

Union Hardware, Inc.

ESTABLISHED 1914

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Employee Benefits Overview

11/06 – 10/07

Below is a brief description of the major benefits each full time Union Hardware employee receives. The descriptions below are intended to provide a quick reference to the employee and does not attempt to explain all of the details and finer points of any given benefit. In all cases, the employee handbook or plan documents will supersede any error or inaccuracy that may be listed below.

HEALTH INSURANCE

Health care is provided to eligible, full-time employees through **MAMSI Life and Health Insurance Company**. Your plan is Optimum Choice which is a Point of Service Plan (POS). You may access physicians in the MAMSI network and services which will be covered at 100% (you pay a \$20 copay for services provided by your Primary Care Physician and a \$30 copay for Specialists-you must obtain a referral from your PCP before going to a Specialist). A Preferred Provider upgrade is also available at an additional charge which will allow you to go to in plan and out of plan providers without the need of a referral. Through this medical plan you have access to a large network of doctors and specialists. If you have eligible dependents, you may obtain coverage for them as well.

Costs Per Pay Check:	Month 4-12	Month 13+
Single Rate HMO	\$90.55	\$0.00
Family Rate HMO	\$391.51	300.96
Single Rate PPO	\$124.03	\$57.68
Family Rate PPO	\$536.87	\$470.52

Eligibility for medical coverage is provided on the 1st of the month following 90 days of employment. For additional information on your health benefits, specific coverage's, eligibility periods, employee costs, exclusions, limitations and benefits payable, please refer to your Summary Plan Description and/or insurance company brochures.

DENTAL INSURANCE

Dental care is provided to eligible, full-time employees through **MAMSI Life and Health Insurance Company**. If you elect medical coverage, you must enroll in the dental plan as well. You may choose dentists in-network or out-of network and benefits will be provided on 3 Levels: Level I-Preventative Services are covered (~ 100%, Level II-Basic Services ~80% and Level III- Major Services (~ 50%. Levels II and III are subject to a \$50 per participant deductible. The annual maximum benefit provided is \$1500. As with the medical plan, services are paid at a higher reimbursement level and you cannot be balanced billed if in-network dentists are utilized. Dependent coverage is also available to employees who wish family coverage at group rates.

For additional information regarding dental coverage's, eligibility periods, employee costs, exclusions, limitations and benefits payable, please refer to your Summary Plan Description and/or insurance company brochures.

PRESCRIPTIONS

Prescription Coverage for eligible, full-time employees is provided by **MAMSI Life and Health Insurance Company**. You have a \$0 deductible and are subject to a \$15 copay for Generic drugs, \$20 copay for Brand Formulary drugs and a \$30 copay for Brand Non-formulary drugs. Drug formularies are provided to all participating physicians.

For additional information regarding prescription coverage's, employee costs, exclusions, limitations and benefits payable, please refer to your Summary Pan Description and/or insurance company brochures.

LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

Union Hardware provides Group Life Insurance and Accidental Death and Dismemberment Insurance through **American Capital Life Insurance Company**. Your current Group Life Insurance and Accidental Death and Dismemberment Benefit is a Flat \$15,000.00. For additional information regarding eligibility, exclusions, limitations and benefits payable, please refer to your employee booklets. *This benefit is 100% employer paid, with no cost to you.*

EMPLOYEE ASSISTANCE PROGRAM

NHNet, provides Union Hardware employees and their families with free, confidential assistance to help in resolving problems that affect their personal lives and job performance. MCNet provides assessment, referral and short-term counseling for a variety of problems.

The EAP deals with any problem that affects an employee and his/her ability to perform on the job. Problems may include: marital difficulties, family problems, drugs, alcohol, children, emotional, legal, etc. The philosophy is prevention and early intervention. MCNet provides assistance before these problems interfere in the workplace.

Eligibility for the EAP begins from your first day of employment with Union Hardware and covers you and your entire household. *This benefit is 100% employer paid, with no cost to you.*

PROFIT SHARING

ING. is the provider used for Union Hardware's profit sharing plan. A Profit Sharing Plan offers tax-deferred growth, and employees do not have to pay tax on contributions made to their accounts. Union Hardware makes a discretionary contribution to each employees account based on profits after the end of our fiscal year. The amounts contributed will vary from year to year, and may not be made in some years if the business is not appropriately profitable.

Each eligible employee will have an account set up for all employer contributions to be deposited into. Although the employee will receive statements that show these funds within their account, the actual amount that would be available to an employee will ultimately be determined by the years of service to Union Hardware (see vesting schedule below).

The enrolment eligibility requirements are: A full time employee must be with Union Hardware at least 6 months prior to one of two enrolment dates each year. These dates are May 1st and November 1st.

The vesting schedule is as follows:

Years of Service	Percentage of funds
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

Funds may be made available to the employee at the age of 59 1/2, disability, death or retirement. See the plan booklet for additional information. *This benefit is 100% employer paid, with no cost to you.*

401K

ING. is the provider used for Union Hardware's 401K plan. The employee may choose to reduce their compensation and have the amounts contributed to the 401K plan. The employee does not pay federal income tax on pre-tax contributions or earnings under the plan, until they are distributed.

Union Hardware, at its discretion, will match a percentage of the employee contribution at the end of each year. The funds that are contributed by Union Hardware are available to the employee based on the same vesting schedule that is listed for the profit sharing plan. All employee deferred funds are 100% vested regardless of years of service.

Funds may be distributed to the employee at the age of 59 1/2, disability, death or retirement. See the plan booklet for additional information. *This benefit is completely voluntary.*

PERSONAL TIME OFF (PTO)

Union Hardware offers its full-time employees PTO because we believe that sufficient rest and relaxation is important to the well-being of our employees. We therefore encourage all regular full-time employees to use the full amount of their accrued PTO each year.

Regular full-time employees are eligible to accrue PTO according to the following schedule:

Years of Employment PTO Accrual Rate

4th month - 1 year:	2.0 hrs per week (up to 10 days annually);
1 - 2 years:	1.92 hrs per week (up to 12.5 days annually);
2 - 10 years:	2.31 hrs per week (up to 15 days annually);
10+ years:	3.08 hrs per week (up to 20 days annually).

PTO starts to accrue on the first day of the month following the month in which you complete three (3) months of employment.

HOLIDAYS

Union Hardware observes the following Company Holidays by closing for business:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Rosh Hashanah
- Yom Kippur
- Thanksgiving Day
- Christmas Day

If you are a full-time employee, you will receive eight hours of pay (“Holiday Pay”) for each Company Holiday that falls on one of your regularly scheduled work days.

In addition to Company Holidays, full-time employees may schedule time off to observe individual holidays by submitting to their manager a request for leave at least ten (10) business days in advance of the holiday.

Permission will be granted subject to the operating needs of your department. If you have accrued, unused PTO, your individual holiday observance is charged against that time and is treated as a day off with pay. If you do not have any accrued, unused PTO, you may still take time off to observe individual holidays, but it is considered approved leave without pay.

SmartBenefits

Through a payroll deduction, Union Hardware staff members can buy Washington Area Metro Transit Authority (Metro) transit fare and parking fees through SmartBenefits® with pre-tax income. An employee who gets the transit maximum benefit of \$1,260 per year (\$105 per month) may save around \$525 or 40 percent per year in FICA and federal (and in many cases, state or local) income tax.