



A GUIDE TO THE RECORDING ACADEMY® EMPLOYEE BENEFITS

Effective August 2022

GET TO KNOW OUR BENEFITS

The Recording Academy and its affiliated entities are pleased to present this overview of our employee benefits plan. We offer a variety of benefits to help employees take good care of themselves and their family. Regular, full-time or part-time employees who are scheduled to work at least 20 hours per week are eligible to participate in these plans. Coverage under these plans begins on the first day of the month following the date of hire.

Eligible dependents may be also enrolled in medical, dental, and vision coverage, as well as some of our voluntary benefit plans. Eligible dependents include:

- Spouses;
- Qualified domestic partners;
- Children up to age 26;
- Mentally or physically disabled adult children, if they live with and depend on the covered employee for support.

MEDICAL PLAN

The Recording Academy gives a choice of two medical plans: the Blue Shield Health Maintenance Organization (HMO) Plan (CA only) and the Blue Shield Preferred Provider Organization (PPO) Plan. The choice of plan will depend on health care needs, budget, and the amount of flexibility required when choosing a provider.

How the HMO Works. An HMO is a network of doctors and health care facilities that provide medical services at little or no out-of-pocket cost to plan members. There are no deductibles to pay and no claim forms to fill out. Employees make a small copayment (usually \$10) for certain services, like routine visits to the doctor; other care, such as hospitalization, is covered at no additional charge. When employees enroll in the HMO, they (and each of their enrolled dependents) must choose a primary care physician (PCP) from the Blue Shield HMO network. That physician will oversee all medical care, including any referrals to a specialist that may be necessary.

Remember, all non-emergency medical care must be received within the HMO network – and under a PCP's direction – or the plan will not pay benefits.

How the PPO Works. A PPO is a network of doctors and hospitals that have agreed to provide services to plan members at special discounted rates. Employees can go to any doctor they like within the PPO network, including specialists. Blue Shield has more than 77,000 providers and 380 hospitals throughout the state, so finding excellent care within the PPO network should not be a problem. Participants are able to go to a doctor or health care facility that does not belong to the PPO network—but out-of-pocket costs will be higher.

When enrolled in the PPO, employees must pay a portion of most medical expenses each calendar year before the plan will pay benefits; this amount is called a “deductible.” The combined deductible for in-network and out-of-network is \$250 per person; the family deductible is \$750. After the deductible is paid, employees will pay a portion of the cost for health care services received; this amount is called “coinsurance.” If the share of medical expenses reaches an amount called the “out-of-pocket maximum,” coinsurance will not apply for the rest of the calendar year.

■ **Maximum Savings and Convenience:** Using the PPO Network. If employees receive health care services from a provider within the PPO network, coinsurance will usually be 10% of the PPO provider's discounted rates. The annual out-of-pocket maximum for PPO network care is \$1,750 per person/\$3,500 per family. There are no claim forms or other paperwork to complete when going to a PPO network provider.

■ **Maximum Freedom of Choice:** Going Outside the PPO Network. If employees receive health care services from an out-of-network provider, coinsurance will be 30% for most services. The annual out-of-pocket maximum for out-of-network care is \$3,250 per person / \$6,500 per family. When an out-of-network provider is used, the plan pays benefits based on what Blue Shield has determined is the maximum allowable charge for a particular medical service in the area. If a doctor charges more than the allowable amount covered by the plan, employees will have to pay the difference (in addition to the deductible and coinsurance). Also, the full cost of medical services may be due up front when going to an out-of-network provider. A claim will need to be filed with Blue Shield in order to be reimbursed for the covered amount.

OUR RESOURCES

Blue Shield of California PPO Plan
Blue Shield of California HMO Plan
Cigna Life and Disability (STD and LTD)
Delta Elite Dental Plan
Vision Service Plan (VSP)
The Holman Group EAP

www.blueshieldca.com
www.blueshieldca.com
www.cigna.com
www.deltadentalca.com
www.vsp.com
www.holmangroup.com

DENTAL PLAN

The Delta Elite dental plan is a preferred provider program that gives employees the option of receiving treatment from any licensed dental provider. Dentists who are members of Delta's extensive preferred provider network will be eligible for Delta's special discounted rates to reduce out-of-pocket costs. Also, there are no claims forms to fill out when going to a network dentist.

VISION PLAN

Vision care coverage is provided through Vision Service Plan (VSP). Under this plan, employees can choose between in-network and out-of-network providers – but will receive a higher level of benefits, and enjoy greater convenience, if a provider in the VSP network is used. There is a \$10 exam copayment and a \$25 material copayment. If a VSP vision care provider is used, eye exams are covered in full after a \$10 copayment; lenses are covered in full up to the plan allowance after the \$25 material copayment; frames are covered in full up to \$150 once every two years, or choose elective contact lenses, which are covered up to \$120/year. If an out-of-network provider is used, employees will be reimbursed for exams and eyewear according to a schedule of allowances.

401(k) PLAN

The Recording Academy offers a 401(k) plan to help employees prepare for a comfortable retirement. The plan allows for both pre-tax and Roth 401(k) contributions, and the Recording Academy will match 50% of any employee contributions, up to the IRS limit. All employer contributions are subject to a 6-year graded vesting schedule.

TIME OFF & SPECIAL PERKS

Paid Vacation: Regular, full-time employees below the director level will have a starting vacation accrual of 80 hours per year. Regular, full-time employees that are director level and above, will have a starting accrual rate of 120 hours per year. Any part time employees would start at half of the applicable rate.

Sick Time: All regular, full-time employees accrue 72 hours of sick leave per calendar year. Regular, part-time and temporary employees accrue 48 hours of sick leave per calendar year.

Floating Holidays: Regular, full-time employees are entitled to a total of 32 hours of floating holiday per fiscal year. Regular, part-time employees are eligible for 16 hours of floating holiday per fiscal year.

Holidays: Employees will also receive at least 18 company paid holidays.

The Recording Academy also provides its employees with LinkedIn Learning memberships, Tuition Reimbursement, Dashpass, and Financial Advisory Services. The Recording Academy also offers special fringe benefits including discount auto and home owners' insurance and discounted gym memberships (in cities where applicable).

DISABILITY INSURANCE

The Recording Academy provides company-paid short-term disability (STD) and long-term disability (LTD) coverage through Cigna, to help protect income if an employee becomes disabled and is unable to work. The STD plan pays the lesser of 60% of weekly earnings or a maximum weekly benefit of \$2,308, if an accidental injury or illness keeps an employee out of work for 8 days or more. The LTD plan pays the lesser of 60% of a monthly salary or the maximum monthly benefit of \$15,000 if an employee has a disabling condition that lasts beyond 90 days. Employees must be classified as a full-time, working at least 30 hours a week in order to receive the STD and LTD benefit.

LIFE AND AD&D INSURANCE

Employees receive company-paid life and accidental death and dismemberment (AD&D) insurance through Cigna. The benefit amount under each plan is equal to two times an employee's annual base salary, up to a maximum benefit of \$750,000. The plan has a "guarantee issue" amount of \$500,000, which means no medical questions will be asked for coverage under \$500,000. Amounts over the "guarantee issue" will be subject to medical review.

FLEXIBLE SPENDING ACCOUNTS (FSAs)

FSAs allow for savings by paying certain health and dependent care expenses on a before-tax basis. Employees may set aside up to \$3,050 per year for the health care FSA and up to \$5,000 per year for the dependent care FSA (when their tax filing status is "married filing jointly" or "head of household"). Money put in these accounts is not taxed, which means more take-home pay.

VOLUNTARY BENEFITS

An array of voluntary benefit plans are available, some of which include supplemental life insurance for employees and their dependents, long term care options, and pretax transportation deductions. If an employee opts to enroll in any of these plans, they will pay the full costs of the coverage through payroll deductions.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

If an employee (or their spouse or child living in the same home) needs help with a difficult situation affecting their home or work, the EAP is available 24 hours a day. This program is provided by the Recording Academy at no cost to employees and is administered by The Holman Group. The EAP provides strictly confidential counseling through outside professionals to help manage a variety of issues, including family concerns, stress, depression, substance abuse, work-related conflict, and legal matters. The EAP will cover up to eight (8) free, in-person counseling sessions for each problem per year.