) plans, provided the general terms and conditions of coverage for the respective plans are met. The Tax Savings Plan and spending accounts are available only to spouses who are Tax-Qualified Dependents.

Summary Plan Description (SPD)

A description of a benefits plan or program available to persons covered by those plans as required by the Employee Retirement Income Security Act (ERISA). The SPD consists of the California Institute of Technology Benefits Handbook and the Evidence of Coverage certificates issued by the insurance carrier or HMO for your medical, dental and vision plans.

Tax-Qualified Dependent

A Dependent, Domestic Partner or child of your Domestic Partner, as applicable, who meets the requirements of Section 152 of the Internal Revenue Code.

Generally, this means all of the following requirements are met:

- The individual lives with you as a member of your household for the full tax year.
- He or she is citizen, national or legal resident of the United States; or a resident of Canada or Mexico; or a child being adopted by a US citizen or national.
- He or she receives more than 50% of his or her financial support from you.

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- He or she is not anyone else's Section 152 dependent.

Subject to the terms of eligibility under this Plan, if coverage is provided to a Domestic Partner or child of your Domestic Partner, as applicable, who are not your Tax-Qualified Dependents, the amount of that coverage will be subject to imputed income and you will not be able to pay for their coverage on a pre-tax basis. You may wish to consult with your tax advisor to determine if your Dependent qualifies as a Tax-Qualified Dependent.

Contact the Campus or JPL Benefits Office if you have any questions or for more information.

Total Disability or Disability

Please refer to the medical Evidence of Coverage (EOC), and the group life and LTD sections in this Handbook for plan-specific definitions of Total Disability or Disability. Please refer to the medical section of the Caltech benefits website at www.benefits.caltech.edu (under the health tab).