

CATO

BENEFITS

2011

Open Enrollment



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Important Information Regarding Full-Time CATO Group Health Insurance Plan

◆ *WHO IS ELIGIBLE FOR THE INSURANCE?*

All **full-time** Associates who work a minimum of 30 hours per week are eligible for the full-time insurance coverage. If the Associate enrolls, their spouse and their children under the age of 19 may be covered as dependents. Additionally dependent children under the age of 26 who do not have other employer sponsored coverage are eligible.

◆ *WHAT DOES THE INSURANCE INCLUDE?*

The Group Health Insurance plan includes health insurance coverage for Associates and their eligible dependents. Associates also receive prescription coverage, basic Life/AD&D, Short-Term Disability and Long-Term Disability Insurance (**A one year waiting period from full time hire date applies to Short-Term and Long-Term Disability**). Associates may also elect to purchase Dental, Additional Voluntary Life Insurance, Accidental Death and Dismemberment Insurance, and Dependent Life Insurance.

◆ *WHEN DO I TURN MY ENROLLMENT FORMS IN?*

It is the **Associate's responsibility** to complete the online Group Health Insurance Enrollment Form by **December 3, 2010**. *NOTE: For auditing purposes, please print a copy of your benefits summary upon completion. Associates who do not complete the online enrollment forms will have to wait until the next Open Enrollment period to sign up.*

◆ *WHEN IS MY INSURANCE EFFECTIVE?*

All insurance changes made during open enrollment will go into effect on January 1, 2011.

◆ *WHEN MUST MY ONLINE ENROLLMENT FORMS BE SUBMITTED?*

All forms to continue, enroll, change or waive coverage must be completed and submitted for approval by December 3, 2010.



Important Information Regarding Full-Time CATO Group Health Insurance Plan

◆ **CAN I MAKE CHANGES TO MY INSURANCE AFTER I SIGN UP?**

Because your deductions are taken on a *pre-tax* basis, *changes to the plan can be made only during Open Enrollment or within 31 days of a “change in family status”*. Only specific events qualify as a change in family status. Qualifying events include:

- Marriage
- Divorce
- Legal Separation
- Death of your spouse or dependent
- Birth or adoption of a child by you
- Dependent attaining age 26
- Termination or commencement of employment of your spouse
- A switch from part time to full time employment (or visa versa) by you or your spouse
- A significant change in the health coverage of you or your spouse attributable to your spouse’s employment

Therefore, unless there is a change in family status, no changes can be made by an Associate, including cancellation of coverage, until Open Enrollment. If there is a change in family status, it is the Associate’s responsibility to notify the Benefits Department within 31 days of the change.

Please note: Proof of the change in status is required.

**IF YOU HAVE ANY QUESTIONS REGARDING THE INSURANCE PLAN,
CALL THE BENEFITS DEPARTMENT AT extension 7250 or cbrow@catocorp.com**



2011 Benefits

Welcome to the 2011 Annual Benefits Open Enrollment period. This is your opportunity to do the following:

- Enroll, Change, or Cancel your participation in the following:
 - Group Health Plan
 - Dental Plan
 - Vision Plan
 - Voluntary Life & Voluntary Accidental Death & Dismemberment

* The group health plan includes Medical, Prescription Drugs, Basic Life Insurance, Basic Accidental Death & Dismemberment, Short-Term Disability, and Long-Term Disability coverage.

The following is the 4-tier breakdown for 2011:

1. **Associate Only**- Coverage for Associate ONLY
2. **Associate + Child or Children**- Coverage for Associate and 1 or more children
3. **Associate + Spouse**- Coverage for Associate and Spouse
4. **Family**- Coverage for Associate, Child or Children and Spouse

Associate Payroll Contributions for Group Health Coverage

Coverage	Bi-Weekly Contributions		Monthly Contributions	
	Current	Effective 1/1/11	Current	Effective 1/1/11
Associate Only	\$44.88 + LTD *	\$48.02 + LTD	\$97.25+ LTD*	\$104.06+ LTD
Associate + Child (ren)	\$91.14 + LTD *	\$97.52 + LTD	\$197.47 + LTD*	\$211.29 + LTD
Associate + Spouse	\$137.64 + LTD*	\$147.27 + LTD	\$298.22 + LTD*	\$319.10 + LTD
Family	\$149.31 + LTD*	\$159.76 + LTD	\$323.52 + LTD*	\$346.17 + LTD

*LTD is Long-Term disability coverage

Associate Payroll Contributions for Dental Coverage (see page 13 for details)

Coverage	Bi-Weekly Contributions		Monthly Contributions	
	Current	Effective 1/1/11	Current	Effective 1/1/11
Associate Only	\$4.93	\$5.47	\$10.69	\$11.87
Associate + Child (ren)	\$8.88	\$9.86	\$19.24	\$21.36
Associate + Spouse	\$11.84	\$13.14	\$25.65	\$28.47
Family	\$15.79	\$17.53	\$34.21	\$37.97



2011 Benefits

The Associate payroll contribution includes coverage for Medical, Prescription Drugs, Basic Life Insurance and Basic Accidental Death & Dismemberment. Cato pays the full cost of Short-Term Disability.

- I. **You must register to Cato Connect and complete online enrollment forms in order to continue, change, enroll or waive coverage.**
- II. **Anyone who does not complete the online enrollment forms will lose coverage for 2011.**
- III. **All covered Associates will be receiving new Medical/Dental Insurance Cards from Primary Physician Care**

Note: These cards will be mailed to the address on your pay stub. Please check to ensure this is the correct address. If your address is incorrect, please complete a change notice before December 3, 2010. You may find this form in the Human Resources Department.



2011 Benefits

Additional Spousal Contribution

If your spouse is eligible to enroll for medical coverage with his/her employer and denies that coverage, The CATO Corporation will charge an additional \$200 per month to carry your spouse on The CATO Corporation's Group Health Plan.

With the additional spousal contribution, you will pay the following rates:

Coverage	Bi-Weekly Spousal Contributions Effective 1/1/11	Monthly Spousal Contributions Effective 1/1/11
Associate + Spouse	\$239.57 + LTD*	\$519.10 + LTD*
Family	\$252.07 + LTD*	\$546.17 + LTD*

*LTD is Long-Term disability coverage

Smokers Contribution

Associates and their covered dependents that are tobacco users are not eligible for the lower, non-smokers associate contribution, and therefore will be required to pay the following rates. Please refer to the 2011 Group Health Enrollment/Change Form for Definitions and additional information.

Coverage	Bi-Weekly Contributions For Tobacco Users Effective 1/1/11	Monthly Contributions For Tobacco Users Effective 1/1/11
Associate Only	\$ 60.03 + LTD*	\$130.07 + LTD*
Associate + Child(ren)	\$ 121.90 + LTD*	\$264.12 + LTD*
Associate + Spouse	\$184.09 + LTD*	\$398.87 + LTD*
Family	\$199.70 + LTD*	\$432.71 + LTD*

*LTD is Long-Term disability coverage



Primary Physician Care In-Network Summary

<u>Service</u>	<u>In-Network</u>	<u>Out-of-Network</u>
Deductible	\$500 per calendar year (Maximum of 3 per family)	\$1,500 per calendar year (Max of 3 per family)
Per Confinement Deductible (In-Patient)	\$250 per confinement	\$500 per confinement
Out-of-Pocket Limit	\$3,500 per member (Maximum of 3 per family)	\$7,000 per member (Max of 3 per family)
Lifetime Maximum	Unlimited	
Physician Services		
Routine Office Visits	100% after \$25 co-pay	50%
Services payable after Deductible		
Specialist Office Visits	80%	50%
Maternity Care	80%	50%
Chiropractic Care	80% (\$1000 Maximum yr or up to 52 visits/yr)*	50% (\$1000 Max yr or up to 52 visits/yr)*
Inpatient Care	80%	50%
Surgery	80%	50%
Diagnostic/Lab	80%	50%
Well Baby/Cancer		
Well Baby Care	100% after \$20 co-pay (up to the age of 2)	50% (up to the age of 2)
Cancer Screenings (Mammograms, prostate antigen testing, pap smears, etc.)	100% (Deductible Waived)	50%
Wellness with \$300 Maximum per year*		
Routine Physicals	100% after \$25 co-pay	50%
Vaccinations (Includes Gardasil)	\$ 25 copay	
Urgent Care		
	100% after \$50 co-pay	100% after \$50 co-pay
Emergency Care		
Co-pay	\$150**	\$150*
Hospital Services	80%	80%
Physician Services	80%	80%
**Waived if admitted to hospital or deemed life threatening.		
Out-of-Area Non-Emergency Care	80%	80%
Hospital Services		
Per Confinement Deductible	\$250	\$500
Inpatient	80%	50%
Outpatient	80%	50%

*Annual limits may be modified to conform with Patient Protection and Affordable Care Act.



Primary Physician Care In-Network Summary

<u>Service</u>	<u>In-Network Benefits</u>	<u>Out-of-Network Benefits</u>
Special Services:		
Ambulance Services	80%	80%
Durable Medical Equipment	80%	80%
Prosthetic Appliances	80%	80%
Orthotic Devices	80%	80%
Private Duty Nursing	80%	80%
Home Health Care	100%	100%
Hospice	100%	100%
Skilled Nursing Facility	80%	80%
Ambulatory Surgical Facility	80%	80%
Mental Health Treatment		
Inpatient	80%	50%
	(maximum of 28 days/24 month period)*	
Outpatient	80%	50%
	(maximum of 20 visits/year)*	
Chemical Dependency Treatment		
Inpatient	50%	50%
Deductible/Confinement	\$300	\$300
Outpatient	80%	50%
Maximum Payment/Visit	\$50	\$50
Calendar Year Maximum	\$2,000/member	
Lifetime Maximum	\$15,000/member	

*Annual limits may be modified to conform with Patient Protection and Affordable Care Act.

**This fact sheet is meant only as a summary of the benefits offered.
Final interpretation and a complete listing of benefits, limitations and exclusions
are found in and governed by the group contract.**



Primary Physician Care Out-of-Area Summary

<u>Service</u>	<u>Plan Benefits</u>
Deductible	\$500 (Maximum of 3 per family)
Per Confinement Deductible (In-Patient)	\$250 per confinement
Out-of-Pocket Limit	\$3,500 per member (Maximum of 3 per family)
Lifetime Maximum	None
Physician Services	
Office Visits	80%
Chiropractic Care	80% (Maximum \$1000 /yr or up to 52 visits/yr)*
Inpatient Care	80%
Surgery	80%
Diagnostic/Lab	80%
Maternity Care	80%
Routine Physicals	80% (Deductible does not apply) - \$300max./yr.*
Cancer Screenings (Mammograms, prostate antigen testing, pap smears, etc.)	80% (Deductible does not apply)
Urgent Care	100% after \$50 co-pay
Hospital Services	
Per Confinement Deductible	\$250
Inpatient	80%
Outpatient	80%
Mental Health Treatment *	
Inpatient	80% (maximum of 28 days/24 month period)
Outpatient	80% (maximum of 20 visits/year)
Chemical Dependency Treatment*	
Inpatient	50%
Deductible/Confinement	\$300
Outpatient	80%
Maximum Payment/Visit	\$50
Calendar Year Maximum	\$2,000/member
Lifetime Maximum	\$15,000/member

*Annual limits may be modified to conform with Patient Protection and Affordable Care Act.



Primary Physician Care Out-of-Area Summary

<u>Service</u>	<u>Plan Benefits</u>
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Emergency Care

Co-pay	\$150*
Hospital Services	80%
Physician Services	80%

*Waived if admitted to hospital or deemed life threatening.

Special Services

Ambulance Services	80%
Durable Medical Equipment	80%
Prosthetic Appliances	80%
Orthotic Devices	80%
Private Duty Nursing	80%
Home Health Care	100%
Hospice	100%
Skilled Nursing Facility	80%
Ambulatory Surgical Facility	80%

*Prescription drug coverage including mail order will be covered at the same level as in-network. See page 12.

Out-of-Area benefits apply to members who reside in a location that does not offer access to a sufficient number of preferred providers. The Plan Administrator determines which members are covered through the out-of-area provision. Out-of-area benefits also apply to emergency care.



Medco Prescription Coverage

We will be continuing to use Medco as our prescription drug provider for the 2011 plan year. Generic prescription drugs are the most affordable way for you to obtain quality medications at the lowest co-payment level. Brand formulary drugs are plan preferred brand drugs that can be purchased at a lower co-pay than brand non-formulary drugs. The generic and brand formulary drug list is an extensive list of safe and effective, FDA-approved prescription drugs. Ask your doctor for a generic substitute in order to reduce your overall prescription drug cost.

In order to save additional cost, if you are on a prescription drug that you take on a routine basis, you will want to use the Medco mail order program. You will receive a 90-day supply of your medication at a cost equivalent to a 60-day supply through a retail pharmacy.

Deductible

\$50 per calendar year
(Maximum of \$100 per Family)

Prescription Drug Coverage

30-day supply

Co-pay - Generic Drugs	\$10
Co-pay - Brand Formulary	\$35
Co-pay - Brand-Non Formulary	\$50

Mail Order Drug Program

90-day supply

Co-pay - Generic Drugs	\$20
Co-pay - Brand-Formulary	\$70
Co-pay - Brand-Non Formulary	\$100

Effective January 1, 2011 generic contraceptive pills will be covered through Medco at 100% with no deductible or copay.

Online Services

If you have Internet access, you can visit www.medco.com for more information. You can use their website to:

- Compare the cost of brand name and generic drugs to retail pharmacies or through the mail order program.
- Obtain order forms, claim forms and envelopes for the mail-order program.
- Submit mail-order refills.
- Check the status of Medco by Mail orders.

Member Services

Member Services is available 24 hours a day, 7 days a week (except Thanksgiving and Christmas). You can call Member Services toll-free at 1-800-818-6634 for any questions or concerns regarding your prescription or plan coverage.



Primary Physician Care Dental Coverage

For 2011, Dental Insurance is available separate from our Group Health Insurance Plan, providing Associates a choice. Enrollment in the medical plan is not required.

Coverage	Bi-Weekly Contributions		Monthly Contributions	
	Current	Effective 1/1/11	Current	Effective 1/1/11
Associate Only	\$4.93	\$5.47	\$10.69	\$11.87
Associate + Child (ren)	\$8.88	\$9.86	\$19.24	\$21.36
Associate + Spouse	\$11.84	\$13.14	\$25.65	\$28.47
Family	\$15.79	\$17.53	\$34.21	\$37.97

Deductible

\$50 per calendar year
(Maximum of 3 per family)

Annual Maximum

\$1,250 per covered member

Dental Summary

Cleanings and x-rays 100%

Basic Dental Care: 80%
Extractions, General/Local Anesthetic,
Periodontal Diseases, injection of anti-biotic,
re-lining of dentures every 2 years

Major Dental Care: 50%
Inlays, crown restoration, installation of
full or partial dentures, initial installation of
fixed bridgework.

Note: You may use the dentist of your choice. The plan does not use networks.

**This fact sheet is meant only as a summary of the benefits offered.
Final interpretation and a complete listing of benefits, limitations and exclusions
are found in and governed by the group contract.**



Pre-Existing Exclusion

This plan does not impose a pre-existing exclusion for children under the age of 19. This plan does have a pre-existing condition exclusion which applies to enrollees and dependents over the age of 19. This means that if you have a medical condition before coming to our plan, you might have to wait a certain period of time before the plan will provide coverage for that condition. This exclusion applies only to conditions for which medical advice, diagnosis, care or treatment was recommended or received within a six-month period. Generally, this six-month period ends the day before you coverage becomes effective. However, if you were in a waiting period for coverage, the six-month period ends on the day before the waiting period begins. The pre-existing condition exclusion does not apply to pregnancy nor to a child who is enrolled in the plan within 30 days after birth, adoption, or placement for adoption.

This exclusion may last up to 12 months (18 months if you are a late enrollee) from your first day of coverage, or, if you were in a waiting period, from the first day of your waiting period. However, you can reduce the length of this exclusion period by the number of days of your prior "creditable coverage." Most prior health coverage is creditable coverage and can be used to reduce the pre-existing condition exclusion if you have not experienced a break in coverage of at least 63 days. To reduce the 12-month (or 18-month) exclusion period by your creditable coverage, you should give us a copy of any certificates of creditable coverage you have. If you do not have a certificate, but you do have prior health coverage, we will help you obtain one from your prior plan or issuer. There are also other ways that you can show you have creditable coverage. Please contact us if you need help demonstrating creditable coverage.

All questions about the pre-existing condition exclusion and creditable coverage should be directed to Christian Browning in the Benefits Department, 704-551-7250 or via email cbrow@catocorp.com.



PPO Network Listing

STATE	PPO	WEBSITE	TOLL FREE #
Alabama	HealthChoice	www.healthchoiceofalabama.com	866-508-4800
Arkansas	Beechstreet	www.beechstreet.com	800-877-1444
Arizona	Beechstreet	www.beechstreet.com	800-877-1444
Colorado	Beechstreet	www.beechstreet.com	800-877-1444
Delaware	First Health	www.myrsthealth.com	800-843-1787
Florida	First Health	www.myfirsthealth.com	800-843-1787
Georgia	First Health	www.myfirsthealth.com	800-843-1787
Iowa	First Health	www.myfirsthealth.com	800-843-1787
Illinois	Beechstreet	www.beechstreet.com	800-877-1444
Indiana	Sagamore	www.sagamorehn.com	800-521-6139
Kansas	Beechstreet	www.beechstreet.com	800-877-1444
Kentucky	Beechstreet	www.beechstreet.com	800-877-1444
Louisiana	Beechstreet	www.beechstreet.com	800-877-1444
Maryland	Alliance	www.onenetppo.com	800-342-3289
Michigan	Beechstreet	www.beechstreet.com	800-877-1444
Minnesota	Beechstreet	www.beechstreet.com	800-877-1444
Missouri	Beechstreet	www.beechstreet.com	800-877-1444
Mississippi	Interplan Health	www.interplanhealth.com	800-613-1124
North Carolina (Western & Central)	Primary Physician Care	www.primarypc.com	800-446-5439
New Bern, NC Codes: 28501-28599	Zip Atlantic Integrated Health	www.aihinc.com	877-514-0057
<i>New Bern, NC includes: Atkinson, Autryville, Gloucester, Havelock, Jacksonville, Jarvesburg, Morehead City, Mt. Olive, New Bern, Oriental, Richlands, Simpson, Swansboro, Washington</i>			
North Carolina (Eastern)	Medcost	www.medcost.com	800-824-7406
<i>Eastern NC includes: Ahoskie, Asheboro, Aulander, Bailey, Buies Creek, Bunn, Castle Haye, Coleraine, Council, Dunn, Evergreen, Fairmont, Fayetteville, Gates, Hope Mills, Lumberton, Nakina, Oak Island, Pinetops, Plymouth, Ramseur, Randleman, Roanoke Rapids, Rocky Mount, Shallotte, Smithfield, Spring Hope, Spring Lake, Stoneville, Supply, Tarboro, Willard, Williamston, Wilmington, Zebulon</i>			



PPO Network Listing

STATE	PPO	WEBSITE	TOLL FREE #
Nebraska	Beechstreet	www.beechstreet.com	800-877-1444
New Jersey	Beechstreet	www.beechstreet.com	800-877-1444
New Mexico	Beechstreet	www.beechstreet.com	800-877-1444
New York	Beechstreet	www.beechstreet.com	800-877-1444
Ohio	Beechstreet	www.beechstreet.com	800-877-1444
Oklahoma	Beechstreet	www.beechstreet.com	800-877-1444
Pennsylvania	Beechstreet	www.beechstreet.com	800-877-1444
South Carolina (Excluding Myrtle Beach)	Premier	www.premierhealth.com	800-258-3152
Myrtle Beach, SC Zip Code: 29554-29587, 29510-29529	First Health	www.myfirsthealth.com	800-843-1787
Sioux Falls, South Dakota	Beechstreet	www.beechstreet.com	800-877-1444
Tennessee	First Health	www.myfirsthealth.com	800-843-1787
Texas	Beechstreet	www.beechstreet.com	800-877-1444
Virginia	Alliance	www.onenetppo.com	800-342-3289
West Virginia	Alliance	www.onenetppo.com	800-342-3289



Life Insurance

Do I have Life Insurance through CATO?

YES! CATO provides each Associate enrolled in the Health Plan with basic term life insurance. The amount of the coverage is based on the annual earnings of the Associate using the following scale:

If the Associate's annual salary is:

Up to \$30,000
\$30,000 or higher

The coverage is:

1-1/2 times annual salary
2 times annual salary
(to maximum of \$350,000)

Can I purchase additional Life Insurance for myself?

YES! Associates enrolled in the CATO Health Plan may purchase an additional **1, 2 or 3 times their annual salary** in additional term life insurance to a maximum of \$750,000 (combined basic and voluntary of which \$500,000 is guaranteed issue with no medical exam necessary). The monthly group rates for this coverage are very affordable!

Age	Rate/\$1,000
Less than 29	\$ 0.05
30 - 34	\$ 0.07
35 - 39	\$ 0.10
40 - 44	\$ 0.15
45 - 49	\$ 0.25
50 - 54	\$ 0.45
55 - 59	\$ 0.72
60 - 64	\$ 0.90
65 - 69	\$ 1.62
70 +	\$ 4.16

How To Calculate the Premium Cost:

Amount of Coverage / 1000 X Rate =
Monthly Premium

What about Life Insurance for my Family?

Associates enrolled in the CATO Health Plan may also purchase **Dependent Life Insurance** at low group rates! The dependent does not have to be enrolled in the Health Plan to be eligible. Rates for this coverage are:

	<u>Coverage</u>	<u>Monthly Cost</u>	<u>Bi-weekly Cost</u>
Spouse	\$10,000 policy *	\$ 2.77	\$ 1.28
Child(ren)	\$ 5,000 policy **	\$.80	\$.37

*Benefit amount decreases at age 65

**Contribution is the same, regardless of how many children are covered.



Basic Accidental Death and Dismemberment Insurance

◆ Who is eligible?

All active full-time employees of the CATO Corporation enrolled in the group health insurance plan.

◆ How much Coverage do I get?

The company provides you with the following coverage amounts:

<u>If the Associates annual salary is:</u>	<u>The coverage is:</u>
Up to \$30,000	1 ½ times annual salary
\$30,000 or higher	2 times annual salary

◆ What is the cost of Coverage?

The company pays the total cost of the basic AD&D coverage.



Voluntary Accidental Death and Dismemberment Insurance

◆ Who is eligible?

All active full-time employees of the CATO Corporation enrolled in the group health insurance plan.

◆ How much coverage do I get?

You may select a benefit amount up to 10 times your annual salary. The amounts you choose can range from \$25,000 to \$500,000 coverage. Your family members may be insured for a portion of your benefit amount.

◆ If I am interested, how do I sign up for AD&D?

You must complete the online enrollment form to continue, change, enroll or waive **by December 3, 2010**.

◆ What is the cost of coverage?

For single coverage the cost is \$.03 per \$1000

For family coverage the cost is \$.04 per \$1000

Refer to the chart on the following page for the monthly cost.



Voluntary Accidental Death and Dismemberment Insurance

Monthly Cost for Voluntary Accidental Death
and Dismemberment Insurance

Benefit Amount	Employee Coverage	Family Coverage
\$25,000	\$ 0.75	\$1.00
\$ 50,000	\$1.50	\$2.00
\$75,000	\$2.25	\$3.00
\$100,000	\$3.00	\$4.00
\$125,000	\$3.75	\$5.00
\$150,000	\$ 4.50	\$6.00
\$200,000	\$6.00	\$ 8.00
\$225,000	\$6.75	\$ 9.00
\$250,000	\$7.50	\$10.00
\$275,000	\$8.25	\$11.00
\$300,000	\$9.00	\$12.00
\$325,000	\$9.75	\$13.00
\$350,000	\$10.50	\$14.00
\$375,000	\$11.25	\$15.00
\$400,000	\$12.00	\$16.00
\$425,000	\$12.75	\$17.00
\$450,000	\$13.50	\$18.00
\$475,000	\$14.25	\$19.00
\$500,000	\$15.00	\$20.00



Short-Term Disability Coverage

Who is Eligible for this coverage?

All Associates enrolled in the group health plan are eligible for the short-term disability coverage. **Your coverage automatically begins the first of the month one year after your full-time hire date.**

When do benefits begin?

After 14 days of absence (14 days includes weekends) due to a disabling illness or injury (on the 15th day), as approved by our insurance carrier.

How much will I receive?

60% of your weekly earnings to a maximum benefit of \$1,000 per week.

How long will the plan pay a benefit?

Up to 11 weeks, or until you are no longer disabled, whichever is sooner.

Is pregnancy covered?

Yes. Coverage for pregnancy is covered just as any other medical condition that would keep you from performing the duties of your job.

How much does it cost?

CATO pays the full cost of this employee benefit.

This summary of CATO Short-Term Disability represents only a summary of the Plan. In the case of a discrepancy between the information provided herein and the Plan document, the Plan document will rule. Nothing in this packet should be construed as a contract or guarantee of continued employment.



Long-Term Disability Coverage

Who is Eligible for this coverage?

All full-time employees **currently** enrolled in or who join the Group Insurance Plan are automatically enrolled in this associate paid coverage, which begins the first of the month one year after your full-time hire date.

When do benefits begin?

After 90 days of absence due to a disabling illness or injury (on the 91st day), as approved by our insurance carrier.

How much will I receive?

60% of your monthly earnings to a maximum benefit of \$10,000 per month tax-free.

How long will the plan pay a benefit?

As long as you are totally disabled, as defined by the Plan, you would have coverage until age 62. See chart below for length of coverage beyond age 62.

Age When Period of Disability Starts	Months of Disability
62 but less than 63	42 Months
63 but less than 64	36 Months
64 but less than 65	30 Months
65 but less than 66	24 Months
66 but less than 67	21 Months
67 but less than 68	18 Months
68 but less than 69	15 Months
69 and over	12 Months



Long-Term Disability Coverage

How much does it cost?

The Associate will pay the full cost of the LTD contribution on an after-tax basis. The contribution calculated each pay period is \$.40 per \$100 of base pay. To calculate your cost, please complete the worksheet below.

Step 1: Annual Base Salary

Months per year (12)

divide by 12

Step 2: Monthly Base Salary

Per \$100 of coverage

divide by 100

Step 3: Monthly Multiplier

Cost per \$100 (\$.40)

multiply by .40

Step 4: Monthly LTD Cost

This summary of CATO Long-Term Disability represents only a summary of the Plan. In the case of a discrepancy between the information provided herein and the Plan document, the Plan document will rule. Nothing in this packet should be construed as a contract or guarantee of continued employment.



EyeMed Vision Plan

Who is eligible?

All Full Time Associates. You **do not** have to be enrolled in the CATO Group Health Plan to enroll in the EyeMed Vision Plan.

If I enroll, when will the coverage go into effect?

The 1st of the month following 90 days of full time employment or January 1, 2011 for those who enroll during open enrollment.

What do I need to do if I am already enrolled?

Important: You must complete online enrollment forms to continue coverage for 2011. Coverage will not roll over.

How do I enroll?

You will need to complete the online enrollment forms in order to continue, change, enroll or waive coverage.

How can I find a participating provider?

You can call EyeMed at 1-866-939-3633 or log on to www.eyemedvisioncare.com to locate a list of participating doctors. You will receive an envelope in the mail which will contain an ID card, a listing of the ten closest providers to your home address based on zip code and a listing of the benefits provided by EyeMed. However, you do not have to produce a card to render services. The provider can find your enrollment using your name and date of birth.

Coverage	Bi-Weekly Contributions	Monthly Contributions
	Associate Only	\$ 2.97
Associate + 1	\$ 3.77	\$ 8.16
Family	\$ 7.23	\$ 15.67



Explanation of Benefits for EyeMed Vision Plan

Vision Care Services

Exam with Dilation as Necessary

Member Cost

\$10 Copay

Contact Lens Fit and Follow-Up:

(Contact lens fit and two follow-up visits are available once a comprehensive eye exam has been completed.)

Standard Contact Lens Fit and Follow-Up:

\$0 Copay, Paid-in-full fit and two follow-up visits

Premium Contact Lens Fit and Follow-Up:

\$0 Copay, 10% off retail price, then apply \$40 allowance

Frames:

\$0 Copay; \$150 Allowance, 20% off balance over \$150 (Any available frame at provider location)

Standard Plastic Lenses

Single Vision

\$15 Copay

Bifocal

\$15 Copay

Trifocal

\$15 Copay

Lenticular

\$15 Copay

Standard Progressive Lens

\$15 Copay

Premium Progressive Lens

\$15, 80% of Charge less \$120 Allowance

Lens Options:

UV Treatment

\$15

Tint (Solid and Gradient)

\$15

Standard Plastic Scratch Coating

\$0

Standard Polycarbonate - Adults

\$40

Standard Polycarbonate - Kids under 19

\$0

Standard Anti-Reflective Coating

\$45

Polarized

20% off Retail Price

Other Add-Ons:

20% off Retail Price

Contact Lenses:

(Contact lens allowance includes materials only)

Conventional

\$0 Copay; \$150 one time allowance, 15% off balance over \$150 once per calendar year

Disposable

\$0 Copay; \$150 allowance, plus balance over \$150

Medically Necessary

\$0 Copay, Paid-in-Full

Lasik or PRK from U.S. Laser Network

15% off retail price or 5% off promotional price

Additional Pairs Benefit: Members also receive a 40% discount off complete pair eyeglass purchases and a 15% discount off conventional contact lenses once the funded benefit has been used.

Frequency:

Examination Once every 12 months

Lenses or Contact Lenses Once every 12 months

Frame Once every 24 months

Maximum allowances for all services are based on a single annual visit. The contact lens allowance is based on a single annual purchase.



CATO-FLEX

What is it?

- It's a plan that allows you to pay for eligible healthcare expenses and dependent daycare expenses with tax-free dollars through easy payroll deductions!

Who Is Eligible?

Healthcare Flex

- All full-time Associates who have been employed for 12 consecutive months and whose full time hire date was on or before January 1, 2010. Associates do not have to be enrolled in the CATO Health Plan in order to participate in this plan.

Dependent Care Flex

- All full-time Associates - immediately upon hire.

How Does It Work?

- A Health Care FSA can reimburse you for eligible health care expenses that are not covered by your health insurance plan. These include deductibles, co-pays and certain out-of-pocket expenses.
- You can use Dependent Daycare Flex to pay expenses which are necessary in order for you and your spouse (if you are married) to be employed or to go to school full-time.
- The amount you decide to set aside in your account(s) is divided evenly between the number of payroll checks issued between January 1, 2011 and December 31, 2011. The amount is deducted on a *pre-tax* basis.
- Under the Dependent Account you must accumulate the funds in your account before reimbursement, however under the Healthcare Spending Account, you may be reimbursed immediately.

How Much Should I Contribute?

- Consider last year's health-related expenses, including medical, dental, vision and pharmacy costs that were not covered under your health plan. Also consider any changes in your family status that might have an impact on your expenses. The maximum yearly election for Healthcare Spending Account is \$3,500 and the maximum for Dependent Daycare Account is \$5000.



CATO-FLEX

Can I Change My FLEX Election?

- Once you have enrolled in the CATO-FLEX Plan you cannot change your election unless you have a change in family status (marriage, divorce, death, birth, or a change in employment status for you or your spouse). The election change must be requested within 31 days of your family status change.

How Do I Enroll?

- You must complete an online CATO FLEX enrollment form and designate the desired amount for each benefit. Each year you can set aside up to **\$3,500** in your **Healthcare Spending Account** and/or **\$5,000** in your **Dependent Daycare Account**.

What Does it Cost?

- In order to participate, an administrative fee of \$5.00 per month will be deducted from your paycheck on an *after-tax* basis.

When Will I Receive My FLEX card?

If your current Flex Card expires 12/31/2010 you will receive a new card, otherwise your current card will be reloaded with the new amount you designate for 2011. (If your old card has been misplaced or damaged, please contact the Benefits Department at 704-551-7250.)

- If you are a new enrollee, your FLEX card will be mailed to your home address early in 2011.

Where Can I Use My FLEX Card?

- You can use your FLEX card for eligible expenses anywhere Visa is accepted.
- You can also use your FLEX card at pharmacies and grocery stores nationwide.

What Are Eligible Expenses?

All expenses must be qualified medical, vision, pharmacy or dental expenses as defined in Section 213(d) of the Internal Revenue Code.

New for 2011

- Over the counter items will no longer qualify as an eligible expense.

Some examples of **Healthcare Flex** Eligible Expenses are:

- Medical and Dental co-pays, co-insurance and deductibles
- Vision Care and Corrective Lenses
- Hearing Exams and Hearing Aids

Eligible **Dependent Daycare** expenses:

- Child or Senior Citizen day care center
- After school care
- Nursery School
- Kindergarten
- Nanny or Babysitter (must claim the income on their tax return)



Required Notices

SPECIAL ENROLLMENT NOTICES:

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage). However, you must request enrollment within 30 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage). In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption. To request special enrollment or obtain more information, contact your Human Resources representative.

NOTICE OF OPPORTUNITY TO ENROLL (Extension of Dependent Coverage to Age 26):

Individuals whose coverage ended, or who were denied coverage (or were not eligible for coverage), because the availability of dependent coverage of children ended before attainment of age 26 are eligible to enroll in the Employee Health Plan. Individuals may request enrollment for such children for 30 days from the date of notice. Enrollment will be effective on January 1, 2011. For more information contact your Human Resources representative.

LIFETIME LIMIT NO LONGER APPLIES AND ENROLLMENT OPPORTUNITY:

The lifetime limit on the dollar value of benefits under the Employee Health Plan no longer applies. Individuals whose coverage ended by reason of reaching a lifetime limit under the plan are eligible to enroll in the plan. Individuals have 30 days from the date of this notice to request enrollment. For more information please contact your Human Resources representative.



Required Notices

MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) OFFER FREE OR LOW-COST HEALTH COVERAGE TO CHILDREN AND FAMILIES:

If you are eligible for health coverage from your employer, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

If you or your dependents are already enrolled in Medicaid or CHIP, you can contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or **www.insurekidsnow.gov** to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer's health plan is required to permit you and your dependents to enroll in the plan - as long as you and your dependents are eligible, but not already enrolled in the employer's plan. This is called a "special enrollment" opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance.**



Glossary Of Terms

- Beneficiary - A spouse, child, charity, or any entity or person to whom the policyholder would like to leave his or her assets.
- Co-Pay - A small fixed amount required by the insurance company to be paid by the Associate for each outpatient visit or drug prescription.
- Co-Insurance - An 80/20 co-insurance plan with a \$500 deductible requires the Associate to pay 20% of the covered costs after the deductible has been paid, while the insurance company will be liable for the remaining 80%.
- Contribution - The amount paid by the Associate for insurance coverage, which is usually paid on a regular basis (each pay period).
- Deductible - The amount an Associate pays out-of-pocket before the insurance company will pay for expenses
- Dependent - A spouse, child or parent for whom the Associate is the legal guardian.
- Full-time - CATO Associates employed on a regular basis with the intent of working at least 30 hours per week, every week of the year.
- Generic Drug - When the patent protection for a brand-name drug expires generic versions of the drug can be offered for sale if the FDA agrees; generic drugs are usually less expensive than brand-name drugs.
- Inpatient - A patient who is admitted to a hospital or clinic for treatment that requires at least one overnight stay.



Glossary Of Terms

- In-Network - Services rendered by a participating provider will be payable at the “preferred” benefit level.
- Outpatient - A patient who receives treatment at a hospital, as in an emergency room or clinic, but is not hospitalized.
- Out-Of-Area - These benefits apply to members who reside in a location that does not offer access to a sufficient number of preferred providers. The Plan Administrator determines which members are covered through the out-of-area provision. Out-of-area benefits also apply to emergency care.
- Out-Of-Network - Services rendered by a non-participating provider will be payable at the “non-preferred” benefit level.
- Out-Of-Pocket Limit - The maximum amount that the covered Associate will pay for Co-Insurance before the Insurance Company pays 100% of covered claims for the remainder of the calendar year. **(Does not include co-pays and other excluded expenses.)**
- Part-Time - Associates employed to work on a regular schedule of less than 30 hours every week throughout the year. **Occasional and temporary work weeks are not sufficient causes to change an Associate’s status to Full-Time.**
- Per Confinement Deductible- The amount an Associate pays out-of-pocket each time he/she is admitted to the hospital.



Glossary Of Terms

- Plan Allowance- The Plan allowance is the amount that the plan, at its sole discretion, has determined to be the maximum amount payable for a non-preferred provider covered service. Charges in excess of the Plan allowance will not be considered covered expenses under this Plan. The Plan will reimburse the actual charge billed if it is less than the Plan allowance. A complete listing of the Plan Allowance charges is located at www.primarypc.com/providers. The Plan allowance only applies to non-preferred providers (see Schedule of Benefits).
- Pre-certification- If pre-certification is not obtained, a penalty will apply and benefits will be reduced and/or denied. Hospital admissions, outpatient surgeries and other procedures require pre-certification.
- Preferred Provider – A provider who has elected to participate in the Plan or through a network supplementary to the Plan.
- Specialist – A physician whose practice is limited to a particular branch of medicine or surgery – usually separate from your Primary Care Physician.