EXPLORE YOUR TOTAL REWARDS

2016 BENEFITS GUIDE
FULL-TIME EMPLOYEES
WELCOME TO KINDERCARE EDUCATION!

As a KinderCare Education (KCE) employee, you make a positive difference in the lives of the children and families we serve. It is exciting and meaningful work. To recognize the enormous contributions you will make, we offer a total rewards package that we feel is by far the best in the industry.

“Total rewards” is our commitment to you – and it’s much more than a paycheck. We offer a full spectrum of programs to protect your health and financial security, promote work-life balance, and provide a supportive workplace where you can learn, grow, and thrive professionally.

This guide will give you a better understanding of the full value of working at KCE. In it you’ll find detailed information about our benefit offerings, including healthcare and insurance benefits, our retirement savings plan, professional development opportunities, paid time off, employee discounts, and much more.

I encourage you to take full advantage of these valuable benefits and other rewards. Welcome to the KinderCare Education family!

WEI-LI CHONG
EVP, People and Operations
WELLBEING (pages 4–18)

- Eligibility and How to Enroll
- Medical Insurance
- Health Care Flexible Spending Account (FSA)
- Dental and Vision Benefits
- Supplemental Medical Insurance
- Life and Disability Insurance

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- 401(k) Retirement Plan

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- If You Are Rehired
- Child Care Discount (Tax Facts and W-2 Reporting)
As a KCE employee you have a lot of great benefits to choose from, but on medical and some other benefits you need to make those choices soon!

**You must enroll within the first 30 days of your employment** (or within 30 days of a life event such as a marriage or birth) to receive medical, dental, or vision plans, as well as supplemental medical coverage, disability insurance, or life insurance. Once you enroll, the coverage will become effective the first day of the month following your 30th calendar day (for example: if you started employment on March 15, your benefits would kick in on May 1).

This section walks you through all your benefit options – everything you’ll need to do in your first 30 days.
As a newly hired full-time employee, you must make your benefit elections within the first 30 calendar days of employment.

Your spouse or domestic partner and children under 26 years of age are eligible for coverage (see plan documents for more detailed definitions). Employee premium prices for varying coverage levels are shown in the rate charts on page 9 of this guide.

- Full-time: Defined as an employee who is regularly scheduled and works an average of 30 hours or more per week
- Full-time for Champions: Defined as an employee who is regularly scheduled and works an average of 25 hours or more per week

**Important Note:** Under the Affordable Care Act, companies are required to measure all employee hours to determine benefits eligibility. Employees hired for a full-time position will be able to enroll in a medical plan for 2016. If your hours are reduced during the year to part-time status, please contact a benefits counselor at 844-279-7896 for guidance.

KCE has elected to extend this eligibility to all other offered benefits.

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a federal law gives you more choices about your prescription drug coverage. For more details, refer to Your Healthcare Rights and Responsibilities Guide at KUbenefits.com.
HOW TO ENROLL

To enroll in benefits, visit KUbenefits.com. Log in by creating your own user ID and password.

Once you’ve logged in, click the Enroll link in the Action Needed box (for the Transportation Account, see page 25 for instructions). Then click Continue and follow these simple steps:

1. REVIEW YOUR INFORMATION
   - Review your personal information

2. ENROLL IN OR MAKE CHANGES TO YOUR BENEFITS
   - Your current elections are shown; click “Take me through each benefit” or click “View/Change” only on the benefits you want to edit
   - Update or add information about your dependents
   - Click on Medical to let us know if you have a spouse who has coverage through their employer or that you or a family member uses tobacco

3. CONFIRMATION
   - Each plan offering has a Save button at the bottom of the page; if you elect coverage and click Save, you’ve agreed to pay the premium associated with those benefits
   - Review the summary of your enrollment selections

Or call a benefits counselor at 844-279-7896 to enroll via phone. Please allow 30-45 minutes to complete the enrollment.

WHEN DO MY BENEFITS BEGIN?
Benefits selected during new hire enrollment will go into effect the first of the month following 30 days of employment.

CHANGING BENEFIT SELECTIONS
You may be able to change some benefits in certain situations. Under IRS rules, you can change pre-tax benefits (medical, dental, vision, and flexible spending accounts) only within 30 days of life events such as having work hours reduced, getting married, or having a baby. To learn more about which situations allow you to change your benefits, visit KUbenefits.com or call a benefits counselor at 844-279-7896.

Some post-tax benefits may be stopped or changed any time during the year.
One of the best things you can do to stay healthy and save medical costs is see your primary care doctor and get age-appropriate exams. Your benefits are about more than just paying for care if you or your covered family members become sick or injured – they’re about helping you feel your best.

The Affordable Care Act requires that Americans have medical insurance or pay a federal tax penalty. It’s important to be sure you’re covered, either through a KCE-sponsored plan or another option available to you, such as your spouse’s employer’s benefits, a plan through the public exchange, or a government program like Medicare or Medicaid. KCE provides access to “Health Coverage Resources,” a site and telephone service designed specifically to support you if you are interested in coverage for you and/or your family outside the KCE plan.

For help exploring other options, visit HealthCoverageResources.com/KUeducation/home or call a benefits counselor at 844-279-7896.

CHOOSING A MEDICAL PLAN

The medical plans available to you include a range of coverage levels and costs, giving you the flexibility to select the plan that’s right for you and your family. You’ll find a summary of each plan’s features on the following pages. Call a benefits counselor at 844-279-7896 or visit KUbenefits.com for complete details and plan costs.
### Plan Overview and Rates

Every full-time employee has the option of at least 2 plans: MyChoice plan and Basic plan administered by Meritain. Both plans come with a health advocate service, “Quantum Care Coordinators.” See details on page 12. In regions where Kaiser Permanente is available, employees also have 2 similar plan options.

<table>
<thead>
<tr>
<th></th>
<th>MyChoice Plan (similar to Gold Plan)</th>
<th>Basic Plan (similar to Silver Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IN-NETWORK</td>
<td>IN-NETWORK</td>
</tr>
<tr>
<td><strong>Deductible</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>$750</td>
<td>$1,500</td>
</tr>
<tr>
<td>Family</td>
<td>$1,500</td>
<td>$3,000</td>
</tr>
<tr>
<td><strong>Out-of-Pocket Maximum</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual</td>
<td>$5,000</td>
<td>$6,350</td>
</tr>
<tr>
<td>Family</td>
<td>$10,000</td>
<td>$12,700</td>
</tr>
<tr>
<td><strong>Lifetime and Annual Limit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual or Family</td>
<td>Unlimited</td>
<td>Unlimited</td>
</tr>
<tr>
<td><strong>Office Visit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Care Physician (PCP) Visit</td>
<td>$20 copay*</td>
<td>30%</td>
</tr>
<tr>
<td>Specialist Visit with PCP Referral</td>
<td>$20 copay*</td>
<td>30%</td>
</tr>
<tr>
<td>Specialist Visit without PCP Referral</td>
<td>$50 copay*</td>
<td>30% + $250 copay</td>
</tr>
<tr>
<td>Urgent Care / Emergency Room Visit</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Preventative Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preventive Physical including Preventive Lab, Well Baby, Annual Women's Exam, Immunization</td>
<td>100% covered*</td>
<td>100% covered*</td>
</tr>
<tr>
<td><strong>Inpatient Hospital Care</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Maternity Care</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Outpatient Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diagnostic X-ray &amp; Lab</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Outpatient Surgery</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

* Deductible waived

Kaiser plans vary by state. Employee contributions on page 9 also apply to Kaiser plans.

A more detailed benefit summary is available on KUbenefits.com.

### Other Services Covered

Other covered services include 3D mammograms, infertility test and assessments, naturopaths, expanded autism treatment, and other meaningful benefits.
In addition to the rates listed above, the following charges may apply to you:

- $41.54 biweekly ($20.78 weekly) for a spouse/partner who has medical coverage available through their employer
- $23.08 biweekly ($11.54 weekly) if anyone enrolled in the medical plan uses tobacco.

*If you think you might be unable to participate in a tobacco cessation program, we will work with you to find a reasonable alternative that is right for your health status. Call 844-279-7896 for more information.*
KEY DIFFERENCES BETWEEN MYCHOICE AND BASIC

DOCTOR VISITS

• MyChoice: Pay a flat $20 copay for primary care and specialist office visits ($50 for specialist visits without primary care doctor referral)
• Basic: Pay your deductible first, then 30% out-of-pocket

OUT-OF-POCKET MAXIMUM

• MyChoice: $5,000 per individual
• Basic: $6,350 per individual

PRESCRIPTIONS

• MyChoice: Maximum copays to minimize your out-of-pocket expenses on prescriptions
• Basic: 30% of all prescription costs

Which Plan Is Right for You?

Deciding on a health care plan is challenging. Here are some typical examples of how people could use health care over a given year and how the costs would differ under MyChoice and Basic (these estimated amounts are for illustration only).

HEALTHY HEATHER (EMPLOYEE ONLY)

Heather goes to the doctor for an annual OB/GYN visit, but nothing else – no prescriptions, no other exams. So her only costs are her premiums.
ANGELA ANKLE (EMPLOYEE ONLY)

Angela is single and healthy but sprained her ankle at the gym last week. She went to her primary care doctor, got X-rays on her ankle, visited a specialist, and went to 6 physical therapy sessions. She gets an annual preventive check-up and refills prescription drugs by mail each month. Angela is enrolled in a flexible spending account (FSA) and was able to pay her deductible and copays with her FSA card. She didn’t have to come up with money up front and she’s saving money by funding her account with pre-tax dollars.

TOTAL COSTS
( Including annual premium):
- Basic $2,957
- MyChoice $2,439

CARLOS AND THE KIDS (EMPLOYEE + CHILDREN)

Carlos has a newborn son and toddler daughter on his insurance. Needless to say, doctor visits are part of the family schedule. The baby boy goes to the doctor 6 times (including 2 visits with a specialist for an ear infection), and his toddler goes twice (once for the flu). All told, he fills 3 prescriptions at a retail pharmacy for his baby, using generic drugs and 2 more prescriptions using preferred brand-name drugs through the mail-order system.

TOTAL COSTS
( Including annual premium):
- Basic $4,473
- MyChoice $4,201

FRAN AND THE FAM (EMPLOYEE + FAMILY COVERAGE)

Fran and her husband Frank just welcomed their first child Felicia. The new parents went to their primary care doctor 5 times over the course of the year. Their baby went to the doctor 4 times and saw a specialist twice for a sinus infection. Little Felicia ended up using 3 generic mail-order prescriptions and 2 preferred brand-name drugs from a retail pharmacy.

TOTAL COSTS
( Including annual premium):
- Basic $9,218
- MyChoice $9,086

Note: These are estimated costs used for illustration purposes only.
Medical Plan Question? Call Quantum

Whether you choose MyChoice or Basic through Meritain, you’ll have access to the industry’s leading Care Coordinators. These Quantum Health professionals will:

• Make sure you know how your plan works
• Help you find network providers
• Ensure you have the care you need
• Help you overcome obstacles
• Help you quit tobacco
• Assist you with claims issues

Your doctor’s office will want to know your plan is administered by Meritain for billing purposes. But you should call Quantum with any questions about your coverage.

(Employees enrolled in Kaiser Permanente plans do not have access to Care Coordinators by Quantum Health.)

CARE COORDINATORS BY QUANTUM HEALTH 866-274-8026
Visit MyKUPlans.com or download the Quantum Health app (“Your Care Coordinators”).

WHY JENNIFER USES QUANTUM CARE COORDINATORS

Jennifer recently had a baby, Sophia. As first-time parents, Jennifer and her husband weren’t used to all of the ins and outs of dealing with their medical coverage. Fortunately, they were able to speak with Quantum to get all of their questions and concerns addressed. Quantum helped Jennifer find an in-network specialist when Sophia needed one. When Jennifer and her husband had questions about a medical bill, Quantum helped make sure it was paid correctly. And Quantum helped Jennifer get Sophia’s mail-order prescriptions set up. Quantum Care Coordinators were there to help Jennifer and her husband understand their plan and put their worries at ease.

HELP TO STOP SMOKING

MyChoice and Basic both completely cover the cost of tobacco cessation aids, including patches, sprays, and pills. KCE also sponsors a free tobacco cessation program through Quantum Health for those enrolled in Meritain MyChoice or Basic, as part of our Commitment to Wellness.

IN-NETWORK VS. OUT-OF-NETWORK

You save money by choosing doctors in your plan’s network and having your primary care doctor refer you to specialists. Visit the Quantum Health website for a list of network providers.
## IMPORTANT DEFINITIONS AND DETAILS

<table>
<thead>
<tr>
<th>Definition</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copay:</td>
<td>The fixed dollar amount that you must pay the provider at the time of service.</td>
</tr>
<tr>
<td>Deductible:</td>
<td>The amount you pay before the plan begins to pay.                                                                OLUTIONS AND DETAILS</td>
</tr>
<tr>
<td>Flexible Spending Account (FSA):</td>
<td>An account used to pay eligible health care expenses funded by you with pre-tax payroll contributions. Use it or lose it; unspent funds you put here do not roll over to the next year.</td>
</tr>
<tr>
<td>Out-of-Pocket Maximum:</td>
<td>The maximum amount you pay in a year. This amount includes copays, deductibles, and coinsurance.</td>
</tr>
<tr>
<td>Coinsurance:</td>
<td>Percentage of the charge for medical care that you pay after you have met your deductible.</td>
</tr>
</tbody>
</table>
| Prescriptions:                   | • Generic medications are generally less expensive than brand-name drugs  
• Preferred brand-name medications usually cost less than the similar brand-name drug used to treat the same condition  
• Non-preferred brand-name medications are typically more expensive |

## TELEMEDICINE

KCE offers telemedicine to all employees and dependents – whether or not enrolled in a KCE medical plan. You can get care when and where you need it through Doctor on Demand. You have your choice of trusted, U.S. board-certified doctors for consultation, diagnosis – even prescriptions (when available and appropriate). It’s an affordable, convenient way to see a doctor on video using mobile or web, 24/7/365.

- Video visits on iPhone, iPad, Android, and on the web
- No signup/annual fee; pay only when you use it
- Physicians and pediatricians:
  - $10 per visit if you’re enrolled in the MyChoice or Basic plans administered by Meritain
  - $40 per visit if you’re enrolled in a Kaiser plan – or if you’re not enrolled in a KCE medical plan
- Mental health providers and lactation counselors are also available
- Learn more at [DoctorOnDemand.com/KU](http://DoctorOnDemand.com/KU)
In addition to choosing a medical plan, you also have the option of making pre-tax contributions to a Flexible Spending Account (FSA) that can help you save money.

- Available to all employees whether or not in a KCE medical plan
- Contribute up to $2,550 annually
- Once-a-year election (if your personal situation changes, such as getting married or having a baby, you may be able to change your election during the year)
- Debit card to pay for eligible expenses
- Entire annual contribution is available to you from the beginning of the plan year
- Unused money is forfeited and does not carry over to the next year

For additional details visit KUbenefits.com.

If you have questions about your FSA, contact a benefits counselor at 844-279-7896.

TOP 5 REASONS TO ENROLL IN THE FSA

1. You don’t need to have the money up front
   You can start paying for eligible expenses up to your total annual contribution amount as soon as your FSA account is open.

2. You contribute pre-tax dollars
   Which is like a discount on eligible health care expenses.

3. You pay less in taxes
   When you contribute to the FSA, your taxable income is lowered.

4. You can use your FSA for eligible expenses for your family
   Specifically for yourself, your spouse, and/or your children up to age 26 (in addition to anyone you claim as a tax dependent on your federal income tax return).

5. You can use your FSA debit card
   You don’t have to pay out-of-pocket and then wait for reimbursement.
DENTAL BENEFITS

Dental care is an important part of overall health. You can choose from 3 available dental plans:

<table>
<thead>
<tr>
<th></th>
<th>Standard Dental</th>
<th>Enhanced Dental</th>
<th>Enhanced Dental with Ortho</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Annual Maximum Benefit</strong></td>
<td>$1,500</td>
<td>$2,000</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>IN-NETWORK</strong></td>
<td>IN-NETWORK</td>
<td>IN-NETWORK</td>
<td>IN-NETWORK</td>
</tr>
<tr>
<td><strong>Individual/Family Deductible</strong></td>
<td>$50 / $150</td>
<td>$50 / $150</td>
<td>$50 / $150</td>
</tr>
<tr>
<td><strong>Preventive Services</strong></td>
<td>100% Covered*</td>
<td>100% Covered*</td>
<td>100% Covered*</td>
</tr>
<tr>
<td>(cleanings, x-rays, fluoride treatment)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Basic Services</strong></td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>(basic restorations, some oral surgery, endodontics, periodontics, and sealants)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Major Services</strong></td>
<td>50%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>(crowns, dentures, implants, and some oral surgery)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Orthodontia Services</strong></td>
<td>Not covered</td>
<td>Not covered</td>
<td>50%</td>
</tr>
<tr>
<td><strong>Orthodontia Maximum Lifetime</strong></td>
<td>Not covered</td>
<td>Not covered</td>
<td>$2,500</td>
</tr>
<tr>
<td>(in-network and out-of-network)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Deductible waived

**Employee Contribution Per Pay Period**

<table>
<thead>
<tr>
<th></th>
<th>Employee Only</th>
<th>Employee + Child(ren)</th>
<th>Employee + Spouse/ Domestic Partner</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Standard Dental</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biweekly</td>
<td>$6.07</td>
<td>$12.50</td>
<td>$22.06</td>
<td>$28.50</td>
</tr>
<tr>
<td>Weekly</td>
<td>$3.03</td>
<td>$6.25</td>
<td>$11.03</td>
<td>$14.25</td>
</tr>
<tr>
<td><strong>Enhanced Dental</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biweekly</td>
<td>$6.62</td>
<td>$13.64</td>
<td>$23.28</td>
<td>$30.30</td>
</tr>
<tr>
<td>Weekly</td>
<td>$3.31</td>
<td>$6.82</td>
<td>$11.64</td>
<td>$15.15</td>
</tr>
<tr>
<td><strong>Enhanced Dental with Ortho</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biweekly</td>
<td>$7.53</td>
<td>$15.52</td>
<td>$25.59</td>
<td>$33.28</td>
</tr>
<tr>
<td>Weekly</td>
<td>$3.77</td>
<td>$7.76</td>
<td>$12.64</td>
<td>$16.64</td>
</tr>
</tbody>
</table>
VISION BENEFITS

Our vision plan can save you money on eye exams, glasses, contact lenses, and more.

<table>
<thead>
<tr>
<th></th>
<th>Standard Vision</th>
<th>Enhanced Vision</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IN-NETWORK</td>
<td>IN-NETWORK</td>
</tr>
<tr>
<td>Exam</td>
<td>$10 1 per 12 months</td>
<td>$10 1 per 12 months</td>
</tr>
<tr>
<td>Lenses</td>
<td>$25 1 per 12 months</td>
<td>$25 1 per 12 months</td>
</tr>
<tr>
<td>Contact Lens Fitting</td>
<td>Up to $60 1 per 12 months</td>
<td>Up to $60 1 per 12 months</td>
</tr>
<tr>
<td>Frames</td>
<td>$130 ($150 featured brands) 20% savings on amount over $130 ($150 for featured brands) 1 per 24 months</td>
<td>$150 ($170 featured brands) 20% savings on amounts over $150 ($170 for featured brands) 1 per 12 months</td>
</tr>
<tr>
<td>Contact Lenses</td>
<td>Up to $130 1 per 12 months</td>
<td>Up to $130 1 per 12 months</td>
</tr>
</tbody>
</table>

(in lieu of frames and lenses)

Employee Contribution Per Pay Period

<table>
<thead>
<tr>
<th></th>
<th>Employee Only</th>
<th>Employee + Child(ren)</th>
<th>Employee + Spouse/ Domestic Partner</th>
<th>Family</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Vision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biweekly</td>
<td>$2.21</td>
<td>$4.73</td>
<td>$4.41</td>
<td>$7.55</td>
</tr>
<tr>
<td>Weekly</td>
<td>$1.10</td>
<td>$2.36</td>
<td>$2.21</td>
<td>$3.78</td>
</tr>
<tr>
<td>Enhanced Vision</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Biweekly</td>
<td>$3.42</td>
<td>$7.32</td>
<td>$6.84</td>
<td>$11.70</td>
</tr>
<tr>
<td>Weekly</td>
<td>$1.71</td>
<td>$3.66</td>
<td>$3.42</td>
<td>$5.85</td>
</tr>
</tbody>
</table>

For additional plan details, including any out-of-network benefits and possible discounts on costs that exceed the retail allowance, refer to the plan document available at KUbenefts.com.
SUPPLEMENTAL MEDICAL INSURANCE

Supplemental medical insurance helps protect you from large or unexpected out-of-pocket expenses. These plans only supplement a medical plan and do not provide all of the coverage needed should you get sick, nor do they count as health insurance for the purposes of complying with the Affordable Care Act.

The following 3 supplemental medical insurance plans are available to you:

ACCIDENT
Pays cash benefits if you’re injured in an accident to help with non-covered medical expenses (such as your deductible) or ongoing living expenses (such as your mortgage or rent).

CRITICAL ILLNESS
Pays a lump sum to use as you see fit, if you’re diagnosed with certain illnesses (such as heart attack, stroke, coma, and more).

HOSPITAL INDEMNITY
Pays certain expenses that your medical plan doesn’t cover for hospital stays, ambulance service, surgery, and inpatient or outpatient treatments.

LIFE INSURANCE
Life insurance protects against the loss of income resulting from death. The following plans are available to you:

EMPLOYER-PAID LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)
KCE pays for a base level of employee life and AD&D insurance at no cost to you. This coverage provides a benefit of 1 times your salary, rounded to the next highest $1,000, up to $100,000. See the eligibility provisions at KUbeneffits.com.

EMPLOYEE-PAID TERM LIFE

• For you – To supplement employer-paid coverage, you can purchase additional term life insurance for yourself

• For your family – You can purchase term life insurance for your spouse/domestic partner and/or dependent children
ADDITONAL EMPLOYEE-PAID AD&D
You can purchase additional AD&D insurance for yourself and your spouse or domestic partner.

ABOUT YOUR LIFE INSURANCE OPTIONS

EVIDENCE OF INSURABILITY
Life insurance over a certain amount may require evidence of insurability. You’ll receive more information after electing coverage.

SELECT A BENEFICIARY
Choose who you want to receive the life insurance benefit in the event of your death. Visit KUbenefits.com to complete a beneficiary form.

DISABILITY INSURANCE
Disability can be a big financial risk – your work income ends, but your living expenses continue. Make sure you protect yourself by choosing the disability coverage you need. (Note: There is a pre-existing condition clause for newly enrolled employees.) Refer to detailed summaries on KUbenefits.com.

SHORT-TERM DISABILITY
When you need to miss work due to an illness, pregnancy, or accident, short-term disability insurance can replace a percentage of your lost income (up to a maximum weekly benefit) for a certain number of weeks. For details, including the rules for pre-existing conditions, refer to the Life and Disability Insurance Summary.

LONG-TERM DISABILITY
If a disabling illness or injury lasts longer than your short-term disability benefits, long-term disability insurance can replace a percentage of your lost income (up to a maximum monthly benefit). For details, including the rules for pre-existing conditions, refer to the Life and Disability Insurance Summary.
CHILD CARE DISCOUNT

The Child Care Discount program is a core benefit available to you at KinderCare Education. This benefit allows you, upon hire, to enroll your eligible dependent children in any company-owned center and receive a substantial discount on the cost of those services.

All KCE employees are eligible to receive a 50% discount on tuition and Learning Adventures costs for their eligible children.

To be eligible for the child care discount, a child must be your natural child, stepchild, legally adopted child, foster child who is your tax dependent, or the subject of court ordered, legal guardianship. Children placed temporarily in your care are not eligible for the discount.

Children must also meet any age limitations at the center. Grandchildren would qualify if they meet the criteria described above.

The child care discount is available to the employee only and is not transferable to other agencies, companies, or individuals.

Availability for the child care discount is limited based on center and classroom occupancy. In general, an employee’s child should not be added to a classroom if an additional teacher would be required to meet ratio. Employees receiving Child Care Assistance (CCA) may be eligible to receive a child care discount. The amount of the discount should be calculated based on the parent portion (amount not paid by CCA) of tuition only. If agency rules are contradictory, agency rules will be upheld in all cases.

In accordance with IRS tax regulations, discounted services in excess of $5,000 per calendar year provided to employees with children in the infant, toddler, and 2-year-old classrooms are considered taxable income.

KEY INFORMATION

- Reservation fees are waived; however, you are responsible for paying all the fees applicable to a non-employee customer’s child of the same age, such as for field trips, transportation, activities, education, etc.
- The child care discount must not be combined with other discounts (for example, family discounts)
- In the event any employee’s child attends any portion of the week, they will be charged their entire contracted rate for the week
- To receive your discount, simply provide your employee ID number to the Center Director when you enroll at your chosen center

For additional information, refer to the Child Care Discount Tax Facts and W-2 Reporting in the Appendix.
PAID TIME OFF

KinderCare Education understands you may need time away from work to rest and rejuvenate, to attend to personal, family, medical or other issues, as well as to celebrate holidays. That’s why we offer a competitive time off package including vacation, paid personal time, holiday pay, bereavement, and jury duty.

HOLIDAYS

Full-time employees are eligible for paid holidays after the eligibility period*:

- New Year’s Day
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day

Holiday hours are calculated by the system based on a full-time non-exempt employee’s daily average hours worked for the last 4 weeks. This may result in total holiday pay that is greater or less than 8 hours. Employee hours are calculated as actual time with an upper limit of 10 hours. Holiday hours for NSC employees are determined by the number of hours you are normally scheduled to work on the day the holiday falls.

The company reserves the right to change our holiday schedule at any time. All national holidays are scheduled on the day designated by common business practice. To qualify for holiday pay, you must work the scheduled workday immediately before and after the holiday. If you are on leave or not actively working, you will not be eligible for holiday pay. Only excused absences or approved vacation time will be considered exceptions to this policy.

Some business operations may remain open due to client needs. If you are required to work on a holiday, you will:

1. Receive your regular pay and then be given up to 30 calendar days to use the paid holiday on a different date approved by your supervisor, or

2. Receive holiday pay in addition to pay for hours worked, and overtime will be calculated based on actual hours worked in the week. Holiday pay is not counted as hours worked in calculating overtime.

Note: If your center has any special holidays, you will receive a center addendum or holiday schedule from your Center Director annually, outlining approved company holidays.

* Refer to the “Paid Time Off Details by Brand” page at KUbenefits.com for eligibility.
Holiday Pay for Veteran’s Day for Qualified Employees

Full-time and part-time employees who are veterans may take Veteran’s Day off as a paid holiday if they would otherwise be required to work on that day. You must provide a notice that you intend to take time off for Veteran’s Day. You may be required to submit proof to your manager that you are a veteran.

VACATION

KCE allows eligible employees to earn 5-20 vacation days per year based on certain eligibility restrictions (prorated based on actual hours worked without any bonus or overtime hours). Depending on your work location, state law may affect use restrictions and vesting of earned time, but typically your hours earned during the prior year become vested and available for use on your annual work anniversary.

Unless otherwise required by applicable state law, when an employee doesn’t use vested vacation hours in a given year, those hours may not be carried over from one anniversary year to the next. If an employee leaves the company, so long as the employee gives 2 weeks’ notice in writing to their supervisor before departing and fulfills that 2 weeks by working or approved time off, their vested vacation will be paid. Again, where state law in a location an employee works requires a different payout, state law will be followed.

For more details, such as accrual schedule and eligibility, refer to the “Paid Time Off Details by Brand” page at KUbenefits.com.

PERSONAL TIME

Paid personal time allows flexibility in handling personal circumstances such as illness, family responsibilities, and personal business matters. KCE allows eligible employees to earn between 5-7 days of personal time per year, based on years with the company and actual hours worked during the prior year (without any bonus for overtime hours). As with vacation time, depending on your work location, state or city law may affect accrual methods, use restrictions, and vesting of earned time, but typically your hours earned during the prior year become vested and available for use on your annual work anniversary. Unless required by applicable state law, personal time may not be carried forward from one anniversary year to the next, and if an employee leaves the company, he or she will not be paid for any unused personal time.

Certain locations have passed paid sick leave laws, and KCE meets those requirements through paid personal time. Where necessary, KU has amended its paid personal time benefits to meet the requirements of paid sick leave laws. For more information, visit the “Personal Time” page at KUbenefits.com.

JURY DUTY

Full-time and part-time employees must be excused to serve on jury or witness duty. You must notify your supervisor as soon as you receive a jury summons. You may be asked to request a postponement of your jury service based on a critical business need. Pay for each day of jury duty will be made at your current rate of pay for a regularly scheduled workday in lieu of jury duty pay. Upon return to work, you must present proof of jury duty or subpoenaed appearance service (including dates of service).

Jury duty leave hours for all non-exempt employees must be recorded in eTime. Jury duty leave hours for exempt employees will be recorded in eTime only if the employee is absent for more than 4 hours.
BEREAVEMENT
Upon hire, full-time and part-time employees are eligible to be paid for up to 3 days of leave,* with approval of their supervisor, for the death of an immediate family member. Immediate family member is defined to include:

- Spouse, domestic partner, or significant other
- Children (including a domestic partner’s children and stepchildren)
- Parents (including step-parents)
- Siblings
- Parents-in-law (including a domestic partner’s parents)
- Siblings-in-law (including a domestic partner’s siblings)
- Sons and daughters-in-law
- Grandparents and grandparents-in-law
- Grandchildren

If additional time is needed, vacation time or personal time may be taken with supervisory approval. The company reserves the right to request verification of the need for a bereavement leave of absence from work.

*Mangers should enter bereavement time based on the employee's normal schedule.

MILITARY LEAVE
Full-time employees who are members of the U.S. Military Reserves or National Guard will be paid the difference between military pay and regular pay (if the military pay is less) for a defined time period while on military leave or mandatory duty due to a civil emergency. The maximum number of days for military leave pay is 14 days in a calendar year. The maximum number of days for military duty pay, in which an employee is called due to a civil emergency, is 45 days in a calendar year. This policy does not apply to wartime situations.

For more information, contact the Benefits Department at 888-525-2472.
FAMILY SUPPORT AND DISCOUNTS

KCE offers a variety of programs designed to support your overall wellbeing and promote work-life balance.

There are many programs and resources available on KUbenefits.com. Here are examples of the programs we offer.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Work and Life Services

Maintaining a balance between your work life and personal life is important to a healthy lifestyle.

EAP representatives are available by phone and can help you find answers to some of life’s big questions, as well as counsel for unexpected events. Telephone consultations are available in the following areas:

- **Legal Services** – For issues relating to civil, consumer, personal, and family law
- **Financial Services** – Budgeting, credit, and financial guidance
- **Identity Theft Recovery Services** – Information on ID theft prevention
- **Daily Living Services** – Referrals to consultants and businesses that can help with event planning, transportation services, pet services, and more

EMPLOYEE DISCOUNTS

KinderCare Education and Perks at Work have partnered to offer you an employee discount network. Perks at Work helps you save money on almost anything you want to buy. You can earn points with every dollar you spend and get free stuff.

Find deals you can use:

- Travel
- Computers
- Movies
- Cell phones
- Food

Set up an account and start saving here.
ADOPTION BENEFIT

At KinderCare Education, we understand that families grow in many different ways. We want to support any employee who makes the important life decision to adopt a child. We also know that adoption can be a costly process and want to help employees with part of that cost.

ELIGIBILITY

• Full-time and part-time employees are eligible on the first of the month following 30 days of employment. If an employee and his/her spouse or domestic partner both work at KCE, only 1 employee can use the financial benefit. The employee must be actively employed and incur the expense as an active employee to receive reimbursement.

• Adopted children, to be considered for this benefit, must be under the age of 18. They may be a relative of the employee but not a stepchild or a domestic partner’s biological child.

FINANCIAL REIMBURSEMENT

Your eligible adoption-related expenses will be reimbursed to a maximum of $1,000 per adopted child. Most expenses directly related to the adoption are reimbursable. These include:

• Application fees
• Home studies
• Agency and placement fees
• Legal fees and court costs
• Immigration, immunization, and translation fees
• Transportation, meals, and lodging
• Parent, child, and family adoption counseling

Upon placement of the adopted child, obtain an Adoption Financial Reimbursement Form from the Benefits department or online at KUbenefits.com.

For additional information, visit the Adoption page at KUbenefits.com.
LEGAL BENEFITS

The MetLife Hyatt Legal Assistance Plan offers you lower-cost access to attorneys for common legal services, such as preparation of a will, estate planning, or family law.

OTHER INSURANCE

AUTO & HOME INSURANCE

MetLife gives you access to a variety of personal insurance policies, including home (not available in Massachusetts or Florida), landlord’s rental dwelling, condo, mobile home, renters, recreational vehicle, boat, and personal excess liability.

VETERINARY PET INSURANCE (VPI)

Unexpected veterinary care can be costly. VPI is a cost-effective way to protect you against these expenses and provide medical care for your pet with peace of mind.

IDENTITY THEFT PROTECTION

InfoArmor helps assess risk, deter identity theft, detect fraud, and manage the restoration process in the event of an identity theft.

TRANSPORTATION ACCOUNT

This benefit helps lower commuting costs by letting you use pre-tax dollars for qualified transportation expenses, such as transit passes and parking. To participate in the Transportation Account, you need to select it each year during open enrollment (enrollment doesn’t carry over from year to year).

- Contribute up to $130/month pre-tax for transportation
- Contribute up to $255/month pre-tax for parking

KCE partners with Your Spending Account (YSA) to administer the Transportation Account. To participate, log in to KUbenefits.com and find a link to the YSA website on the home page, then select the coverage that fits your needs.

For details, visit KUbenefits.com or call a benefits counselor at 844-279-7896.
THE ONE FUND

The ONE Fund is a program that assists employees who are experiencing significant immediate financial hardship because of a catastrophic circumstance outside of their control, including a home catastrophe such as a fire, a natural disaster like a tornado, or a devastating personal emergency. The ONE Fund is supported solely by employees for employees. Employees are eligible for up to $1,500 of financial assistance when other resources available are just not sufficient.

HOW IS THE ONE FUND FINANCED?
The ONE Fund is supported solely by voluntary contributions from employees like you through payroll deductions or personal checks.

HOW DO I SIGN UP TO ASSIST MY FELLOW EMPLOYEES IN NEED BY CONTRIBUTING JUST $1 PER PAYCHECK?
You can sign up online at KUbenefits.com. Find the ONE Fund link on the home page and continue through the enrollment steps.

WHO CAN APPLY TO RECEIVE FUNDS?
Any full-time or part-time employee who is experiencing a significant immediate financial hardship because of a catastrophic circumstance outside of their control.

HOW DO I APPLY FOR FINANCIAL RELIEF FROM THE ONE FUND?
Review, complete, and submit a ONE Fund application. The application is available at KUbenefits.com under “Family Support – Employee Relief Fund.”

WHAT IF I HAVE MORE QUESTIONS?
Find more information at KUbenefits.com under “Family Support – Employee Relief Fund” or email ONEfund@klcorp.com.
EDUCATION ASSISTANCE PLAN

At KinderCare Education, nurturing an appetite for learning is at the core of who we are. We understand that education enriches our personal and professional lives beyond measure. All full-time and part-time employees are eligible to receive education assistance with a calendar year maximum upon hire.

CALENDAR YEAR MAXIMUMS (January 1 – December 31)

- $1,500 for full-time employees
- $625 for part-time employees

3 WAYS TO ACCESS THE PLAN:

1. Direct-Bill Partnership for CDA Courses through Rasmussen
   - CDA Prep Courses
     Tuition for Child Development Association (CDA) Prep Courses offered through Rasmussen College is paid directly by KCE to Rasmussen College through a direct-bill partnership. The CDA Prep Program consists of 3 classes. The registration fee is waived and tuition includes the required book and the assessment fee for the Council for Professional Recognition.
   - CDA Renewal Courses
     CDA Renewal Courses are also offered through the direct-bill partnership. To renew a CDA, contact Rasmussen for enrollment in direct-bill for CDA Renewal and apply for CDA fee assistance separately.

     See CDA FAQs and Rasmussen FAQs on KUbeneftis.com for additional information and instruction.

2. Education Assistance Reimbursement for College-Level Coursework
   - You may request reimbursement for eligible tuition, book, and course-related fees for courses taken at a federally-accredited institution using the Education Assistance Application.

   You must receive a passing grade of C or higher and submit your application to the Benefits Department within 90 days of the course end-date. Please see the application for additional requirements and instructions for eligibility.

   If you are preparing for the CDA with an institution other than Rasmussen College, submit an Education Assistance Application to the Benefits Department for assistance with eligible tuition, books, and fees.
3. CDA Fee Assistance

If you are taking CDA Prep or Renewal courses at an institution other than Rasmussen OR if you are taking Renewal courses at Rasmussen, you will need to use the CDA Fee Assistance Authorization Letter.

To apply for assistance with CDA Fees from the Council for Professional Recognition, please follow the instructions on the CDA Fee Assistance Authorization Letter, which can be located on [KUbenefits.com](http://KUbenefits.com).

T.E.A.C.H. EARLY CHILDHOOD SCHOLARSHIP

The T.E.A.C.H. program pays for expenses related to the completion of courses in the early childhood field at an accredited college or university.

Tuition for courses taken through the T.E.A.C.H. Program will be directly paid by KCE to the T.E.A.C.H. Program through a direct-bill partnership, provided you receive a C or better for the course.

Scholarship details vary by state and can be accessed on your state’s T.E.A.C.H. website. For additional information and support contact the Benefits Department.

The Education Assistance Application and CDA Fee Assistance Authorization Letter are available at [KUbenefits.com](http://KUbenefits.com).
401(k) RETIREMENT PLAN

Enroll at KUbenefts.com or trsretire.com

WHAT IS A 401(k) PLAN?

A 401(k) plan allows eligible employees to designate that a portion of their pre-tax pay go into an interest-earning, tax-deferred retirement account.

One of the most popular retirement plans around, 401(k)s are among the best ways to save for your retirement. The money you save over your lifetime is not taxable while it’s in your 401(k) account. So unless you withdraw from or close out your 401(k) before retirement age, you will not pay any taxes on it until you retire. Start early to maximize your retirement savings!

5 GREAT REASONS TO ENROLL

1. Free money: Who wouldn’t want free money? That’s exactly what you’ll get when you enroll in a 401(k). If you contribute to your 401(k), KCE will match you 40% up to the first 5% of your pay that you defer. In other words, if you set aside 5% of your pay each pay period, you’ll receive free money from the company in the form of a 2% match.

2. Your $ is your $: You are 100% vested in your own contributions, meaning that money is always 100% yours. Your KCE-matching contributions are 20% vested for each year of service, until you reach 5 years of service, at which time they become 100% vested.

3. Less to Uncle Sam: You’ll lower your taxable income. Think about it: When you set aside pre-tax dollars, you’re reducing the amount of income you claim on your income tax forms. In other words, you make more while “earning less.”

4. It’s super easy: After you sign up for a 401(k), your contributions are taken automatically through convenient payroll deductions. You never have to remember to make deposits.

5. Your future self: You’re not only being smart and forward thinking by contributing to your retirement fund while you’re still young, you’re investing in future peace of mind from having the money to live well in your golden years.

WHEN CAN I GET STARTED?

If you decide to start a 401(k), you’re eligible to enroll the first day of the month following your 30th calendar day of employment. Once enrolled, you can make changes to your contribution amount and your investments at any time.

For more information or to enroll, call Transamerica at 800-755-5801 or visit the website to register for an account. Once you’re registered, you can manage all transactions online.
KinderCare Education strives to offer a supportive workplace where you – as well as the children and families you serve – can thrive.

✓ I build great relationships with families.

✓ An important part of my job is talking with parents about their children.

✓ I anticipate and quickly resolve parents’ concerns.

✓ I respond to the unique needs and interests of every child.

✓ I genuinely care about every child in my classroom.

✓ My team works together to make our center warm and welcoming.
IF YOU ARE REHIRED

REINSTATEMENT OF LENGTH OF SERVICE

The company recognizes that many employees leave the company for personal reasons or other employment opportunities only to return later. This policy is to “bridge” or combine periods of service for employees who meet all of the following conditions:

- You have completed at least 12 months of continuous service prior to your termination
- You left in good standing and are eligible for rehire
- You are rehired within 12 months of your separation date

For employees separated due to a reduction in force or a center closure, the company will waive the 12 months of continuous employment requirement. This means if you are separated as part of a re-organization, your periods of service will “bridge” provided you meet the other conditions listed above.

Employees rehired more than 12 months from their separation date will be treated as a new employee and their date of hire will be the most recent hire date.

IMPACT OF BRIDGING SERVICE ON KEY BENEFITS

Child Care Discount

Employees whose length of service is reinstated will be eligible for the employee child care discount, consistent with the benefits outlined in the child care discount benefit plan. If your service is bridged and the adjusted date of hire is before September 1, 2013, your former child care discount level will be grandfathered. Contact the Benefits Department at benefit@kc-education.com for details.

Paid Time Off Accrual

Unvested vacation and personal hours not paid out upon termination will be reinstated and will vest on the employee’s anniversary date of employment. Accrual rates will be adjusted to the benefit levels applicable to the employee immediately prior to the initial termination date, provided the employee returns to the same level of paid time off benefits. If the employee returns to a position with different paid time off benefits, benefit accrual rates will be adjusted to the benefit levels applicable to the new position.

MEDICAL, DENTAL, VISION, LIFE, AND DISABILITY BENEFITS WHEN REHIRED*

If you are rehired within 13 weeks of your separation date and had benefits coverage during your previous service, benefits will be reinstated to the same plans and levels of coverage you were previously enrolled in. The coverage will begin the first of the month following your rehire date. You will be placed back in your previous Affordable Care Act measurement period to determine future coverage eligibility.

If you are rehired to full-time status and the break in service is more than 13 weeks, you will be treated as a new hire and will have an opportunity to enroll in benefits coverage within 30 days of your rehire date.

* These rules apply regardless whether your service is bridged or not.
CHILD CARE DISCOUNT

TAX FACTS AND W-2 REPORTING

Two tax laws apply to the child care discount: Sections 129 and 117(d) of the Internal Revenue Code. To comply with the law and achieve the greatest tax advantage for you, there are 2 categories of the child care discount policy for the purposes of determining the tax treatment:

1. PRESCHOOL AND OLDER EDUCATION TUITION DISCOUNT
   TAX EXEMPT
   Employees that have children in Three Year Old, Four Year Old, Five Year Old, Multi-Age/Preschool (Combined 3, 4, and 5 Year Old Classroom), Pre-Kindergarten, Kindergarten and School Age classrooms will not have their benefit taxed if they participate in the discount program. This benefit is treated as qualified tuition assistance under Section 117(d) of the Internal Revenue Code.

2. INFANT, TODDLER, AND TWO YEAR OLD CHILD CARE DISCOUNTS
   TAXABLE INCOME
   The tax law requires any discounts above a specified amount per year, per employee to be considered “taxable income” and subject to employee and employer FICA taxes. The amount is measured by the employer’s cost of providing the service, and taxable income will result if that cost exceeds $5,000 per year. In some circumstances, a lower amount may apply; you should consult your tax advisor to assess your personal tax situation. For children in these age groupings, the discount qualifies as a dependent care benefit under Section 129 of the Internal Revenue Code.

KEY DEFINITIONS

FICA Tax
FICA is a term used to denote both Social Security and Medicare taxes on your earned income as reflected on your pay stub.

Retail Rate
The tuition rate charged to non-employee families that enroll their children in a center.

Employee Copay Amount
The amount of tuition an employee pays, after the discount, to enroll a child in a center.

Incremental Company Cost
The incremental cost the company incurs when it adds another child to a classroom (for example, additional labor, food, materials, activity costs, etc.).
W-2 REPORTING

There are 2 ways an employer can determine the “cost” of child care: the retail rate charged to nonemployee families or the incremental company cost incurred when a child is added to a classroom. For purposes of calculating the discount, KCE will use the incremental company cost. To calculate the amount that is above the $5,000 limit, we deduct the employee copay amount from the incremental company cost of the child care for the employee child (or children) and determine if it is above $5,000.

EXAMPLE: 2 INFANTS AND 1 TODDLER – DISCOUNT RATE: 50%

Annual retail rate of child care for 2 infants ($25,000) + 1 toddler ($8,000) = $33,000
Annual employee copay amount: $12,500
($25,000 x 0.5) + $4,000 ($8,000 x 0.5) = $16,500
Incremental company cost to add 3 children to class: $22,000
Incremental company cost minus copay: $22,000 - $16,500 = $5,500
Incremental company cost above $5,000 limit: $5,500 - $5,000 = $500
Percent of incremental company cost above tax limit: $500/$22,000 = 2.3%
Amount employee has in taxable income: $33,000 x 2.3% = $759

$759 would generally be taxable income for the employee because the costs exceeded the $5,000 IRS limit. This is the amount that will be reported on W-2 Box 10.

In most cases, an employee would need to have several children (including infants) enrolled at once to exceed the IRS limit and be required to pay taxes on the additional amount. It is uncommon to exceed the $5,000 IRS limit because the incremental company cost incurred when adding a child is used instead of calculating the limit based on the retail rate charged to nonemployee families.

Please note that the numbers used in the example are only sample numbers and will vary by state. Also, whether or not you are taxed on this benefit, the incremental company cost of providing a discount for all Infant, Toddler, and Two Year Old children will be reflected in Box 10 of your W-2. If you have a spouse who participates in a Section 125 plan that offers Dependent Care Assistance, you will need to coordinate your pre-tax dependent care benefits as recommended by your personal tax advisor.

Please consult your tax advisor to understand the tax implications of your decisions. For questions about this policy, contact the Benefits Department at 888-525-2472.