INTRODUCTION

The University of Maine System is proud to offer employees the UMS Select employee benefits program. This program has been designed to meet two important goals:

- Provide benefits for a variety of needs and lifestyles;

- Keep benefits affordable for everyone.

In this enrollment booklet you will find descriptions of health and other benefits designed with flexibility to afford you an opportunity to create your own personalized benefits package. You can elect the coverage that best suits your needs and those of your family. Please take the time to carefully read this information so you may better understand your benefits. The benefits described in this booklet are effective January 1, 2006.

This enrollment booklet provides a summary of your benefits. Full details, including exclusions, are available in the legal plan documents and insurance contracts that officially govern each plan. If there is a conflict between any information in this booklet and the legal plan documents and contracts, the legal plan documents and contracts shall be controlling.

The University of Maine System hopes and expects to continue these plans indefinitely, but reserves the right to make changes to the plans or to discontinue the plans at any time.

NOTE: You may be eligible for some or all of the benefit programs described in this booklet. Please contact your Campus Benefits Office if you have questions regarding your eligibility for these programs or visit www.maine.edu/bene.html

ANNUAL ENROLLMENT

The elections you make now will be in effect for the 12-month period from January 1 through December 31, 2006. Outside of the enrollment period, you may change your elections only if you have a “qualifying status change” as defined by law.

You may change your elections to reflect your change in status within 31 days of the actual event. A change in status generally means:

- marriage or divorce
- birth or adoption of a child
- death of a dependent
- change in your or your spouse’s employment status

If you have a status change and wish to modify any of your elections or coverage amounts, please contact your Campus Benefits Office or access the appropriate forms at www.maine.edu/bene.html.

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</tbody>
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ELIGIBILITY

Employees eligible for the University of Maine System benefits described in this enrollment booklet include:

- Active full-time regular and part-time regular employees who work at least 50% of full-time employee hours;
- Employees with shared appointment status;
- Employees participating in the Partial Phased Retirement Program;
- Part-time faculty who meet eligibility criteria based on past service and current workload;
- Benefits Regular (BR) employees defined as part-time regular employees (other than faculty), who have at least five years of continuous, regular, full-time equivalent University service (this includes employees who were full-time, but have reduced to part-time status, and employees who have always worked in a part-time capacity);
- Foreign visiting faculty participating in a University of Maine System exchange program; and
- Retired employees, widows/widowers, and former employees on Long Term Disability and COBRA beneficiaries (medical and dental only).

If you have questions regarding your eligibility for coverage, please contact your Campus Benefits Office.

COVERAGE EFFECTIVE DATES

In general, medical, life, long term disability and AD&D insurance coverage commence on the date of hire or on the date of eligibility as long as the employee enrolls within 31 days of that date. For life and AD&D insurance, you must be actively at work on the effective date for coverage to begin.

Once an employee is eligible, short-term disability insurance coverage commences 31 days after the employee enrolls for coverage.

Once an employee is eligible, dental coverage is available the first of the month following date of hire (faculty only) or the first of the month following one full month of employment for all other eligible employees.

Your dependents are eligible for coverage on the same day as you. Eligible dependents include your spouse, domestic partner, or unmarried, dependent children under age 23.

Domestic partners must meet the University of Maine System eligibility requirements. A signed affidavit is required. Contact your Campus Benefits Office if you have questions.

All subsequent references to “spouse” in this booklet also apply to domestic partners.

TERMINATION OF COVERAGE

Your short and long-term disability coverage end on the day on which you terminate employment.

Medical, dental and life coverage continue until the end of the month in which separation occurs. You may be able to continue your medical and dental care coverage under COBRA if your employment terminates.
MEDICAL PLANS

Choosing which benefit options are right for you is one of the most important decisions you make all year. Medical coverage is among your most valuable benefits. It's also a benefit you may not think about often — until you need it. The University of Maine System offers a choice between two different medical plans, both of which cover a wide range of services, from hospitalization to doctor's office visits, from prescription drugs to surgery. Whichever medical plan you select, you can be sure that it is there to protect you from financially burdensome medical bills. Please refer to the Anthem Blue Cross and Blue Shield (Anthem BCBS) benefit summary for details at www.maine.edu/bene.html.

During this Open Enrollment, you have the option to:

❖ Enroll in or drop coverage
❖ Change plans
❖ Add or delete eligible dependents

Simply complete the Personal Enrollment Form previously sent to your home and return it to your Campus Benefits Office.

COMP-CARE
COMPREHENSIVE GROUP HEALTH PLAN

The COMP-CARE Plan is insured with Anthem BCBS. This program allows complete freedom of provider choice so that participants needing care may select any medical care provider they wish. However, before charges are covered, you must satisfy an annual deductible and pay 20% of the provider's billed charges. Once your annual out of pocket charges are satisfied, covered services are paid at 100%.

This program requires pre-certification and utilization review by Anthem BCBS for inpatient hospital stays and other listed procedures.

HMO CHOICE
POINT-OF-SERVICE (POS) PLAN

The POS plan is also insured with Anthem BCBS, and overall, offers a higher level of benefits than the COMP-CARE Plan.

The POS plan is a managed care program that utilizes a network of health care providers.

The Anthem BCBS network currently includes all hospitals in Maine and is the largest physician network in Maine. The network includes primary care physicians, as well as specialty providers such as internists, chiropractors, cardiologists and neurologists.

You can log onto the Anthem BCBS website at www.anthem.com for an online provider directory or call Anthem directly at 1-800-527-7706 to obtain a hardcopy.

Each participant must choose a network provider to act as his or her Primary Care Physician. Primary Care Physicians are responsible for coordinating the care of their patients to ensure that patients receive the most appropriate care available.

Participants in the POS program have the option to use network or non-network providers.

Participants using network providers are covered 100% for hospitalization and pay only a co-payment for physician services. There are no deductibles or claim forms when using network providers.

Participants choosing to use non-network providers receive benefits similar to the COMP-CARE Plan, but with a higher out of pocket maximum. When you receive care outside the network, this program also requires pre-certification and utilization review by Anthem BCBS for inpatient hospital stays and other listed procedures.
The full cost of the University Group Health Plan Coverage ranges between $440 and $1,308 per month depending on the plan and coverage level selected. For specific employee contributions to the premium, refer to the appropriate chart below.

### TOTAL MONTHLY GROUP HEALTH PREMIUMS FOR UNIVERSITY EMPLOYEES

<table>
<thead>
<tr>
<th></th>
<th>TOTAL</th>
<th>Single Coverage</th>
<th>Single +One Coverage</th>
<th>Family Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comprehensive</strong></td>
<td>Monthly Premium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$467.16**</td>
<td></td>
<td>$1,027.80**</td>
<td>$1,308.06**</td>
</tr>
<tr>
<td></td>
<td>$480.48#</td>
<td></td>
<td>$1,057.11#</td>
<td>$1,345.36#</td>
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<tr>
<td><strong>Point-of-Service</strong></td>
<td>Monthly Premium</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$440.23**</td>
<td></td>
<td>$968.49**</td>
<td>$1,232.62**</td>
</tr>
<tr>
<td></td>
<td>$452.79#</td>
<td></td>
<td>$996.11#</td>
<td>$1,267.78#</td>
</tr>
</tbody>
</table>

### EMPLOYEE SHARE OF GROUP HEALTH PREMIUMS

**Comprehensive Health Plan and Point of Service Plan Health Plan**

For Full-Time Regular* Active Employees – Effective JANUARY 1, 2006

Premium Contributions are subject to change through collective bargaining and University policy.

<table>
<thead>
<tr>
<th></th>
<th>Single Coverage</th>
<th>Single +One Coverage</th>
<th>Family Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Faculty (full-time) – Monthly Premium</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$40.62</td>
<td>$99.12</td>
<td>$128.36</td>
</tr>
<tr>
<td><strong>Non-Represented Professional (including Law School Faculty) - Monthly Premium</strong></td>
<td>57.23</td>
<td>136.47</td>
<td>176.09</td>
</tr>
<tr>
<td><strong>UMPSA - Monthly Premium</strong></td>
<td>39.89</td>
<td>97.32</td>
<td>126.04</td>
</tr>
<tr>
<td><strong>Non-Rep. Classified Confidential/University Supervisors – Biweekly Premium</strong></td>
<td>26.41</td>
<td>62.99</td>
<td>81.27</td>
</tr>
<tr>
<td><strong>COLT, Police &amp; Service &amp; Maintenance - Biweekly Premium</strong></td>
<td>18.41</td>
<td>44.92</td>
<td>58.17</td>
</tr>
</tbody>
</table>

### EMPLOYEE SHARE OF GROUP HEALTH PREMIUMS

For Eligible Part-Time Active Employees – Effective JANUARY 1, 2006

Premium contributions are subject to change through collective bargaining and University policy.

<table>
<thead>
<tr>
<th></th>
<th>Single Coverage</th>
<th>Single +One Coverage</th>
<th>Family Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comprehensive Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biweekly Premium</td>
<td>$107.81**</td>
<td>$237.19**</td>
<td>$301.86**</td>
</tr>
<tr>
<td></td>
<td>110.88#</td>
<td>243.95#</td>
<td>310.47#</td>
</tr>
<tr>
<td>Monthly Premium</td>
<td>233.58**</td>
<td>513.90**</td>
<td>654.03**</td>
</tr>
<tr>
<td></td>
<td>240.24#</td>
<td>528.56#</td>
<td>672.68#</td>
</tr>
<tr>
<td></td>
<td>186.86+</td>
<td>411.12+</td>
<td>523.22+</td>
</tr>
<tr>
<td><strong>Point of Service Plan</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biweekly Premium</td>
<td>101.59**</td>
<td>223.50**</td>
<td>284.45**</td>
</tr>
<tr>
<td></td>
<td>104.49#</td>
<td>229.87#</td>
<td>292.56#</td>
</tr>
<tr>
<td>Monthly Premium</td>
<td>220.12**</td>
<td>484.25**</td>
<td>616.31**</td>
</tr>
<tr>
<td></td>
<td>226.40#</td>
<td>498.06#</td>
<td>633.89#</td>
</tr>
<tr>
<td></td>
<td>176.09+</td>
<td>387.40+</td>
<td>493.05+</td>
</tr>
</tbody>
</table>

* Also includes BR status employees, shared appointments, and partial/phased retirement.

** All other employees (including Law School Faculty).

# Represented and Non-Represented Full-Time Faculty (excluding Law School Faculty), UMPSA, COLT, POLICE, and Service & Maintenance.

@ Subject to ratification where appropriate.

+ Part-Time Temporary Faculty in CBUnit F with 6 or more service units.

HltPremRteJan2006
PRESCRIPTION DRUG COVERAGE

Both medical plan options offered by the University of Maine System provide employees with prescription drug coverage.

All employees are covered for both generic drugs and brand name drugs. Because brand name drugs are typically more expensive than generic drugs, you should ask your physician to prescribe a generic drug, if appropriate.

All HMO Choice (POS) and COMP-CARE enrollees have the opportunity to use the mail order program. The mail order program allows you the convenience of having a three-month supply of maintenance drugs delivered right to your home!

If you have any questions on how to best utilize your prescription drug coverage, please feel free to call Anthem BCBS at 1-800-527-7706.
DENTAL PLANS

Because it is important to maintain your oral health, the University of Maine System provides employees the opportunity to purchase dental coverage.

The dental program available to you varies based on your employment status. All of the programs offer comprehensive dental coverage including preventive and routine care, minor and major restorative services and orthodontic coverage.

Northeast Delta Dental insures the dental programs. Northeast Delta Dental has a comprehensive network of dental care providers. To the extent that you use network providers, you benefit from:

- Negotiated fee schedules
- Protection from “balance billing”
- Providers submitting claims for you

For a list of participating Delta Dental providers, visit their website at www.nedelta.com or call Delta Dental directly at 1-800-832-5700.

If you have questions regarding whether you are eligible to participate in a dental program, please contact your Campus Benefits Office. Included in this booklet are two charts outlining dental coverage. Faculty should refer to the chart on page 16; all other eligible University employees should use the chart on page 17.

There will be no increase in Faculty (excluding Law School Faculty) dental premiums for calendar year 2006. All other employee dental premiums (including Law School Faculty) will see a modest increase in dental premiums effective with premiums deducted in January, 2006. Please refer to dental charts on pages 16 and 17 for specific premium amounts.

Dental premiums for biweekly employees are deducted in 24 equal installments over the course of the calendar year, rather than 26. In those 2 months during the year when there is a third biweekly pay, biweekly employees will have a dental premium holiday, with no premium deducted.

During this Open Enrollment, you have the option to:

- Enroll or drop coverage*
- Add or delete eligible dependents

Simply complete the Personal Enrollment Form previously sent to your home and return it to your Campus Benefits Office.

*Eligible full-time faculty (excluding law faculty) are required by the collective bargaining agreement to participate in single dental coverage. They may add or remove dependent coverage but may not drop coverage on themselves during the open enrollment.

<table>
<thead>
<tr>
<th>Delta Dental Group Numbers:</th>
</tr>
</thead>
<tbody>
<tr>
<td>6384-5000 – Faculty (Excluding Law Faculty)</td>
</tr>
<tr>
<td>6289-1000 – COLT (ACSUM)</td>
</tr>
<tr>
<td>6289-1000 – UMPSA (Represented Professional and Administrative Staff)</td>
</tr>
<tr>
<td>6289-1000 – NREP (Non-Represented Classified, Professional &amp; Law Faculty)</td>
</tr>
<tr>
<td>6289-1000 – Polic (Police)</td>
</tr>
<tr>
<td>6289-1000 – S&amp;M (Service &amp; Maintenance)</td>
</tr>
<tr>
<td>6289-1002 – Retiree</td>
</tr>
</tbody>
</table>
LIFE INSURANCE

Because it is important to provide financial security for those you care about in the event of your death, the University of Maine System provides a basic life insurance benefit at no cost to you.

In addition, the University of Maine System allows you to purchase additional coverage for you, your spouse, and your dependent children. The life insurance program is insured through Prudential.

BASIC LIFE INSURANCE

The University of Maine System provides you with insurance equal to your annual salary, rounded up to the next highest $1,000. In the event of your death, your life insurance benefits are paid to your designated beneficiary(ies).

If you wish to change your beneficiary(ies) or designate multiple primary or contingent beneficiaries, complete the Beneficiary Designation form included with the open enrollment materials previously sent to your home and return it to your Campus Benefits Office.

OPTIONAL LIFE INSURANCE

You may elect to purchase 1, 2, 3, 4 or 5 times your annual salary in additional life insurance coverage. However, the combination of basic and optional life insurance cannot exceed $1,000,000. You pay for the optional life insurance at low group rates through payroll deductions.

During this open enrollment, you may increase your existing coverage one multiple of your salary, up to the guarantee limit (the lesser of 3 times your salary or $300,000). If you elect to increase by more than 1 multiple or to 4 or 5 times, or if your coverage will exceed $300,000, you must submit an Evidence of Insurability form. If you currently do not have optional life coverage, you can enroll for 1 times your salary without submitting an Evidence of Insurability form.

If you wish to enroll for more than 1 times your salary, Evidence of Insurability is required. Evidence of Insurability forms are available from your Campus Benefits Office.

How to calculate the cost of your optional life insurance election:

1. Enter your annual salary
2. Enter your election (1-5x)
3. Multiply #1 times #2
4. Round to next highest 1,000
5. Divide #4 by 1,000
6. Enter the monthly or biweekly cost for your age
7. Multiply #5 times #6

Cost of Optional Life Insurance

<table>
<thead>
<tr>
<th>If your age is:</th>
<th>Monthly</th>
<th>Biweekly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>$0.04</td>
<td>$0.02</td>
</tr>
<tr>
<td>35 – 39</td>
<td>$0.07</td>
<td>$0.03</td>
</tr>
<tr>
<td>40 – 44</td>
<td>$0.10</td>
<td>$0.05</td>
</tr>
<tr>
<td>45 – 49</td>
<td>$0.17</td>
<td>$0.08</td>
</tr>
<tr>
<td>50 – 54</td>
<td>$0.28</td>
<td>$0.13</td>
</tr>
<tr>
<td>55 – 59</td>
<td>$0.46</td>
<td>$0.21</td>
</tr>
<tr>
<td>60 – 64</td>
<td>$0.60</td>
<td>$0.28</td>
</tr>
<tr>
<td>65 – 69</td>
<td>$0.95</td>
<td>$0.44</td>
</tr>
</tbody>
</table>

The amount calculated on line 7 is your cost for optional insurance. This is the amount that will be deducted on a monthly or biweekly basis. Coverage ceases at age 70.

If you wish to change your beneficiary or designate multiple primary or contingent beneficiaries, please complete the Beneficiary Designation form included with your open enrollment materials previously sent to your home and return it to your Campus Benefits Office.
SPOUSAL LIFE INSURANCE
You may also want to financially protect yourself and your dependents in the case of loss of your spouse. To meet this need, the University of Maine System program allows you to purchase coverage for your spouse. The amount of insurance is purchased in $10,000 increments, up to a maximum of $50,000. Spousal life insurance cannot exceed 1/2 your own combined basic and optional life insurance amount.

During this open enrollment, you can increase your spousal life insurance by 1 increment of $10,000 without providing Evidence of Insurability. Greater increases require an Evidence of Insurability form, which you can get from your Campus Benefits Office.

How to calculate the cost of your spousal life election:
1. Enter amount selected
   ($10,000, $20,000, $30,000, $40,000 or $50,000)
2. Divide by 1,000
3. Enter the monthly or biweekly cost for your spouse’s age
4. Multiply #2 times #3

Cost of Spousal Life Insurance
All costs per $1,000 of coverage

<table>
<thead>
<tr>
<th>Spouse age</th>
<th>Monthly</th>
<th>Biweekly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 35</td>
<td>.04</td>
<td>.02</td>
</tr>
<tr>
<td>35 – 39</td>
<td>.07</td>
<td>.03</td>
</tr>
<tr>
<td>40 – 44</td>
<td>.10</td>
<td>.05</td>
</tr>
<tr>
<td>45 – 49</td>
<td>.17</td>
<td>.08</td>
</tr>
<tr>
<td>50 – 54</td>
<td>.28</td>
<td>.13</td>
</tr>
<tr>
<td>55 – 59</td>
<td>.46</td>
<td>.21</td>
</tr>
<tr>
<td>60 – 64</td>
<td>.60</td>
<td>.28</td>
</tr>
<tr>
<td>65 or Over</td>
<td>.95</td>
<td>.44</td>
</tr>
</tbody>
</table>

The amount calculated on line 4 is your cost for spousal insurance. This is the amount that will be deducted from your paycheck on a monthly or biweekly basis. Coverage ceases when your spouse reaches age 70.

If your spouse passes away, you, the employee, are automatically named as beneficiary.

DEPENDENT CHILD(REN) LIFE INSURANCE
You may also buy life insurance coverage for your eligible dependents from birth to age 19 (dependent students to age 23). You may elect two levels of dependent life insurance. No Evidence of Insurability is required.

<table>
<thead>
<tr>
<th>Option</th>
<th>$ per child</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>$5,000</td>
</tr>
<tr>
<td>II</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

Cost of Dependent Life Insurance

<table>
<thead>
<tr>
<th>Option</th>
<th>Monthly</th>
<th>Biweekly</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>$.25</td>
<td>$.12</td>
</tr>
<tr>
<td>II</td>
<td>$.50</td>
<td>$.23</td>
</tr>
</tbody>
</table>

If a child passes away, you are the named beneficiary.

It is your responsibility to notify your local Campus Benefits Office when a child is no longer eligible for dependent status.

EVIDENCE OF INSURABILITY
If you are enrolling for a level of life insurance coverage that requires verification of good health, an Evidence of Insurability form may be obtained from your Campus Benefits Office. Employees must be actively at work and dependents must not be hospitalized or considered disabled on January 1, 2006 for coverage to be effective.

When your group term life insurance ends due to termination, resignation, retirement, etc., you may have the option to convert the basic, optional, spousal, and dependent child coverage to an individual whole life policy directly with Prudential. A Notice of Conversion Rights will be sent to you at that time.
ACCIDENTAL DEATH & DISMEMBERMENT

Accidental Death & Dismemberment (AD&D) insurance provides your family with an added measure of financial protection. AD&D insurance differs from life insurance in that, in addition to protection against death, you are covered for other life changing injuries, such as loss of limbs, and loss of sight or hearing.

The AD&D insurance program is also insured through Prudential.

BASIC AD&D INSURANCE

The University of Maine System provides, at no cost to you, an insurance amount equal to your annual salary, rounded up to the next highest $1,000. Your AD&D insurance benefits are paid to you or your designated beneficiary(ies).

When your group term basic AD&D coverage ends due to termination, resignation, retirement, etc., there is no option to convert the group coverage to an individual policy.

OPTIONAL AD&D INSURANCE

In addition to the coverage that the University of Maine System provides to you at no cost, you may elect to purchase additional AD&D coverage in increments of $10,000 to a maximum of $350,000. You pay for the Optional AD&D insurance at low group rates through payroll deductions. The amount you elect cannot exceed 10 times your salary.

You may purchase either individual or family coverage. If you purchase individual coverage, you will be insured for the amount elected. If you purchase family coverage, your spouse and dependent children will receive partial coverage.

WHEN YOU SELECT FAMILY COVERAGE

Each family member’s coverage is a percentage of the benefit amount you select.

- If you have a spouse, your spouse’s coverage amount is 60% of your election.
- If you have children, each child is covered for 20% of your amount (up to a maximum of $50,000 per child).

For family coverage, if one of your family members passes away, you, the employee, are automatically named as beneficiary.

SCHEDULE OF BENEFITS

Under the Basic AD&D plan, and if you participate in the Optional AD&D plan, you (and if enrolled for family coverage, your eligible dependents) are insured for injuries that result from a covered accident within 365 days as specified below:

<table>
<thead>
<tr>
<th>For the loss of:</th>
<th>Amount Payable:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>100%</td>
</tr>
<tr>
<td>Both hands, feet or sight of eyes</td>
<td>100%</td>
</tr>
<tr>
<td>One hand and one foot</td>
<td>100%</td>
</tr>
<tr>
<td>One hand or foot and one eye</td>
<td>100%</td>
</tr>
<tr>
<td>Speech and hearing in both ears</td>
<td>100%</td>
</tr>
<tr>
<td>One hand or foot or one eye</td>
<td>50%</td>
</tr>
<tr>
<td>Speech or hearing in both ears</td>
<td>50%</td>
</tr>
<tr>
<td>Thumb and index finger of same hand</td>
<td>25%</td>
</tr>
</tbody>
</table>
The Basic AD&D plan includes:

- Repatriation of Remains Benefit
- Seat Belt & Airbag Benefit

The Optional AD&D plan includes:

- Seat Belt & Airbag Benefit

How to calculate the cost of your Optional AD&D insurance election:

1. Enter amount selected
   (Increments of $10,000, up to $350,000)

2. Divide by 10,000

3. Enter the monthly or biweekly rate below

4. Multiply #2 times #3

Cost of Optional AD&D Coverage

*All costs per $10,000 of coverage*

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Monthly</th>
<th>Biweekly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>$.13</td>
<td>$.06</td>
</tr>
<tr>
<td>Family</td>
<td>$.23</td>
<td>$.11</td>
</tr>
</tbody>
</table>

The amount calculated on line 4 is your cost for Optional AD&D insurance. This is the amount that will be deducted from your paycheck on a monthly or biweekly basis.
ADVANTAGE ACCOUNT PLANS

Advantage Accounts, or “Flexible Spending Accounts” (FSAs), allow you to pay for eligible unreimbursed health care and for dependent day care expenses with before-tax dollars. This results in valuable tax savings. Participation in these accounts is entirely voluntary. You may sign up for one, both or neither option. **The enrollment form must be completed each year for the accounts, even if you participated the previous year.**

USING YOUR ACCOUNTS

Advantage Accounts work much like checking accounts. Before the beginning of each calendar year, you decide how much you want to deposit in each account for the following year. The money will be automatically deducted from your check each pay period in equal amounts – before any federal, state income or Social Security (FICA) taxes are taken out.

The maximum you can contribute in a calendar year is:

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<tbody>
<tr>
<td>Health Care</td>
<td>$4,000</td>
</tr>
<tr>
<td>Dependent Care</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

The minimum you can contribute to either account in a calendar year is $200.

You then continue to pay expenses as you do now. After you pay expenses that qualify under the program, simply submit a claim form (along with your receipts for expenses) and you will be reimbursed in before-tax dollars. For health care expenses, you may be reimbursed up to the amount of your annual deposit. For dependent day care expenses, you can only be reimbursed up to your account balance as of your last paycheck.

HOW YOU BENEFIT (TAX SAVINGS)

Because you do not pay federal, state or Social Security taxes on monies set aside in your Advantage Accounts, you save money (these contributions may slightly impact future Social Security earnings). Depending on your tax situation, you may save as much as 27%–40% or more in taxes on the amount you elect to set aside. That’s the “Advantage” you receive when you participate in the FSA program.

MAKING CHANGES

Because you are restricted from changing your deductions after you enroll, it is important that you carefully plan your decision to participate in the Advantage Accounts. Your contribution amount may only be changed in the event of a qualified status change as defined by the IRS.

PLANNING YOUR CONTRIBUTIONS

The IRS requires that you forfeit any unused amounts left in your Advantage Accounts at the end of the plan year. Therefore, make sure that you do not set aside amounts in excess of what you can claim during the plan year. You cannot “bank” or “carry over” unused amounts into the new plan year. If you are not reasonably certain that you will have the types of eligible expenses provided for under the program, then you should not use the FSA’s. **If, however, you determine that you are going to have eligible expenses that must be paid anyway, why not pay them with before-tax dollars?**

If, at the end of the year, you have outstanding claims that were incurred during the calendar year, you have until April 15 to submit these expenses for reimbursement. After that date, any money left in your accounts is automatically forfeited.
ELIGIBLE ADVANTAGE ACCOUNT
HEALTH CARE EXPENSES

You can use your Health Care FSA to be reimbursed for health care expenses that are not paid or reimbursed by any other medical or dental insurance. Examples include:

- Medical expenses not covered by Anthem BCBS
- Dental expenses not covered by Delta
- Copays, deductibles or coinsurance amounts
- Eye examinations (not covered by Anthem BCBS), glasses, contact lenses, and supplies
- Other health expenses, such as weight loss or smoking cessation programs prescribed by a physician
- Over the counter drugs

While Internal Revenue Service (IRS) regulations have always permitted a Health Care FSA to reimburse the cost of prescription drugs not covered by your health insurance plan or any copays for prescription drugs, a recent IRS ruling now permits reimbursement for over-the-counter drugs (OTC), but only to alleviate or mitigate a specific disease, sickness, or injury. The IRS continues to require that when you submit for reimbursement, you must provide a receipt with the name of the drug and the date purchased. The IRS ruling DOES NOT permit reimbursement of OTC medications purchased for cosmetic remedies, vitamins, dietary supplements, or other things of that nature that are beneficial to general good health and welfare. While this initial IRS ruling on OTC medications appears to be very broad, it is likely to be refined over time; therefore, it is recommended that you be conservative when determining the amount of OTC medications used to establish how much you wish to set aside for calendar 2006. Please keep in mind that the OTC medications are eligible only if used to alleviate or mitigate a specific disease, sickness, or injury.

Note:
- If you use the Health Care Account for these expenses, you cannot also take a tax deduction on your income tax return.
- The premiums you pay for medical and dental coverage out of your paycheck are not eligible expenses.
- Advantage Accounts may not be used for a domestic partner unless the domestic partner is a tax qualified dependent in accordance with the IRS rules.

ELIGIBLE ADVANTAGE ACCOUNT
DEPENDENT DAY CARE EXPENSES

You can use your Dependent Day Care FSA to be reimbursed for child or dependent day care expenses. Examples include:

- Expenses for dependent day care that enable you (and your spouse) to work or to attend school.
- Services inside or outside your home.
- Services in a dependent or child care center or nursery school.

Individuals who qualify for dependent day care services are your dependent child(ren) under the age of 13 whom you claim as a dependent for tax purposes, or your adult dependent or spouse who normally spends at least 8 hours in your home each day and who is physically or mentally incapable of caring for him or herself and earns less than $3,200 annually in 2005 (indexed each year), including Social Security payments. As of this printing, the amount for 2006 has not been established.

Note: You cannot be reimbursed for paying one dependent (your teenager, for example) to care for another dependent.

Advantage Accounts may not be used for a domestic partner unless the domestic partner is a tax qualified dependent in accordance with IRS rules.

Dependent Day Care Tax Credit

Expenses that are reimbursed to you from your Dependent Day Care FSA cannot also be claimed as federal income tax deductions. For most
people, the Dependent Care FSA will provide greater tax savings than the federal credit. Please call your Campus Benefits Office if you would like an Advantage Account booklet or have additional questions. For a detailed list of eligible health care and dependent care expenses, visit www.maine.edu/bene.html.

DISABILITY INSURANCE PLAN

Without a doubt, the ability to earn a living is your most important asset. But what happens when a disabling illness or injury prevents you from working? Because time away from work can make it hard to keep up with expenses, the University of Maine System sponsors a short-term disability program and a long-term disability program.

Not all employees are eligible to participate in the short and long-term disability programs. If you have questions regarding your eligibility, please contact your Campus Benefits Office.

SHORT TERM DISABILITY FOR ALL ELIGIBLE GROUPS OTHER THAN FULL-TIME FACULTY

Eligibility

All employees (including Law Faculty) in a benefits eligible group (except part-time faculty) may choose to purchase Short Term Disability (STD) coverage. You are covered for STD 31 days after the enrollment form is received and approved. Coverage will be effective January 1, 2006 if you elect STD coverage during the open enrollment.

Benefits

STD benefits commence after you have been out of work for 14 calendar days due to a non-work related disabling illness or injury. The benefit payable is 60% of your salary, up to a weekly maximum of $1,000 for up to 26 weeks.

The STD program is insured by Prudential. The cost of the program is fully paid by employees with after tax payroll deductions. As a result, any benefits payable are not taxable.

SHORT TERM DISABILITY FOR FULL-TIME FACULTY

Eligibility

Full-time represented and non-represented faculty (excluding Law Faculty) may choose to purchase STD coverage. This includes Partial/Phased Retirement Plan participants as well as those with shared appointments. You are covered for STD 31 days after the enrollment form is received and approved for coverage. Coverage will be effective January 1, 2006 if you elect STD coverage during the open enrollment.

Benefits

STD benefits commence after you have been out of work for 30 calendar days or have exhausted your accrued disability leave (whichever is later) due to a non-work related disabling illness or injury. The benefit payable is 60% of your salary, up to a weekly maximum of $1,000. This benefit is payable for up to 26 weeks from the 31st day of your absence, minus any disability leave payments you may have received.

For example, if you have no accumulated disability leave, STD benefits would be payable from the 31st day of your absence for a maximum of 26 weeks. If you have 16 weeks of accumulated disability leave, approximately 4 weeks would be used to cover the first 30 days of your absence. After exhausting the remaining 12 weeks, you would receive STD benefits for 14 more weeks, the 26 weeks provided for in the STD policy.

The STD program is insured by Prudential and fully paid by employees with after tax payroll deductions. As a result, any benefits payable are not taxable.
Cost of Short Term Disability Program

1. Enter your annual salary

2. Divide by 1,000

3. Multiply by monthly or biweekly rate

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<tr>
<th></th>
<th>Monthly</th>
<th>Biweekly</th>
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<tbody>
<tr>
<td>Non-Faculty</td>
<td>$.5192</td>
<td>$.2396</td>
</tr>
<tr>
<td>Faculty</td>
<td>$.7692</td>
<td>-----</td>
</tr>
</tbody>
</table>

The amount calculated on line 3 is your cost for STD coverage that will be deducted from your paycheck on a monthly or biweekly basis.

There will be a modest decrease in the Faculty (4.8%) and other employee (6.9%) STD premiums for calendar 2006, effective with premiums deducted in January, 2006.

A Note on Preexisting Conditions: The STD plans have a preexisting condition provision. That is, if you were treated (or if a prudent person would have been treated) for a condition within 3 months prior to entering the plan (either as a new hire or during the annual open enrollment), STD benefits are not available during the first 12 months of coverage for that condition only. STD coverage is immediately available for other conditions.

LONG TERM DISABILITY

Eligibility
The Long Term Disability (LTD) program is also insured by Prudential. The cost of the program is fully paid by the University of Maine System. As a result, any benefits payable are taxable.

Employees must be in an eligible group, and coverage commences on the date of hire or on the date of eligibility (i.e., applicable status change).

Benefits
LTD benefits commence after you have been out of work for 26 weeks due to a disabling illness or injury. The benefit payable is 60% of your salary, up to a monthly maximum of $10,000. This benefit continues to be payable as long as you are considered disabled, generally until you reach age 65.

Prudential’s policy is designed to help encourage and assist employees to return to work. Policy provisions include:

❖ A definition of disability that states that “you are disabled if you are unable to perform the material and substantial duties of your own occupation” and that “your disability results in loss of income of at least 20%.” This definition of disability applies to the first 24 months you are unable to return to work.

❖ A “Return to Work” incentive that encourages you to return to work.

❖ A rehabilitation benefit whereby Prudential may elect to offer and pay for a return to work program.

OFFSETS
Your disability payments will be reduced by other disability benefits you receive, such as Social Security. Regardless of your other sources of disability income, your LTD payment will never be less than $100 per month or 10% of your scheduled benefit (60% of monthly base salary), whichever is greater.

SUBMITTING DISABILITY CLAIMS
Please contact your Campus Benefits Office if you have questions regarding disability claims under the University’s Integrated Disability Management (IDM) program. Prudential will conduct an objective review and then process payments if your claim is approved. The Campus Benefits Office can also provide you with valuable information regarding your rights and responsibilities under the Family Medical Leave Act.
University Benefit Office Locations & Telephone Numbers

The University of Maine
Benefits Office
5717 Corbett Hall, Room 143
Orono, ME 04469-5717
381-2366
www.umaine.edu

University of Maine
at Fort Kent
Business Office
23 University Drive, Cyr Hall
Fort Kent, ME 04743
834-7554
www.umfk.maine.edu

University of Southern Maine
Benefits Office
McElman House
37 College Avenue
Gorham, ME 04038
780-5653 or 780-5218
www.usm.maine.edu

University of Maine
at Augusta
Administrative Services
46 University Drive – Farmhouse
Augusta, ME 04330
621-3104 or 621-3105
www.uma.maine.edu

University of Maine
at Machias
Business Office
9 O’Brien Avenue, Powers Hall
Machias, ME 04654
255-1220
www.umm.maine.edu

University of Maine System
Office of Human Resources
107 Maine Avenue, Auburn Hall
Bangor, ME 04401
973-3383
www.maine.edu

University of Maine
at Farmington
Personnel Office
224 Main Street, Merrill Hall
Farmington, ME 04938
778-7272 or 778-7246
www.umf.maine.edu

University of Maine
at Presque Isle
Personnel Department
181 Main Street, 126 Preble Hall
Presque Isle, ME 04769
768-9551 or 768-9549
www.umpi.maine.edu

University College Outreach
and
UNET Augusta
224 Main Street, Merrill Hall
Farmington, ME 04938
46 University Drive – Farmhouse
Augusta, ME 04330
778-7272 or 778-7246
www.umf.maine.edu

University of Maine
at Preble Isle
Personnel Department
181 Main Street, 126 Preble Hall
Presque Isle, ME 04769
768-9551 or 768-9549
www.umpi.maine.edu

Carrier Addresses & Telephone Numbers

Anthem Blue Cross and Blue Shield
2 Gannett Drive
South Portland, ME 04106-6911
HMO Choice POS Plan 1-800-527-7706
COMP-CARE Plan 1-800-482-0966
Website www.anthem.com

Northeast Delta Dental
One Delta Drive, PO Box 2002
Concord, NH 03302-2002
Phone 1-800-832-5700
Website www.nedelta.com

PLEASE BE SURE YOU HAVE REVIEWED THESE MATERIALS AND:

☑ If you have medical coverage and want to change your coverage, or if you are enrolling for the first time, complete the Personal Enrollment Form previously sent to your home and return it to your Campus Benefits Office.

☑ If you have dental coverage and want to change your coverage, or if you are enrolling for the first time, complete the Personal Enrollment Form previously sent to your home and return it to your Campus Benefits Office.

☑ If you want to enroll for the Health Care or Dependent Care Advantage Accounts, complete and sign the Flexible Spending Account (FSA) portion of the Personal Enrollment Form previously sent to your home and return it to your Campus Benefits Office. You must re-enroll for 2006, EVEN if you are participating in 2005.

☑ If you want to change your coverage for any other benefits (Optional Life, Spousal Life, Child Life, Optional Accidental Death and Dismemberment, Short Term Disability, or change life insurance beneficiaries), complete the Personal Enrollment Form previously sent to your home and return it to your Campus Benefits Office.

☑ All enrollment forms must be received by December 16, 2005 in your Campus Benefits Office.

ALL FORMS MUST BE RECEIVED BY DECEMBER 16, 2005.
YOUR ELECTIONS WILL BE EFFECTIVE JANUARY 1, 2006.