



# I. Benefits Highlights

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## **Inside This Document**

Because we recognize and value the diversity of our workforce, we have designed a benefits program that helps meet individual needs. The program provides the flexibility to accommodate the different lifestyles of a diverse workforce. We also recognize that people not only differ from one another, but that they have different needs at different times in their lives. Our benefits program offers a range of choices in different benefit areas, so you can protect your health and your family's health, and provide for their security both now and in the future.

This document, together with the component benefit documents and contracts, constitutes both the formal plan document and the Summary Plan Description (SPD) for the Pearson Education, Inc. Welfare Benefit Plan, which consists of various health and welfare programs. It describes the options available to you, services that are covered and how benefits are paid. It also includes information on filing claims, on coordinating your benefits with those of other plans and on how to continue coverage if you leave the Company. In addition, there is a chart showing common life events and the changes in benefits you can make as a result of them. Finally, the document describes your rights under the Employee Retirement Income Security Act of 1974 (ERISA).

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**IMPORTANT:** This document constitutes a Summary Plan Description in accordance with the applicable requirements of ERISA, and as such has been written in a manner that is intended to be easily understandable and to summarize the benefits available to you under the Plan. While every effort has been made to ensure the accuracy of this Summary Plan Description, the component benefit documents and contracts will prevail in case of discrepancy between this document and the component benefit documents and contracts. In addition, the Company reserves the right in its sole discretion to amend, modify or terminate any benefit offered under the Plan at any time and for any reason. Also, please keep in mind that the Plan, any changes to it, or any payments to you under its terms, does not constitute a contract of employment with the Company and does not give you the right to be retained in the employment between you and the Company. No one speaking on behalf of the Plan or the Plan sponsor can alter the terms of the Plan. You and your beneficiaries may obtain copies of the component benefit documents and contracts or examine these documents by contacting the Plan Administrator at the number and address set forth in the *Additional Information About Your Benefits* section of this Summary Plan Description.

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## **Participating Employers**

This Summary Plan Description has been prepared for the following subsidiaries or Pearson operating companies that participate in this benefits program:

- NCS Pearson
- Pearson Education, Inc.
- Pearson K12 Learning LLC

When the term “the Company” is used, it refers to the companies above, and any subsidiaries and divisions that participate in this program.

## **An Overview of the Benefits Program**

The Pearson benefits program is designed to help create a positive environment and to help attract and retain diverse and highly talented employees. In recognition of that diversity, our total benefits program provides a range of choices. Our benefits program is designed around the concept of partnership and requires your participation and involvement.

Pearson is committed to providing you with benefits information on a continuing basis and to educating you about the programs and your responsibility in using them. This Summary Plan Description is one source of information about your health and welfare benefits, which include:

- Medical coverage (including prescription drugs)
- Dental coverage
- Vision care
- Flexible spending accounts
- Disability insurance
- Life insurance
- Accidental death and dismemberment insurance
- Business travel accident insurance

This section of the Summary Plan Description provides an overview of these benefits. Each of the following sections provides a summary of the individual benefit programs which comprise the Plan.

### **Benefits-at-a-Glance**

The *Benefits-at-a-Glance* matrix beginning on the next page provides you with an overview of the benefits program. It contains important information about participating in the program, including:

- The benefits offered to you
- The options available within each program
- Eligibility requirements
- Cost sharing

- When coverage begins
- When coverage ends

You should refer to the specific sections of this Summary Plan Description for more detailed information about each benefit offered under the program.

## Benefits-at-a-Glance

| <b>Benefits</b>            | <b>Options</b>  | <b>Eligibility</b>                                     | <b>Cost Sharing</b>   | <b>When Coverage Begins</b>   | <b>When Coverage Ends</b>   |
|----------------------------|---|--|---|---|---|
| Medical                    | <p>You can choose coverage for yourself and your family:</p> <ul style="list-style-type: none"> <li>• \$400 Deductible Option</li> <li>• \$900 Deductible Option</li> <li>• \$1,850 Deductible Option</li> <li>• \$2,850 Deductible option</li> <li>• HMOs (where available)</li> </ul> | You must work at least 20 hours a week to participate. | You and the Company share in the cost of coverage. Your contribution is made generally on a pre-tax basis through payroll deductions. | Coverage begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date.      | Coverage ends at the end of the month in which you terminate employment, are no longer eligible or fail to make required contributions. |
| Dental                     | <p>You can choose coverage for yourself and your family:</p> <ul style="list-style-type: none"> <li>• PPO</li> <li>• Dental Health Maintenance Organization (where available)</li> </ul>  | You must work at least 20 hours a week to participate. | You and the Company share in the cost of coverage. Your contribution is made generally on a pre-tax basis through payroll deductions. | Coverage begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date.      | Coverage ends at the end of the month in which you terminate employment, are no longer eligible or fail to make required contributions. |
| Vision Care                | You can choose coverage for yourself and your family  | You must work at least 20 hours a week to participate. | You and the Company share in the cost of coverage. Your contribution is made generally on a pre-tax basis through payroll deductions. | Coverage begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date.      | Coverage ends at the end of the month in which you terminate employment, are no longer eligible or fail to make required contributions. |
| Flexible Spending Accounts | <p>Depending on your medical election, you may make pre-tax contributions to one or more of the following accounts:</p> <ul style="list-style-type: none"> <li>• Combination FSA</li> <li>• Health Care FSA</li> <li>• Dependent Day Care FSA</li> </ul>                                | You must work at least 20 hours a week to participate. | You set aside pre-tax money, within IRS-set limits, to pay for eligible health care and dependent care expenses.                      | Participation begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date. | Participation in the FSAs ends when you terminate employment, are no longer eligible or fail to make required contributions.            |

| <b>Benefits</b>             | <b>Options</b>  | <b>Eligibility</b>   | <b>Cost Sharing</b>   | <b>When Coverage Begins</b>   | <b>When Coverage Ends</b>  |
|-----------------------------|---|--|---|---|--|
| Long-Term Disability        | You can elect coverage for yourself.<br>Basic: <ul style="list-style-type: none"> <li>Company-paid: 50% of pay up to \$20,833 per month</li> </ul> Employee-Paid Supplemental: <ul style="list-style-type: none"> <li>10% of pay up to \$25,000 maximum, basic and supplemental combined.</li> </ul>                        | You must be regularly scheduled to work at least 20 hours a week to participate. Limited Term employees are not eligible for LTD coverage. | With the basic coverage, you do not contribute towards the cost of coverage; however, the benefit will be taxable should you receive it. If you elect the employee-paid option for supplemental coverage, a percentage of your benefit will be taxable should you receive it. | Coverage begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date. Benefits begin after 180 days of being disabled, subject to proof of disability and acceptance by the insurance company. | Coverage ends when you terminate employment or are no longer eligible for benefits.<br>If you receive LTD benefits, they will end when: <ul style="list-style-type: none"> <li>You are no longer disabled,</li> <li>You reach the end of your maximum benefit period,</li> <li>You no longer qualify for benefits, or</li> <li>You die.</li> </ul> |
| Basic Life Insurance        | You receive basic life insurance of two times your annual pay, up to \$1 million.<br>Part-time regular employees receive a benefit of one times annual pay.   | You must work at least 20 hours a week to receive coverage.  | The Company provides coverage at no cost to you.  | Coverage begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date.  | Coverage ends when you terminate employment or are no longer eligible.   |
| Supplemental Life Insurance | You can elect supplemental life insurance for yourself from one to six times your pay, up to \$2 million. You may have to provide evidence of insurability.   | You must work at least 20 hours a week to participate.   | You pay for coverage on an after-tax basis through payroll deductions.  | If you elect coverage when you are first eligible, it begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date.   | Coverage ends when you terminate employment, are no longer eligible or fail to make required contributions.  |
| Dependent Life Insurance    | You can elect dependent life insurance for your spouse and your children.<br>Spouse coverage is available in \$5,000 increments up to a maximum of \$100,000<br>For spouse coverage you may have to provide evidence of insurability.<br>Child(ren) coverage is available in \$5,000 increments up to a maximum of \$20,000 | You must work at least 20 hours a week to participate.   | You pay for coverage on an after-tax basis through payroll deductions.  | If you elect coverage when you are first eligible, it begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date.   | Coverage ends when you terminate employment, are no longer eligible or fail to make required contributions.  |
| Basic AD&D Insurance        | You receive basic AD&D insurance of two times your annual pay, up to \$1 million.<br>Part-time regular employees receive a benefit of one times annual pay.   | You must work at least 20 hours a week to receive coverage.  | The Company provides coverage at no cost to you.  | Coverage begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date.  | Coverage ends when you terminate employment or are no longer eligible.   |

| <b>Benefits</b>                    | <b>Options</b>   | <b>Eligibility</b>  | <b>Cost Sharing</b>  | <b>When Coverage Begins</b>   | <b>When Coverage Ends</b>   |
|------------------------------------|--|---|--|---|---|
| Supplemental AD&D Insurance        | Employee only: you can elect supplemental coverage in \$10,000 increments up to a maximum of \$500,000. Family coverage is paid at: <ul style="list-style-type: none"> <li>• 50% of the employee amount for your spouse if no children are covered; 40% if children are covered</li> <li>• 15% for each child if there is no spouse covered; 10% if spouse is covered; to a maximum of \$50,000 for each child.</li> </ul> | You must work at least 20 hours a week to participate.      | You pay for coverage on an after-tax basis through payroll deductions. | If you elect coverage when you are first eligible, it begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date. | Coverage ends when you terminate employment, are no longer eligible or fail to make required contributions. |
| Business Travel Accident Insurance | You receive Company-provided business travel accident insurance of three times your pay up to a maximum of \$2 million. Your spouse is covered up to \$25,000 and each dependent child is covered up to \$10,000 when they travel with you on business.  | You must work at least 20 hours a week to receive coverage. | The Company provides coverage at no cost to you.                       | Coverage begins on your date of hire or the date you become benefits-eligible, if you are actively at work on that date.  | Coverage ends when you terminate employment or are no longer eligible.                                      |

## Eligibility

The *Benefits-at-a-Glance* chart at the beginning of this section shows the benefit programs available to you as an employee of Pearson. If you have any questions about whether you are eligible to participate in a program, please contact the Pearson Benefits Marketplace at 1-855-237-6421 or your local Human Resources Generalist.

Generally, you are eligible to participate in a program if you belong to one of the following classes of employees:

- Full-Time Regular employees: those who are regularly scheduled to work 35 or more hours a week
- Part-Time Regular employees: those who are regularly scheduled to work 20 to 34 hours a week

Independent contractors and other persons who are not treated by the Company as employees for purposes of withholding federal employment taxes are not eligible to



participate, regardless of any contrary governmental or judicial determination relating to such employment status or tax withholding.

## **Eligible Dependents**

Many of the benefit programs offer coverage for your family members. Family members who are eligible to participate include:

- Your legal spouse
- Your children, up to the end of the month in which they turn 26.
- A dependent child of any age who is physically or mentally disabled and depends on you for support, if he or she was disabled before age 19 and depended on you for support at the time of disability.

Your eligible dependent children include:

- Your biological children
- Your legally adopted children (and children placed with you for adoption)
- Stepchildren
- Foster children (are not eligible for dependent life or dependent AD&D)
- Any other child for whom you are a legal guardian, who lives with you in a parent/child relationship and whom you claim as a dependent on your federal income tax return

If your child is disabled, you must submit proof of his or her disability within 31 days after he or she would otherwise no longer qualify for coverage. Contact Pearson Benefits Marketplace for more information.

Under the Health Care FSA, any dependent you can claim on your federal income tax return (without regard to their gross income) is an eligible dependent. For example, your parent may be an eligible dependent under the Health Care FSA, even though he or she is not an eligible dependent under the medical program.

Under the Dependent Day Care FSA, eligible dependents include (1) your dependent children under age 13 and (2) a disabled spouse or dependent who is physically or mentally incapable of self-care and who live with you for more than one-half of the year. To be eligible, you must be able to claim the individual as a dependent on your federal income tax return.

Refer to the definition of Eligible Dependent in the “Important Terms” section of this SPD for more information.

## **If You and Your Spouse Both Work for the Company**

If you and your spouse both work for the Company, you each need to make benefit decisions. Under the medical, dental and vision care programs, you can each elect Employee only coverage or one spouse can waive coverage and be covered as a dependent under the other spouse's plan. You cannot be covered as *both* an employee and a dependent. Employees are not eligible to be insured as a spouse under the life and AD&D program.

If you have eligible dependent children, one of you can waive coverage under the Plan and the other can elect family coverage.

## **Annual Open Enrollment**

Each fall, the Company conducts an open enrollment period during which you choose your benefits for the next calendar year. When you enroll, you make three types of choices. You will need to choose:

- Which plan options you want,
- Which dependents, if any, you will cover, and
- How much coverage you need.

The benefits you choose during the annual open enrollment period will cover you and your family for a full year. You will have the opportunity to change your elections at each annual open enrollment period. If you have benefits available from another source, such as your spouse's employer, you should compare those plans and costs with the Pearson benefits and take the best advantage of your combined offerings.

## **When Coverage Begins**

The coverage you elect during the fall annual open enrollment period becomes effective on January 1 of the following year. Your coverage will be in effect for a full calendar year.

If you are a new employee, you must enroll for benefits within 31 days of employment. Your coverage will be retroactive to your first day of work. If you do not enroll within 31 days, you will receive the default package of benefits which is described in the benefits orientation materials.

## **Making Changes to Your Benefits during the Year**

Generally, you can change your benefits elections only during the annual open enrollment period. However, if you have a qualified change in status ("Life Event"), you may be able to change your elections *before the next enrollment period*. Events that the

IRS considers to be qualified changes and for the purposes of the Pearson Plan, a Life Event includes:

- Marriage, divorce, annulment or legal separation when allowed under state law in the state in which you reside
- Birth or adoption of a child or placement of a child for adoption, gaining a step-child, becoming legal guardian of a child
- Death of your spouse
- Death of your child or your spouse's child
- A child's change in dependent status due to age
- Loss of a dependent's dependent status under the Plan
- Qualification of a Medical Child Support Order
- Your or your spouse's or dependent's gain or loss of other coverage as a result of a change in employment status or work schedule (including the beginning or end of a leave of absence, including a leave of absence under FMLA)
- Change in coverage under a non-Pearson sponsored plan due to (1) a change in status under that plan or (2) a differing election period (note: these events will not allow a change under the Health Care or Combination FSA)
- Change in your provider for purposes of the Dependent Day Care FSA
- Change in the cost of care for purposes of the Dependent Day Care FSA, if the provider is not your relative
- Change in your employment status resulting in a change in eligibility (e.g., change from full-time to temporary)
- Termination of employer contributions to your spouse's plan (note: this will not allow a change under the Health Care or Combination FSA)
- Change in your or a dependent's residence if the change is in connection with a move outside of a coverage area
- Expiration of non-Pearson sponsored COBRA coverage for yourself or a dependent
- Eligibility for Medicare or Medicaid.

The benefit changes you make must be on account of and correspond with the change in status. The determination of whether you have experienced an event that would permit an election change and whether your requested election change is consistent with such event shall be made in the sole discretion of the Plan Administrator.

Benefit changes under the medical, dental, vision, health care and combo FSA and dependent day care FSA are consistent with the event only if they (i) result in your or your dependent's gaining or losing eligibility to participate in this Plan or the plan of your dependent's employer and (ii) are on account of and correspond with the gain or loss of coverage. For example, if you give birth to or adopt a child, you can add the child to your medical coverage, but you would not be able to drop medical coverage. Elections to increase or decrease long-term disability coverage in response to a Life Event are deemed to correspond with the change.

If you wish to make a change in your benefits, you must do so within 31 days of the Life Event. Any timely election change will be effective as of the date of the event. Please note that Pearson reserves the right to request documentation that supports the qualified status change.

If you do not make any changes within 31 days of your Life Event, you will have to wait until the next annual open enrollment period to do so.

Please refer to the *Life Events Action Chart* beginning at the end of this section for more information.

***Once you change your benefit elections due to a Life Event, your payroll deductions may change as well.***

## **Special Enrollment Rights**

If you are declining enrollment for medical coverage for yourself or your dependents (including your spouse) because of other health insurance coverage, you may in the future be able to enroll yourself or your dependent in the Plan, provided that you request enrollment within 31 days after such other coverage ends and such other coverage was lost due to (i) the loss of eligibility for such coverage, (ii) the cessation of employer contributions for such other coverage, or (iii) the cessation of COBRA 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, provided that you request enrollment within 31 days after the marriage, birth, adoption, or placement for adoption.

To request special enrollment or obtain more information, contact Pearson Benefits Marketplace by calling 1-855-237-6421.

## **Cost of Coverage**

You and the Company share in the cost of some of your benefits. For other benefits, the Company pays the full cost. Your contributions toward the cost of your benefits are determined by several factors. Depending on the benefit, your contribution is based on the program(s) in which you enroll, whom you choose to cover and, in some cases, your age and annual base pay.

Refer to the *Benefits-at-a-Glance* chart at the beginning of this section to review the tax treatment of each benefit option under the Plan.

Any cost for coverage will be deducted from your paycheck in equal amounts throughout the year. If you make pre-tax contributions, your contributions are deducted from your pay before federal and most state taxes are taken out. That means you pay taxes on a smaller amount of money, and your disposable income is higher. However, certain states may not recognize these pre-tax contributions for state income taxes purposes.

Even though pre-tax contributions reduce your taxable income, they will not affect other benefits related to your income. For example, basic life insurance benefits will be calculated using your full base pay before pre-tax contributions are deducted.

However, if you make pre-tax contributions and earn less than the Social Security wage base, your Social Security taxes will be lower, and your Social Security benefits could be reduced slightly. For many employees, however, the immediate tax benefits of participating in the Plan on a pre-tax basis will outweigh any reduced future Social Security benefit. Since each employee's situation is different, you may wish to consult with your personal financial advisor to determine how any such reduction in benefits may affect you.

### **Definition of Pay**

In some cases, the benefit plan options are expressed as a multiple of pay and in some cases, your cost for coverage is based on your pay. The term *pay* as it applies to the different coverages is defined in the *Important Terms* section of the Document.

## **Life Events Action Chart**

As a general rule you may not make changes to your benefit elections during the calendar year. You are, however, permitted to make changes during the year if you experience certain life events. These are personal changes such as marriage, the birth of a child, or employment-related changes such as moving from part-time to full-time status.

The following matrix outlines what benefits may be changed during the calendar year due to specific life events. The far left column shows the event and the remaining columns describe the changes that may be permitted in each benefit plan due to that event. Any changes you make must be consistent with the actual circumstances of your life event.

Bear in mind that all benefit changes must be made within 31 days following the life event (for example, the birth of a child) to be effective for the remainder of the year.



## Life Events Action Chart

**Note:** This chart is intended as a general guide. Any changes you make must be consistent with the actual circumstances of your status change.

| <i>Life Events</i> | <i>Medical</i>   | <i>Dental</i>   | <i>Vision</i>  | <i>Combo and Health Care FSA</i>  | <i>Dependent Day Care FSA</i>  | <i>Long-Term Disability</i>   | <i>Life Insurance</i>  | <i>Accidental Death &amp; Dismemberment</i>   |
|--------------------|--|---|--|---|--|---|--|---|
| If You Get Married | <p>You can enroll for the first time and add eligible dependents to your medical plan within 31 days.</p> <p>You can drop coverage and enroll in your spouse's plan within 31 days.</p> <p>You cannot change the option you are enrolled in.</p> | <p>You can enroll for the first time and add eligible dependents to your dental plan within 31 days.</p> <p>You can drop coverage and enroll in your spouse's plan within 31 days.</p> <p>You cannot change the option you are enrolled in.</p> | <p>You can enroll for the first time and add eligible dependents to your vision plan within 31 days.</p> <p>You can drop coverage and enroll in your spouse's plan within 31 days.</p> | <p>If you marry, you can enroll in, increase, decrease, or stop your contributions to the Combo and Health Care FSA within 31 days.</p> | <p>If you marry, you can enroll in, increase, decrease, or stop your contributions to the Dependent Day Care FSA within 31 days.</p> | <p>You can purchase supplemental LTD coverage subject to evidence of insurability rules, or drop your supplemental LTD coverage within 31 days.</p> | <p>No change to basic life insurance.</p> <p>You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules.</p> <p>You may update your beneficiary information at any time.</p> | <p>No change to basic AD&amp;D.</p> <p>You can purchase, increase, decrease or drop supplemental and/or family AD&amp;D coverage at any time.</p> <p>You may update your beneficiary information at any time.</p> |



| <i>Life Events</i>  | <i>Medical</i>   | <i>Dental</i>  | <i>Vision</i>   | <i>Combo and Health Care FSA</i>   | <i>Dependent Day Care FSA</i>  | <i>Long-Term Disability</i>  | <i>Life Insurance</i>   | <i>Accidental Death &amp; Dismemberment</i>  |
|---|--|--|---|--|--|--|---|--|
| If You Get Legally Separated or Divorced  | <p>You can enroll or change coverage categories within 31 days.</p> <p>You cannot change the option you are enrolled in.</p> <p>Your spouse or any children who lose coverage can continue coverage under COBRA for up to 36 months.</p> | <p>You can enroll or change coverage categories within 31 days.</p> <p>You cannot change the option you are enrolled in.</p> <p>Your spouse or any children who lose coverage can continue coverage under COBRA for up to 36 months.</p> | <p>You can enroll in or change coverage categories within 31 days.</p> <p>Your or any children who lose coverage can continue coverage under COBRA for up to 36 months.</p> | <p>If you become legally separated or divorced, you can start, increase, drop or decrease your contributions to the Combo and Health Care FSA within 31 days.</p> <p>Your spouse or any children who lose coverage can continue coverage on an after-tax basis under COBRA through the end of the plan year.</p> | <p>If you become legally separated or divorced, you can start, increase, drop or decrease your contributions to the Dependent Day Care FSA within 31 days.</p> | <p>You can purchase supplemental LTD coverage subject to evidence of insurability rules, or drop your supplemental LTD coverage, within 31 days.</p> | <p>No change to basic life insurance.</p> <p>You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules.</p> <p>Your spouse who loses coverage can exercise the continuation feature to continue coverage under the group plan for up to 12 months coverage. After 12 months of continuation your spouse may elect to convert coverage to an individual policy. .</p> <p>You can update your beneficiary information at any time.</p> | <p>No change to basic AD&amp;D.</p> <p>You can purchase, increase, decrease or drop supplemental and/or family AD&amp;D at any time.</p> <p>You can update your beneficiary information at any time.</p> |
| If You Gain an Eligible Dependent Child (have a baby, adopt a child, acquire a step-child or become a legal guardian) | <p>You can enroll and add your new dependent to your medical plan within 31 days.</p> <p>You cannot change the option you are enrolled in.</p>   | <p>You can enroll and add your new dependent to your dental plan within 31 days.</p> <p>You cannot change the option you are enrolled in.</p>  | <p>You can enroll and add your new dependent to your vision care plan within 31 days.</p>   | <p>You can enroll or increase your contribution to the Combo and Health Care FSA within 31 days.</p>   | <p>You can enroll or increase your contribution to the Dependent Day Care FSA within 31 days.</p>  | <p>You can purchase supplemental LTD coverage, subject to evidence of insurability rules, within 31 days.</p>  | <p>No change to basic life insurance.</p> <p>You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules.</p> <p>If you are already purchasing dependent life insurance for your children, your new dependent will be covered automatically.</p> <p>You can update your beneficiary information at any time.</p>   | <p>No change to basic AD&amp;D.</p> <p>You can purchase, increase, decrease or drop supplemental and/or family AD&amp;D at any time.</p> <p>You can update your beneficiary information at any time.</p> |

| <i>Life Events</i>                       | <i>Medical</i>   | <i>Dental</i>  | <i>Vision</i>   | <i>Combo and Health Care FSA</i>   | <i>Dependent Day Care FSA</i>   | <i>Long-Term Disability</i>                                | <i>Life Insurance</i>   | <i>Accidental Death &amp; Dismemberment</i>   |
|--|--|--|---|--|---|--|---|---|
| When Your Child is No Longer a Dependent | <p>You can change your coverage category within 31 days.</p> <p>You cannot change the option you are enrolled in.</p> <p>Your child can continue coverage under COBRA for up to 36 months.</p> | <p>You can change your coverage category within 31 days.</p> <p>You cannot change the option you are enrolled in.</p> <p>Your child can continue coverage under COBRA for up to 36 months.</p> | <p>You can change your coverage category within 31 days.</p> <p>Your child can continue coverage under COBRA for up to 36 months.</p> | <p>You can drop or decrease your contribution to the Combo and Health Care FSA within 31 days.</p> <p>Your child can continue coverage on an after-tax basis under COBRA through the end of the plan year.</p> | <p>You can drop or decrease your contribution to the Dependent Day Care FSA within 31 days.</p> | <p>You can discontinue your supplemental LTD coverage.</p> | <p>You can purchase, increase, decrease or drop supplemental life insurance at any time, subject to evidence of insurability rules.</p> <p>If you have dependent life insurance for your children, your ineligible dependent will no longer be covered. You may exercise the continuation feature to continue coverage under the group plan for up to 12 months. After 12 months of continuation, conversion to an individual policy is available. You can update your beneficiary information at any time.</p> | <p>No change to basic AD&amp;D.</p> <p>You can purchase, increase, decrease or drop supplemental and/or family at any time.</p> <p>You can update your beneficiary information at any time.</p> |

| <i>Life Events</i>                      | <i>Medical</i>  | <i>Dental</i>  | <i>Vision</i>  | <i>Combo and Health Care FSA</i>   | <i>Dependent Day Care FSA</i>  | <i>Long-Term Disability</i> | <i>Life Insurance</i>  | <i>Accidental Death &amp; Dismemberment</i>  |
|---|---|--|--|--|--|-----------------------------|--|--|
| If You Become Eligible for LTD Benefits | The coverage in effect before you became disabled will continue until (1) you are no longer receiving LTD benefits or (2) your employment is terminated or (3) you reach age 65, <i>whichever occurs first</i> . You continue to contribute toward the cost of your coverage. | The coverage in effect before you became disabled will continue until (i) you are no longer receiving LTD benefits or (ii) your employment is terminated or (iii) you reach age 65, <i>whichever occurs first</i> . You continue to contribute toward the cost of your coverage. | The coverage in effect before you became disabled will continue until (i) you are no longer receiving LTD benefits or (ii) your employment is terminated or (iii) you reach age 65, <i>whichever occurs first</i> . You continue to contribute toward the cost of your coverage. | Contributions to your Combo and Health Care FSA cease while you are receiving LTD benefits. You can be reimbursed from your Combo and Health Care FSA for health care expenses incurred while actively employed or on sick leave or short-term disability. | Contributions to your Dependent Day Care FSA cease while you are receiving LTD benefits. You can be reimbursed for dependent care expenses incurred through the end of the plan year, up to the amount in your account at the time your contributions were discontinued. | Benefits commence.          | Basic life insurance coverage continues at the level in effect on the day before you become disabled until you are no longer receiving LTD benefits, or your employment is terminated, or you reach age 65, <i>whichever occurs first</i> .<br><br>Supplemental life insurance coverage continues at the level in effect on the day you become disabled. You must contribute toward the cost of coverage for the first year, but if you qualify you may be able to apply to the insurance company to have your subsequent premiums waived. You must apply for waiver of premium within 6-12 months of the onset of your disability. A form will automatically be provided to you at the time you qualify for LTD benefits. Dependent life insurance coverage ends after 12 months. You may exercise the portability feature to continue dependent life insurance coverage. | Basic AD&D insurance coverage ceases twelve months after you qualify for LTD benefits. If applicable, benefit is paid. |

| <i>Life Events</i>  | <i>Medical</i>   | <i>Dental</i>  | <i>Vision</i>  | <i>Combo and Health Care FSA</i>  | <i>Dependent Day Care FSA</i>   | <i>Long-Term Disability</i>  | <i>Life Insurance</i>  | <i>Accidental Death &amp; Dismemberment</i>   |
|---|--|--|--|---|---|--|--|---|
| If You Take an Approved Family and Medical Leave of Absence | Coverage will continue for you and your dependents, as long as you pay the required cost of your coverage. | Coverage will continue for you and your dependents, as long as you pay the required cost of your coverage. | Coverage will continue for you and your dependents, as long as you pay the required cost of your coverage. | No change as long as you continue contributing to your account.   | No change as long as you continue contributing to your account.   | If you elected supplemental LTD coverage and wish to continue such coverage, you will be required to continue contributing toward the cost of your coverage. | No change to basic life insurance.<br>You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules.<br>If you elected supplemental and/or dependent life insurance and wish to continue such coverage, you will be required to continue contributing toward the cost of your coverage. | No change to basic AD&D.<br>You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules.<br>If you elected supplemental AD&D insurance and wish to continue such coverage, you will be required to continue contributing toward the cost of your coverage. |
| If You Take an Approved Personal Unpaid Leave of Absence    | Coverage may continue for you and your dependents, as long as you pay the required cost of your coverage.  | Coverage may continue for you and your dependents, as long as you pay the required cost of your coverage.  | Coverage may continue for you and your dependents, as long as you pay the required cost of your coverage.  | You may continue contributing to your account on an after-tax basis.<br>If you do not contribute, you can be reimbursed for health care expenses incurred up until the day before your personal leave of absence. | Contributions will cease.<br>You can be reimbursed for dependent care expenses incurred up until the day before your personal leave, up to the amount in your account at the time your contributions were discontinued. | LTD insurance coverage will cease at the end of the month following the month in which the leave began.  | No change to basic life insurance.<br>You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules. If you elected supplemental and/or dependent life insurance and wish to continue such coverage, you will be required to continue contributing toward the cost of your coverage.    | No change to basic AD&D.<br>You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules.<br>If you elected supplemental AD&D insurance and wish to continue such coverage, you will be required to continue contributing toward the cost of your coverage. |

| <i>Life Events</i>       | <i>Medical</i>   | <i>Dental</i>  | <i>Vision</i>  | <i>Combo and Health Care FSA</i>   | <i>Dependent Day Care FSA</i>   | <i>Long-Term Disability</i>  | <i>Life Insurance</i>  | <i>Accidental Death &amp; Dismemberment</i>        |
|--------------------------|--|--|--|--|---|--|--|--|
| If You Leave the Company | Coverage ends at the end of the month in which you leave the Company. You can continue coverage for yourself and your eligible dependents for 18 months under COBRA. | Coverage ends at the end of the month in which you leave the Company. You can continue coverage for yourself and your eligible dependents for 18 months under COBRA. | Coverage ends at the end of the month in which you leave the Company. You can continue coverage for yourself and your eligible dependents for 18 months under COBRA. | Contributions will cease. You can be reimbursed for health care expenses incurred while you were an active employee. You can continue participating in the Combo and Health Care FSA on an after-tax basis under COBRA through the end of the plan year. | Contributions will cease. You can be reimbursed for dependent day care expenses incurred through the end of the plan year, up to the amount in your account at the time your contributions were discontinued. | Coverage ends on your last day of work. You may be able to convert your LTD coverage to an individual policy within 31 days. | Basic life insurance, supplemental life insurance and dependent life insurance end on your last day of work. Upon loss of eligibility, you may elect the continuation feature to continue coverage under the group plan for up to 12 months. After 12 months of continuation, you can exercise the portability feature to continue supplemental life insurance and dependent life insurance. To port any dependent spouse or child life insurance, you must port coverage for yourself. You can convert your basic, supplemental and dependent life insurance to individual policies within 31 days. | Basic AD&D coverage ends on your last day of work. |

| <i>Life Events</i> | <i>Medical</i>  | <i>Dental</i>  | <i>Vision</i>  | <i>Combo and Health Care FSA</i>  | <i>Dependent Day Care FSA</i>   | <i>Long-Term Disability</i>             | <i>Life Insurance</i>  | <i>Accidental Death &amp; Dismemberment</i>                         |
|--------------------|---|--|--|---|---|---|--|---|
| If You Retire      | Coverage ends at the end of the month in which you retire. You and your dependents can continue medical coverage for 18 months under COBRA. Contact WageWorks to see if you are eligible to participate in a Pearson retiree medical program. | Coverage ends at the end of the month in which you retire. You and your dependents can continue dental coverage for 18 months under COBRA. | Coverage ends at the end of the month in which you retire. You and your dependents can continue vision coverage for 18 months under COBRA. | Contributions to the Combo and Health Care FSA will cease. You can be reimbursed for health care expenses incurred while you were an active employee. You can continue participating in the Combo and Health Care FSA on an after-tax basis under COBRA through the end of the plan year. | Contributions to the Dependent Day Care FSA will cease. You can be reimbursed for dependent day care expenses incurred through the end of the plan year, up to the amount in your account at the time your contributions were discontinued. | Coverage ends on your last day of work. | Basic life insurance, supplemental life insurance and dependent life insurance end on your last day of work.<br><br>Upon loss of eligibility, you may elect the continuation feature to continue coverage under the group plan for up to 12 months. After 12 months of continuation, you can exercise the portability feature to continue supplemental life insurance and dependent life insurance. To port any dependent, spouse or child life insurance, you must port coverage for yourself. You can convert your basic, supplemental and dependent life insurance to individual policies within 31 days. | Basic and supplemental AD&D insurance end on your last day of work. |

| <i>Life Events</i>                | <i>Medical</i>   | <i>Dental</i>  | <i>Vision</i>  | <i>Combo and Health Care FSA</i>   | <i>Dependent Day Care FSA</i>   | <i>Long-Term Disability</i>  | <i>Life Insurance</i>   | <i>Accidental Death &amp; Dismemberment</i>  |
|-----------------------------------|--|--|--|--|---|--|---|--|
| If You Die While You Are Employed | Coverage for your eligible dependents will cease at the end of the month in which you die. Your eligible dependents can continue coverage for 36 months under COBRA.                                       | Coverage for your eligible dependents will cease at the end of the month in which you die. Your eligible dependents can continue coverage for 36 months under COBRA.                                       | Coverage for your eligible dependents will cease at the end of the month in which you die. Your eligible dependents can continue coverage for 36 months under COBRA.                                       | Contributions cease. Your estate can be reimbursed for health care expenses incurred while you were an active employee. Your eligible dependents can continue Combo and participating in the Health Care FSA on an after-tax basis under COBRA through the end of the plan year. | Contributions cease. Your estate can be reimbursed for dependent care expenses incurred through the end of the plan year, up to the amount in your account at the time of your death. | Your beneficiary will receive a three-month survivor benefit if your disability had continued for 180 or more consecutive days and you were receiving or entitled to receive LTD benefits. | Your beneficiary will receive a benefit consisting of your basic life insurance and, if applicable, supplemental life insurance. Dependent life insurance coverage stops. Your dependents may elect the continuation feature to continue coverage under the group plan for up to 12 months. After 12 months of continuation, conversion to an individual policy is available. Application to convert coverage must be made within 31 days. *Suicide exclusion applies to employee supplemental insurance. | If your death is the result of a covered accident, your beneficiary will receive a benefit.  |
| If a Dependent Dies               | If your spouse dies, you can enroll or change coverage categories within 31 days. If your child dies, you can change coverage categories within 31 days. You cannot change the option you are enrolled in. | If your spouse dies, you can enroll or change coverage categories within 31 days. If your child dies, you can change coverage categories within 31 days. You cannot change the option you are enrolled in. | If your spouse dies, you can enroll or change coverage categories within 31 days. If your child dies, you can change coverage categories within 31 days. You cannot change the option you are enrolled in. | If your spouse or child dies, you can stop or decrease contributions to the Combo and Health Care FSA within 31 days.  | If your spouse or child dies, you may start, stop, increase or decrease contributions to the Dependent Day Care FSA within 31 days.   | You can discontinue your supplemental LTD coverage. If your spouse dies, you can purchase supplemental LTD coverage, subject to evidence of insurability rules, within 31 days.            | If your dependent was covered, the dependent life insurance benefit will be paid to you. You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules. *Suicide exclusion applies to spouse life insurance.   | If your dependent was covered and the death was the result of a covered accident, the AD&D benefit will be paid to you. You can purchase, increase, decrease or drop supplemental and/or family AD&D any time. |

| <i>Life Events</i>  | <i>Medical</i>   | <i>Dental</i>   | <i>Vision</i>   | <i>Combo and Health Care FSA</i> | <i>Dependent Day Care FSA</i>  | <i>Long-Term Disability</i> | <i>Life Insurance</i>   | <i>Accidental Death &amp; Dismemberment</i>  |
|---|--|---|---|----------------------------------|--|-----------------------------|---|--|
| If You Move   | No change unless you move out of the medical plan network area; then you may change your option.   | No change unless you move out of the dental plan network area; then you may change your option.   | No change   | No change                        | No change  | No change                   | You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules. | You can purchase, increase, decrease or drop supplemental and/or family AD&D any time. |
| If there is a change in coverage under another employer's health plan   | You can enroll for the first time and add eligible dependents to your medical plan within 31 days.<br>You can drop coverage within 31 days.<br>You cannot change the option you are enrolled in. | You can enroll for the first time and add eligible dependents to your dental plan within 31 days.<br>You can drop coverage within 31 days.<br>You cannot change the option you are enrolled in. | You can enroll for the first time and add eligible dependents to your vision plan within 31 days.<br>You can drop coverage within 31 days.<br>You cannot change the option you are enrolled in. | No change                        | No change  | No change                   | You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules. | You can purchase, increase, decrease or drop supplemental and/or family AD&D any time. |
| Significant change in cost of dependent day care (if provider is not a relative) or change in dependent care provider | No change  | No change   | No change   | No change                        | You may start, stop, increase or decrease contributions to the Dependent Day Care FSA. | No change                   | You can purchase, increase, decrease or drop supplemental and/or dependent life insurance at any time, subject to evidence of insurability rules. | You can purchase, increase, decrease or drop supplemental and/or family AD&D any time. |