

# Y-12 BOOK OF BENEFITS

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YOUR BOOK OF BENEFITS—ACTIVE EMPLOYEES

# Y-12 BOOK OF BENEFITS



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# Glossary

Sometimes, to describe a benefit plan accurately, some technical terms must be used. This Glossary contains brief definitions to help you understand some terms used throughout this book.

## **Acts of Terrorism**

*For business travel accident coverage*

Premeditated, politically motivated violence perpetrated against a non-combatant by:

- persons not acting on behalf of a sovereign state; or
- clandestine state agents.

## **Ad Hoc Employee**

A non-exempt employee who works on an on-call, as-needed basis.

## **Appropriate Care and Treatment**

During disability, medical care and treatment that is:

- received from a physician whose medical training and clinical experience are suitable for treating your disability
- necessary to meet your basic health need and is of demonstrable medical value
- consistent in type, frequency and duration of treatment with relevant guidelines of national medical, research and health care coverage organizations and government agencies
- consistent with the diagnosis of your condition
- maximizing your medical improvement.

## **Approved Rehabilitative Employment Program**

During disability, a program of physical, mental or vocational rehabilitation which:

- is expected to result in your return to your own occupation or to a reasonable occupation on a full-time basis
- is approved, in writing, by the Company and the claims administrator.

A rehabilitative employment program will no longer be considered approved on the earliest of these dates:

- the date you are able to perform the material duties of your own occupation
- the date you return to work for the Company on a reduced-hour basis
- the date the claims administrator or the Company withdraws, in writing, its approval of the program.

**Average Straight-Time Monthly Earnings**

The average of your highest earnings for three years during the last ten years just before you retire. Refer to the "Pension Plan" section for information on how average straight-time monthly earnings are calculated.

**Beneficiary**

The person, organization or trust that you name to receive any life, accident, pension plan or savings program benefits if you die.

**Birthing Center**

An institution which is established, licensed and operated in accordance with the laws of legally authorized agencies to furnish room and board, services of qualified nurses and a certified nurse midwife to expectant mothers. One or more nurses must be on duty at all times. To qualify as a Birthing Center, an institution must:

- have available at all times, under an established agreement, the services of a physician
- maintain daily medical records on all patients
- have agreements with hospitals that will accept patients requiring inpatient hospital care at once.

**Bomb Scare/Search/Explosion**

*For business travel accident coverage*

"Bomb" means any real or dummy explosive device placed with intent to damage, scare, or cause injury. "Scare" means any real or false report of the presence of a bomb on the premises of the Company. "Search" means any organized search of a reported bomb. "Explosion" means any artificially induced explosion of a bomb on the Company's premises where it appears that the explosion was intended to cause injury or unlawful property damage, whether or not the presence of the bomb was reported before the explosion occurs.

**Business Trip**

Travel authorized by the Company (including trips outside the United States), including relocation trips, home leaves and rest and relaxation leaves, as well as any side trips or vacations taken in conjunction with a business trip.

**Cause**

When used in the context of a termination from employment, cause means a termination of employment due to poor performance, misconduct, or a violation of the Company's rules or policies.

**Child**

*For medical, prescription drugs, dental, vision, and health care spending account, a child is defined as:*

- (1) Your natural child,
- (2) Your legally adopted child (or a child who is lawfully placed with you for legal adoption),
- (3) Your stepchild,
- (4) A foster child (an individual who is lawfully placed with you by an authorized placement agency or by judgment, decree or other order of any court of competent jurisdiction),
- (5) A child where you have legal guardianship, custody, or conservatorship by court order or an agreement with a state or other governmental agency,

(6) A child who is recognized as an alternate recipient in a "Qualified Medical Child Support Order ("OMCSO") enforceable with respect to the plan.

In the case of a child described in items 1 through 4 and item 6 above, the child is under age 26, except for dental, which is under the age of 24.

In the case of foster children, you must expect to raise the child to adulthood. A child who is living with you temporarily or for whom you have temporary custody does not qualify as a foster child. A child who has been placed in your home by a welfare or social service agency under an agreement where the agency retains control of the child or pays for support or maintenance of the child does not qualify as a foster child. Further, you and the foster child must have a "parent-child" relationship (as described below).

A child must meet the requirements below in the case of a child described in item 5 above. Or as in the case for the employee assistance plan, a child described in items 1 through 6 above must meet these requirements:

- The child is not married.
- The child is under age 24 (26 in New Hampshire, 25 in Montana and 25 in Washington).
- You must be able to claim the child as a dependent on your federal income tax return (without regard to any gross income limitations on a dependent).
- You provide over 50% of the child's support during the calendar year.
- The child lives with you in a "parent-child relationship" for the entire calendar year. The child is considered to have lived with you during periods of time when one of you, or both, are absent due to handicap, disability, illness or education. A "parent-child relationship" means that you are exercising parental authority, responsibility and control over the child by caring for, supporting, disciplining and guarding the child, including making decisions about the child's education and health care. If you are not the child's biological parent, the "parent-child relationship" must be with you, not the child's biological parent.

A child who is permanently and totally disabled before reaching the maximum coverage age above may continue to be covered regardless of age provided that he or she remains permanently disabled and is primarily dependent on you for support.

*For business travel and special accident insurance coverage*

Your natural child, stepchild, foster child, legally adopted child, or child of adopting parents, pending adoption, who relies chiefly on you for support and maintenance.

**Child Care Center**

*For special accident insurance*

A facility which is run according to law, including laws and regulations applicable to child care facilities and provides for care and supervision for children in a group setting on a regular daily basis. A child care center does not include a hospital, a child's home or care provided during normal school hours (attending grades 1-12).

**COBRA**

Consolidated Omnibus Budget Reconciliation Act of 1985; this federal law allows you and your eligible dependents to continue health care coverages under certain circumstances when coverage would otherwise end.

**Coinsurance**

The percentage of charges you are required to pay under the plan.

**Company**

Babcock & Wilcox Technical Services Y-12, LLC.

**Company Service**

The total elapsed time between the date you begin employment with the Company and your last day of work. The Pension Plan uses Company Service to calculate pension benefits – except to determine your eligibility for a vested pension benefit, which uses Credited Service. (Service Credit or Company Service Credit, as referenced under the benefit plans in this book, means Company Service.)

**Conduit IRA**

A temporary Individual Retirement Account that you use to hold rollovers between two employers' qualified plans.

**Conversion Privilege**

Your right to convert a group medical, life insurance or special accident insurance policy into an individual policy.

**Copayment**

The amount you and your enrolled dependents are required to pay for the services received – in addition to any Coinsurance or Deductible. Deductibles are not reduced by Copayments.

**Credited Service**

All the time you work for the Company, from your first hour of service until you sever from service. Credited Service is used for vesting purposes. Refer to the Pension Plan section for more information on credited service.

**Crown**

A restoration which replaces enamel, covering the entire crown of a tooth, usually made of porcelain or acrylic.

**Deductible**

The Deductible is the amount you and your enrolled dependents are required to pay each year for covered expenses before the plan pays, and is in addition to any Coinsurance or Copayments.

**Dependent Child**

*For the pension plan*

Your natural or adopted child, stepchild or foster child who is under age 23 and who qualifies as your dependent child for federal income tax purposes.

**Dependent Parent**

*For the pension plan*

Your natural parent or stepparent who qualifies as your dependent for federal income tax purposes.

You are determined to have a Disability if you are unable to perform the duties of your regular job with the Company due to illness or injury and are under the Appropriate Care and Treatment of a licensed practicing physician. The Company's Claims Administrator makes that determination.

**Durable Medical Equipment**

Any equipment which can withstand repeated use and is medically essential to treat an injury or sickness.

**Early Retirement**

Retirement prior to reaching age 65.

**Elective Surgery**

A surgical procedure which is not considered emergency in nature and which may be avoided without undue risk to the patient.

**Eligible Dependents**

*For medical, dental, health care spending account and employee assistance program coverage*

Your eligible dependents are:

- the person who is recognized under applicable law as your spouse
- a Child described above in this Glossary.

*For business travel accident insurance and special accident insurance coverage*

Your Eligible Dependents are your spouse under age 70 and your unmarried children from birth through 18 years of age. An unmarried child under age 28 is also considered your Eligible Dependent if he or she is enrolled as a Full-Time Student.

Coverage will continue for any child who reaches the age limit and is totally incapable of self-sustaining employment due to a physical or mental handicap and is chiefly dependent upon you for support and maintenance.

*For Spouse and Dependent Life Insurance*

Your Eligible Dependents are your spouse under age 70 and your unmarried children from age 6 months to 19 years (up to age 24, if a Full-Time Student).

**Eligible Earnings**

Your straight-time earnings divided by straight-time hours, then multiplied by scheduled hours.

**Eligible Employee**

With respect to a benefit plan, an employee who has satisfied the eligibility and waiting period requirements, if any, for such benefit plan.

**Emergency**

A serious accident or sudden illness that is life-threatening or could result in a long-term medical problem, such as uncontrolled bleeding, seizure or chest pain.

**Emergency Admission**

Any hospital admission for an inpatient stay for a condition which:

- has a sudden and unexpected onset, and
- requires prompt care to protect life, relieve severe pain or diagnose and treat symptoms which, with delay, could result in serious injury.

**ERISA**

The Employee Retirement Income Security Act of 1974, as it may be amended from time to time.

**Fixed Bridgework**

Permanently inserted artificial teeth joined to inlayed or crowned natural teeth on either side called abutments. A fixed bridgework for anterior teeth often requires two abutments on either side.

**Full Denture**

Upper or lower; artificial teeth in replacement of all teeth in an arch.

**Full-Time Employee**

A non-exempt employee who is scheduled to work at least 40 hours per week on a regular basis or an exempt employee who is scheduled to work at least 173.3 hours per month on a regular basis.

**Full-Time Student**

*For business travel accident insurance, special accident insurance, and spouse and dependent life insurance coverage.*

A person who is enrolled full-time in any accredited school, including a trade or vocational training program.

**Full-Time Temporary Employee**

A non-exempt employee who is scheduled to work at least 40 hours per week on a temporary basis or an exempt employee who is scheduled to work at least 173.3 hours per month on a temporary basis.

**Home Health Aide**

A person who is trained to assist a person with daily living in his or her home after surgery or injury and who reports to and is under the direct supervision of a home health care agency. A home health aide can assist with personal hygiene, changing dressings and mobility.

**Home Health Services**

Skilled health care services that the insurance company has determined are medically appropriate to provide in the home.

**Hospice Facility**

An institution or part of one which primarily provides care for terminally ill patients and fulfills any licensing requirements of the state or locality in which it operates.

**Hospice Program**

A coordinated, interdisciplinary program of care designed to meet the physical, psychological, spiritual and social needs of dying persons and their families. A hospice program may also provide palliative and supportive medical, nursing and other health services through home or inpatient care during the terminal illness.

**Hospice Care Services**

Any services provided by a hospital, skilled nursing facility, home health agency, hospice or any other licensed facility or agency under a hospice program.

**Hospital**

A Hospital is an institution constituted, licensed and operated in accordance with the laws pertaining to hospitals, which maintains on its premises all the facilities needed to diagnose and treat injury and sickness. It is an institution which qualifies as a hospital, a psychiatric hospital or a tuberculosis hospital as a provider of services under Medicare and is accredited by the Joint Commission on the Accreditation of Hospitals.

A Hospital can specialize in treatment of mental illness, alcoholism, drug addiction, or other related illness. It can also provide residential treatment programs, but only if it is constituted, licensed and operated in accordance with the laws of legally authorized agencies responsible for medical institutions. It provides all treatment for a fee, by or under the supervision of physicians on an inpatient basis with continuous 24-hour nursing service by qualified nurses.

Any institution which is exclusively a place for rest, a place for the aged or a nursing home, will not be considered a Hospital.

**Hour of Work**

Each hour of work for the Company for which you are paid, including straight-time, overtime, holidays, and jury duty. However, vacations, personal leave and time off for union business are not included in calculating your hours of work.

**Imputed Income**

The IRS requires you to be taxed on the value of employer-provided group life insurance over \$50,000. The taxable value of this life insurance is called "imputed income". Even though you don't receive cash, you are taxed as if you received cash in an amount equal to the value of this coverage. IRS issues rate tables for purposes of imputing income under group term life insurance.

**Indemnity Plan**

A medical plan in which you can use any provider you choose.

**In-Network Benefits**

Health care services or items provided by your primary care physician, or authorized services or items provided by another participating provider

**Lifetime Maximum**

The maximum amount of eligible benefits a plan will pay for an individual during his or her lifetime. Beginning with the 2011 plan year, a lifetime maximum does not apply to essential health benefits under the medical plan (including prescription drug, dental and vision) for active employees. A lifetime maximum continues to apply to non-essential health benefits under the medical plan for active employees and continues to apply to all benefits under the retiree medical plan.

**Light Duty Assignments**

Temporary modified duties assigned as the result of temporary physical limitations due to injury, illness or pregnancy that prevent an employee from performing the full scope of duties of his or her regular assigned job.

**Limb**

An arm or a leg.

**Long-Term Disability**

Your long-term disability benefits are designed to provide continuing income if you become ill or injured and are unable to work. You become eligible for benefits after you have been totally disabled for six months.

**Loss**

For purposes of business travel accident and special accident insurance coverage, loss of hand or foot means complete severance through or above the wrist or ankle joint. Loss of eyesight means the complete or irrecoverable loss of entire sight of either eye. Loss of speech means complete inability to communicate audibly in any degree. Loss of hearing means irrecoverable loss of hearing which cannot be corrected by any hearing aid or device. Loss of thumb and index finger means actual severance through or above the joint closest to the wrist. A Loss must result directly from bodily injuries caused by an accident.

**Major Medical Medicare Supplement Plan**

A medical plan available to retirees who are age 65 or over and enrolled in Medicare Part A and Part B. The plan is designed to supplement your Medicare Part A coverage and to provide coverage for certain expenses for which no Medicare benefits or limited Medicare benefits are payable.

**Member Services**

The customer service unit of the plan's third party vendor or claims administrator with responsibility for administering or insuring the plan of benefits.

**Mental Health Provider**

The company responsible for authorizing mental health and alcohol/drug abuse treatment for Medical Plan participants.

**Myofunctional Therapy**

Correcting and/or retraining of the muscles in order to correct an orthodontic disorder.

**Necessary Services and Supplies**

Any services or supplies, other than bed and board, that are necessary for your treatment and are administered during hospital confinement. Necessary Services and Supplies will also include professional ambulance service to or from the nearest hospital where the necessary medical treatment can be provided, and any charges for the administration of anesthetics during hospital confinement. Necessary services do not include special nursing, dental or medical services.

**Network**

A group of health care providers who have agreed to provide care for pre-negotiated rates, as well as to comply with quality assurance procedures, patient service standards, and compliance with all applicable laws and regulations.

**Network Manager**

The health plan that sets up and manages a network of providers and administers out-of-network benefits.

**Network Pharmacy**

A pharmacy that has contracted with the pharmacy benefit management company to provide prescription drugs under a contractual arrangement for discounted costs.

**Normal Retirement**

Retirement at age 65.

**Nurse**

A Registered Graduate Nurse, a Licensed Practical Nurse or a Licensed Vocational Nurse. A nurse is a professional who has the right to use the respective title and the respective abbreviation R.N., L.P.N. or L.V.N.

**Orthodontic Treatment**

Science of the movement of teeth in the correction of malocclusion.

**Orthotics**

A custom-molded rigid insert that, when placed in the shoe, distributes the patient's weight equally throughout the foot and leg and relieves the stress from any one particular area.

**Out-of-Network Benefits**

Care that does not qualify as in-network.

**Out-of-Pocket Maximum**

The maximum you have to pay for eligible medical expenses in one plan year. Once you reach this amount, the medical plan pays 100% of eligible expenses for the rest of that plan year.

All eligible medical expenses count toward the Out-of-Pocket Maximum, except for expenses for prescription drugs, mental health/alcohol and drug abuse treatment, amounts above reasonable and customary charges and any penalties for failing to pre-certify services.

Beginning with the 2014 plan year, an Out-of-Pocket Maximum does not apply to essential health benefits under the medical plan (including prescription drug, dental and vision) for active employees. An Out-of-Pocket Maximum for essential health benefits under the medical plan for active employees is limited to \$750,000 for the 2011 plan year, \$1,250,000 for the 2012 plan year and \$2,000,000 for the 2013 plan year. An out-of pocket maximum continues to apply for non-essential health benefits.

**Paralysis**

The loss of all practical use of a limb as it relates to the ability to perform the normal functions and activities of everyday life without the use of a prosthesis or any other mechanical device(s).

**Partial Denture**

An appliance supporting artificial teeth less than the full number of teeth in one jaw.

**Part-Time Employee**

An employee who is scheduled to work more than 20% and less than 80% of the regular work schedule on a regular or temporary basis.

**Pay***For short-term disability and long-term disability*

Your monthly basic rate of pay in effect just before your total disability begins and before any before-tax salary reductions. Pay does not include overtime, bonuses or any other form of extra compensation.

*For life and accident insurance benefits*

Your annual basic rate of pay, determined as described in the Life & Accident Insurance section, before any before-tax salary reductions. Pay does not include overtime, bonuses or any other form of extra compensation.

*For Retirees*

If you are a retiree, your pay is your annual pension benefit.

**Periodontal Splinting**

Stabilizing or immobilization of periodontically involved teeth. Splinting may be accomplished with acrylic resin bit guards, orthodontic band splints, wire ligation, provisional splints and fixed prosthesis.

**Periodontics**

The treatment of disease of the gum and tissues surrounding the teeth.

**Personal Identification Number (PIN)**

The number that allows you to access Savings Program account information through the information line.

**Physician**

A person who is licensed to prescribe and administer drugs or to perform surgery and who operates within the scope of his or her license.

**Point-of-Service Plan**

A medical plan through which you may receive care in-network (at the highest level of benefits) or out-of-network (at a lower level of benefits).

**Precertification**

The process used to certify the clinical treatment, the medical necessity and length of a hospital confinement.

**Prescription Drugs**

Medication prescribed by a physician for the treatment of an illness or injury. There are two types of Prescription Drugs: brand-name and generic.

**Primary Care Physician**

A physician – generally an internist, general/family practitioner or pediatrician – whom you select to coordinate all your medical care within the Point-of-Service network.

**Prosthodontic Services**

The making of artificial devices for replacement of missing teeth and structures in the mouth.

**Qualifying Life Event**

An event described in the “About Your Benefits” section which permits a change in coverage or election on a pre-tax basis.

**Reasonable and Customary Charge***For medical coverage*

A rate that the claims administrator determines is the normal charge made by providers in your geographic area for a similar service or supply. The nature and severity of the injury or sickness will be considered. If the claims administrator considers your medical expenses more than Reasonable and Customary, you will be responsible for paying the additional amount. Charges in excess of the Reasonable and Customary charge do not count toward your Deductible or Out-of-Pocket Maximum.

*For dental coverage*

A rate for dental services that is determined by the claims administrator by taking into account:

- the usual fees charged by dentists with similar training and experience in your geographic area
- any unusual circumstances or complications that require special skill, experience or additional time.

If the claims administrator considers your dental expenses more than Reasonable and Customary, you will be responsible for paying the additional amount. These charges do not count toward your Deductible.

**Rollover Contributions**

Distributions from another employer’s qualified plan that you deposit into your Savings Program account.

**Room and Board**

All charges commonly made by a hospital for rooms and meals and all general services and activities needed for the care of registered bed patients.

**Routine**

A situation that does not require immediate attention, such as immunizations or annual exams.

**Service Credit**

Refer to the “Company Service” definition in the Glossary.

**Short-Term Disability**

The short-term disability plan is designed to protect your income if you are unable to work due to illness, injury or pregnancy.

**Skilled Nursing Facility**

A licensed institution, other than a Hospital, which specializes in physical rehabilitation or provides skilled nursing and medical care on an inpatient basis. The institution must maintain on the premises all facilities necessary for medical treatment. Such treatment is provided for compensation and must be under the supervision of physicians and provide Nurses' services.

**Space Maintainers**

Appliances to prevent adjacent teeth from moving into space left by a lost tooth.

**Straight-Time Earnings**

Your basic rate of pay, including executive incentive compensation, shift premiums and hourly COLA, but not including overtime.

**Terminally Ill**

A medical prognosis of six months or less to live.

**Total Disability or Totally Disabled**

*For basic and supplemental life insurance.*

You are considered Totally Disabled if, because of an illness or injury:

- you cannot do your job, and
- you cannot do any other job for which you are qualified by your education, your training or your experience.

*For long-term disability*

During the first 24 months you are absent from work under the long-term disability plan, you are considered Totally Disabled if you are unable to perform the duties of your regular job with the Company due to illness or injury and are under the regular care of a licensed practicing physician. After you have been absent from work for 24 months, you are considered Totally Disabled if you remain under the regular care of a licensed practicing physician and you are unable to work at any job for which you might be qualified based on your education, training and experience. For purposes of any collective bargaining agreement, the preceding sentence will constitute the definition of "totally and permanently disabled."

**Totally and Permanently Disabled**

*For business travel accident and special accident insurance coverage*

You are considered Totally and Permanently Disabled if, as the result of a qualifying accident, you cannot do any work for which you are or can become qualified by reason of your education, experience or training, and you are not expected to be able to do so for the remainder of your life.

**Urgent Care**

Services for a situation that requires prompt medical attention, but is not life threatening.

**Vesting**

Ownership interest in your pension plan benefits and Company matching contributions under the Savings Program. You have an irrevocable right to a benefit when you are fully vested.