

microware

**BENEFITS SUMMARY
HANDBOOK**

MICROWARE SYSTEMS CORPORATION
UNITED STATES

INTRODUCTION

This handbook is a general guideline of various benefits offered to Microware Systems Corporation employees. This is only a summary. Please refer to the Provider books for specific references regarding coverage questions. In all cases, the Insurance Provider booklets and/or the Insurance Provider is the final authority on coverage issues. All benefits apply to insured employees and their families on a 24-hour basis, wherever they may be.

Employee benefits provided by Microware are reviewed periodically and are subject to changes in coverages and/or Providers. This benefits summary handbook will be revised and reissued annually.

PLEASE BE SURE TO CAREFULLY
REVIEW THE PROVIDER BOOKLETS
FOR SPECIFICS. IF YOU NEED MORE
INFORMATION, CONTACT THE
MICROWARE ACCOUNTING
DEPARTMENT IN DES MOINES.

Health Insurance Benefits

Health Insurance

Microware employees and their families are offered health insurance coverage by Blue Cross Blue Shield of Iowa under the Alliance Select program. New employees are covered on the first of the month following their date of hire. Spouses or dependents may be added to the policy within 30 days in the event of marriage or birth to avoid underwriting examinations. Microware pays the entire single or family monthly premium (whichever applies) for each employee. Current rates are as follows:

Single coverage	\$138.42/month
Family coverage	\$343.26/month

This insurance program covers doctors' office visits for illness, one physical examination per person per year, prenatal and postnatal care, well-baby care, allergy testing, chiropractic services, hospitalization and certain out-patient procedures. Each enrolled employee receives a Blue Cross Blue Shield booklet which details all covered services.

This insurance program does not cover eye examinations for prescription lenses, acupuncture, marital and family counseling, experimental treatments or supplies, and other procedures specifically detailed in the Blue Cross booklet.

The Alliance Select program is a preferred provider program. This means that area doctors, clinics, hospitals and

outpatient facilities contract with Blue Cross to provide services for a reasonable price, thus helping to manage health costs and keep health insurance premiums as low as possible. A booklet listing the participating providers is also given to each employee. It is to your financial advantage to use participating doctors and facilities because of the out-of-pocket cost savings as detailed below.

Deductibles per calendar year are:

Single Coverage	\$100
Family Coverage	\$200

Deductibles apply to all covered services (except office services which are furnished by Select Providers). When using a non-participating doctor or facility, you must meet deductibles before Blue Cross begins payment of benefits. After your deductible has been met for the current calendar year, Blue Cross will pay for services covered in the Plan as follows:

Select Providers	90%
Non-Select Providers	80%

The remainder of the charges are the insured's obligation which is referred to as "coinsurance." As you can see, when you use a Select Provider your coinsurance obligation is 10% less (90% coverage versus 80% coverage) than when you use a non-select provider. The coinsurance ends and Blue Cross pays 100% for covered services when the insured has met his/her maximum out-of-pocket (coinsurance) limit as shown

below for the benefit period (i.e., the calendar year):

Single Coverage	\$500
Family Coverage	\$1,000

Lifetime benefits are equal to \$1,000,000 per person. Included in this maximum is a \$10,000 lifetime maximum for the outpatient treatment of drug addiction, alcoholism, and nervous and mental conditions.

Prescription Drug Card

Each employee also receives a prescription drug card to use when purchasing prescription medicines. The card can be used at any participating pharmacy in the state of Iowa by simply paying a \$3 charge per prescription and showing the pharmacist your ID card. If you are outside the state of Iowa, you will have to pay for the full prescription price and submit a claim form with your prescription receipt to Blue Cross. You will be reimbursed the total amount of the prescription less the \$3. Only Federally licensed drugs, excluding birth control, are covered under the current Plan.

Dental Insurance

Dental insurance is provided through Delta Dental Plan of Iowa. Please refer to a list in the Accounting Department to determine if you have chosen a participating dentist. You may use a dentist who is not a member; however, you may incur additional costs if your dentist charges more than the payment level authorized for Delta Dental members.

The current cost of single coverage under the plan is \$11.43 per month and family coverage is \$38.81 per month. Microware pays the single coverage portion of the monthly premium for each employee. Employees who elect to receive family coverage (spouse and/or children) are required to pay the amount of the family coverage less the amount of single coverage for this insurance, currently \$27.38 per month or a yearly total of \$328.56. This amount is taken as a payroll deduction from each bi-weekly paycheck.

Some services, such as fillings, tooth removal, emergency treatment for pain, root canals, crowns, etc., are covered at 50%. **For specific information on covered procedures, refer to your Delta Dental booklet.** Maximum annual payables are:

\$1,500 per individual per calendar year
\$1,000 per individual per lifetime for orthodontics

Deductibles per calendar year are:

Single	\$25
Family	\$75

The deductible does not apply to certain preventive services such as routine examinations every six months, x-rays every twelve months, and topical fluoride treatments every twelve months. Delta Dental pays 80% of the charges for these covered services and the insured is obligated to pay 20%. (Specifics are outlined in the Delta Dental booklet.)

Life Insurance Benefits

Life Insurance

Each employee has life insurance coverage amounting to 1.5 times his/her annual base salary. Annual base salary is defined as your annual salary excluding any bonuses or reimbursements for expenses. Life insurance for other family members is not offered at this time. Microware pays 100% of the monthly premium for this coverage. The current monthly cost is 15¢ per \$1,000 of insurance coverage. The current life insurance carrier is Medical Life Insurance Company administered by Blue Cross. Each enrolled employee is provided with an individual policy document.

Accidental Death And Dismemberment Insurance

This insurance coverage is an extension of the Life Insurance coverage described above. It provides for a payment to a beneficiary of an amount up to 1.0 times an employee's annual base salary in the event of accidental death or dismemberment. Microware pays 100% of the premium. The current monthly cost is \$.06 per \$1,000 of insurance coverage.

Disability Insurance

Short Term Disability

Short term disability coverage begins on the 11th continuous workday missed and continues to the 180th day of the employee's inability to return to his/her own job (occupation). Microware self-insures this period of short term

disability coverage. The first six weeks of short term disability are paid on the basis of 100% of the weekly rate of the employee's annual base salary. The period from the beginning of the seventh week to the 180th day is paid at 80% of the base salary. The company requires a physician's statement regarding either an employee's ability or inability to return to work.

Long Term Disability

Long term disability coverage begins on the 180th continuous workday that an employee is unable to return to his/her own occupation. The carrier for this coverage at the present time is Guarantee Mutual Life Insurance Company of Omaha. The minimum monthly benefit an employee may be eligible to receive is \$50 and the maximum is \$4,000, based on tables and conditions set forth in the policy. The maximum benefit period of eligibility is also outlined in the policy. Microware pays the entire monthly premium for this coverage. The current monthly cost for this coverage is 20¢ per \$100 salary. A copy of this policy is given to each enrolled employee.

Retirement Benefits

Microware has a profit sharing/retirement plan which is currently funded entirely with company stock. Complete details of the plan and its operation are presented in a Summary Plan Description available from the Accounting Department.

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