



HEALTH

WELLNESS

FINANCIAL

2020 BENEFITS GUIDE

January 1 - December 31, 2020



Welcome

Your benefits are an important part of your overall compensation. We are pleased to offer a comprehensive array of valuable benefits to protect your health, your family and your way of life. This guide answers some of the basic questions you may have about your benefits. Please read it carefully, along with any supplemental materials you receive.

Eligibility

You are eligible for benefits if you work 30 or more hours per week. You may also enroll your eligible family members under certain plans you choose for yourself. Eligible family members include:

- ▶ Your legally married spouse
- ▶ Your domestic partner (DP) and/or his/her children, where applicable by state law
- ▶ Your children who are your biological children, stepchildren, adopted children or children for whom you have legal custody (age restrictions may apply). Disabled children age 26 or older who meet certain criteria may continue on your health coverage.

When Coverage Begins

- ▶ **New Hires:** You must complete the enrollment process within 30 days of your date of hire. If you enroll on time, coverage is effective on your date of hire.
If you fail to enroll on time, you will **NOT** have benefits coverage (except for company-paid benefits).
- ▶ **Open Enrollment:** Changes made during Open Enrollment are effective January 1 - December 31, 2020.

Choose Carefully!

Due to IRS regulations, you cannot change your elections until the next annual Open Enrollment period, unless you have a qualified life event during the year. Following are examples of the most common qualified life events:

- ▶ Marriage or divorce
- ▶ Birth or adoption of a child
- ▶ Child reaching the maximum age limit
- ▶ Death of a spouse, DP, or child
- ▶ You lose coverage under your spouse's/DP's plan
- ▶ You gain access to state coverage under Medicaid or CHIP

Making Changes

To make changes to your benefit elections, you must contact Human Resources within 31 days of the qualified life event (including newborns). Be prepared to show documentation of the event such as a marriage license, birth certificate or a divorce decree. If changes are not submitted on time, you must wait until the next Open Enrollment period to make your election changes.

Required Information—When you enroll, you will be required to enter a Social Security number (SSN) for all covered dependents. The Affordable Care Act (ACA), otherwise known as health care reform, requires the company to report this information to the IRS each year to show that you and your dependents have coverage. This information will be securely submitted to the IRS and will remain confidential.

Inside

- Medical Plans
- Dental Plan
- Vision Plan
- Disability Insurance
- Flexible Spending Accounts (FSAs)
- Life and AD&D Insurance
- Life Assistance Program (LAP)
- Paid Time Off
- 401(k) Plan Option
- Cost of Benefits
- Contact Information

Enrollment

Visit the HR Benefits Page on SharePoint for additional information, and login to ADP for enrollment. Go to workforcenow.adp.com

Medical Plans

We are proud to offer you a choice among three different medical plans that provide comprehensive medical and prescription drug coverage. The plans also offer many resources and tools to help you maintain a healthy lifestyle. Following is a brief description of each plan.

CIGNA HMO Full Network and HMO Limited (Select) Network (California Only)

With this plan, you select a primary care physician (PCP) from the participating network of providers who will coordinate your health care needs, refer you to specialists (if needed) and approve further medical treatment. Services received outside of the HMO's network are not covered, except in the case of emergency medical care.

CIGNA PPO

This plan gives you the freedom to seek care from the provider of your choice. However, you will maximize your benefits and reduce your out-of-pocket costs if you choose a provider who participates in the CIGNA network. The calendar-year deductible must be met before certain services are covered.

CIGNA PPO HDHP w/ HSA

Like the PPO plan, a High-Deductible Health Plan (HDHP) gives you the freedom to seek care from the provider of your choice. You will maximize your benefits and reduce your out-of-pocket costs if you choose a provider who participates in the CIGNA network. In addition, the HDHP comes with a health savings account (HSA) that allows you to save pre-tax dollars¹ to pay for any qualified health care expenses as defined by the IRS, including most out-of-pocket medical, prescription drug, dental and vision expenses. For a complete list of qualified health care expenses, visit www.irs.gov/pub/irs-pdf/p502.pdf.

Here's how the plan works:

- ▶ **Annual Deductible:** You must meet the entire annual deductible before the plan starts to pay for non-preventive medical and prescription drug expenses.
- ▶ **Coinsurance:** Once you've met the plan's annual deductible, you are responsible for a percentage of your medical expenses, which is called coinsurance. For example, the plan may pay 80 percent and you may pay 20 percent.



- ▶ **Out-of-Pocket Maximum:** Once your deductible and coinsurance add up to the plan's annual out-of-pocket maximum, the plan will pay 100 percent of all eligible covered services for the rest of the calendar year.
- ▶ **Health Savings Account (HSA):** You may contribute to your HSA through pre-tax¹ payroll deductions to help offset your annual deductible and pay for qualified health care expenses. In addition, we will contribute \$1,500 annually to your HSA if you enroll in employee-only coverage and \$3,000 annually if you enroll yourself and one or more family members, prorated based on hire date. **To be eligible for the HSA, you cannot be covered through Medicare Part A or Part B or TRICARE programs. See the plan documents for full details.**

Important: Your contributions, in addition to the company's contributions, may not exceed the annual IRS limits listed below.

HSA Contribution Limit	2020
Employee Only	\$3,550
Family (employee + 1 or more)	\$7,100
Catch-up (age 55+)	\$1,000

Your HSA is yours for life. The money is yours to spend or save, regardless of whether you change health plans², retire or leave the company. There is no "use it or lose it" rule. Your account grows tax free over time as you continue to roll over unused dollars from year to year. You decide how or if you want to spend your HSA funds. You can use them to pay for you and your dependents' doctor's visits, prescriptions, braces, glasses—even laser vision correction surgery.

¹ Tax free under federal tax law; state taxation rules may apply

² You must be enrolled in a qualified health plan to contribute to an HSA.

Medical Plans

Following is a high-level overview of the coverage available. For complete coverage details, please refer to the Benefit Summary.

Key Medical Benefits	CIGNA HMO		CIGNA PPO		CIGNA PPO HDHP w/ HSA	
	Full Network	Limited (Select) Network	In-Network	Out-of-Network ¹	In-Network	Out-of-Network ¹
Deductible (per calendar year)	CA	CA				
Individual / Family	None	None	\$500 / \$1,000 ⁷	\$1,000 / \$2,000 ⁷	\$1,500 / \$3,000 ⁴	\$3,000 / \$6,000 ⁷
Out-of-Pocket Maximum (per calendar year)						
Individual / Family	\$1,500 / \$3,000	\$1,500 / \$3,000	\$2,500 ⁸ / \$5,000 ⁸	\$5,000 ⁸ / \$10,000 ⁸	\$3,000 ⁸ / \$6,000 ⁸	\$6,000 ⁸ / \$12,000 ⁸
Company Contribution to Your Health Savings Account (HSA) (per calendar year; prorated for new hires/newly eligible)						
Individual / Family	N/A	N/A	N/A		\$1,500 / \$3,000	
Covered Services						
Office Visits (physician/specialist)	\$10 / \$10 copay	\$10 / \$10 copay	\$20 / \$20 copay	40%* / 40%*	10% / 10%*	40% / 40%*
Routine Preventive Care	No charge	No charge	No charge	Not covered	No charge	Not covered
Outpatient Diagnostic (lab/X-ray)	No charge	No charge	No charge	40%*	10%*	40%*
Complex Imaging	\$100 copay	\$100 copay	20%*	40%* ³	10%*	40%* ³
Chiropractic	\$10 copay ⁶	\$10 copay ⁶	\$20 copay ²	40%* ²	10%* ²	40%* ²
Ambulance	No charge	No charge	20%*		10%*	
Emergency Room (waived if admitted)	\$150 copay	\$150 copay	\$100 copay		10%*	
Urgent Care Facility	\$75 copay	\$75 copay	\$50 copay	40%*	10%*	40%*
Inpatient Hospital Stay	No charge	No charge	20%*	40%*	10%*	40%*
Outpatient Surgery	No charge	No charge	20%*	40%*	10%*	40%*
Prescription Drugs (Tier 1 / Tier 2 / Tier 3)						
Retail Pharmacy (30-day supply)	\$15 / \$30 / \$50	\$15 / \$30 / \$50	\$15 / \$30 / \$50	Not covered	\$15 / \$30 / \$50 ⁵	Not covered
Mail Order (90-day supply)	\$30 / \$60 / \$100	\$30 / \$60 / \$100	\$30 / \$60 / \$100	Not covered	\$30 / \$60 / \$100 ⁵	Not covered

Coinurance percentages and copay amounts shown in the above chart represent what the member is responsible for paying.

*Benefits with an asterisk (*) require that the deductible be met before the Plan begins to pay.

To be eligible for the HSA, you cannot be covered through Medicare Part A or Part B or TRICARE programs. See the plan documents for full details.

1. If you use an out-of-network provider, you will be responsible for any charges above the maximum allowed amount.
2. Up to 25 visits per calendar year.
3. Pre-authorization required.
4. No more than \$2,800 per individual in the family.
5. Prescriptions under the HDHP with HSA plan are subject to medical deductible. Copays apply after the deductible is met.
6. Up to 30 visits per calendar year.
7. Deductible is embedded.
8. Out-of-Pocket Maximum is Embedded and includes deductible.

Dental Plan

Arena Pharmaceuticals is proud to offer you a Dental plan through CIGNA.

CIGNA DPPO \$2,000 with Ortho: This plan offers you the freedom and flexibility to use the dentist of your choice. However, you will maximize your benefits and reduce your out-of-pocket costs if you choose a dentist who participates in the **CIGNA** network.

Following is a high-level overview of the coverage available.

Key Dental Benefits	DPPO \$2,000 with Ortho	
	In-Network	Out-of-Network ¹
Deductible ² (per calendar year)		
Individual / Family	\$50 / \$150	
Benefit Maximum (per calendar year; preventive, basic, and major services combined)		
Per Individual	\$2,000	
Covered Services		
Preventive Services	No charge	
Basic Services	10%*	20%*
Major Services	40%* ³	50%* ⁴
Orthodontia (Child & Adult)	50%; \$2,000 maximum benefit	

Coinsurance percentages shown in the above chart represent what the member is responsible for paying.

*Benefits with an asterisk (*) require that the deductible be met before the Plan begins to pay.

1. If you use an out-of-network provider, you will be responsible for any charges above the maximum allowed amount.
2. Deductible applies to Basic & Major Services only.
3. Includes implants.
4. Includes Implants (40% up to \$2,000 max benefit).

Vision Plan

We are proud to offer you a vision plan.

The Cigna Vision vision plan gives you the freedom to seek care from the provider of your choice. However, you will maximize your benefits and reduce your out-of-pocket costs if you choose a provider who participates in the **Cigna Vision** network.

Following is a high-level overview of the coverage available.

Key Vision Benefits	In-Network	Out-of-Network Reimbursement
Exam (once every 12 months)	\$10	Up to \$45
Materials Copay	\$25	N/A
Lenses (once every 12 months)	No charge after materials copay	Up to \$40
Single Vision		Up to \$65
Bifocal		Up to \$75
Trifocal		
Frames (once every 12 months)	Covered up to \$130 plus 20% discount over allowance	Up to \$71
Contact Lenses (once every 12 months; in lieu of glasses)	Necessary: Covered in Full, Elective: Covered up to \$130	Necessary: Up to \$210, Elective: Up to \$105

Disability Insurance

Disability insurance provides benefits that replace part of your lost income when you become unable to work due to a covered injury or illness.

Following is a high-level overview of the coverage available.

Short-Term Disability		Long-Term Disability	
Provided at NO COST to you through CIGNA.		Provided at NO COST to you through CIGNA.	
Benefit Percentage	60%	Benefit Percentage	60%
Weekly Benefit Maximum	\$3,500	Monthly Benefit Maximum	\$15,000
When Benefits Begin	After 7th day	When Benefits Begin	90 days
Maximum Benefit Duration	12 weeks	Maximum Benefit Duration	Social Security Normal Retirement Age (SSNRA)

Flexible Spending Accounts (FSAs)

We provide you with an opportunity to participate in up to two different flexible spending accounts (FSAs) administered through IGOE. FSAs allow you to set aside a portion of your income, before taxes, to pay for qualified health care and/or dependent care expenses. Because that portion of your income is not taxed, you pay less in federal income, Social Security and Medicare taxes.

Health Care FSA

For 2020, you may contribute up to \$2,750 to cover qualified health care expenses incurred by you, your spouse and your children up to age 26. Some qualified expenses include:

- ▶ Coinsurance
- ▶ Copayments
- ▶ Deductibles
- ▶ Prescriptions
- ▶ Dental treatment
- ▶ Orthodontia
- ▶ Eye exams/eyeglasses
- ▶ Lasik eye surgery

For a complete list of eligible expenses, visit www.irs.gov/pub/irs-pdf/p502.pdf.

Dependent Care FSA

For 2020, you may contribute up to \$5,000 (per family) to cover eligible dependent care expenses (\$2,500 if you and your spouse file separate tax returns). Some eligible expenses include:

- ▶ Care of a dependent child under the age of 13 by babysitters, nursery schools, pre-school or daycare centers
- ▶ Care of a household member who is physically or mentally incapable of caring for him/herself and qualifies as your federal tax dependent

For a complete list of eligible expenses, visit www.irs.gov/pub/irs-pdf/p503.pdf.

FSA Rules

YOU MUST ENROLL EACH YEAR TO PARTICIPATE.

Because FSAs can give you a significant tax advantage, they must be administered according to specific IRS rules:

Unused funds will **NOT** be returned to you or carried over to the following year.

You must file claims by **March 31, 2021**.

You may not enroll in the **General Purpose FSA** if you are enrolled in the **HDHP with HSA plan**.

Life and AD&D Insurance

Life insurance provides your named beneficiary(ies) with a benefit in the event of your death.

Accidental Death and Dismemberment (AD&D) insurance provides specified benefits to you in the event of a covered accidental bodily injury that directly causes dismemberment (i.e., the loss of a hand, foot or eye). In the event that your death occurs due to a covered accident, both the life and the AD&D benefit would be payable.

Basic Life/ AD&D (Company-paid)

This benefit is provided at **NO COST** to you through CIGNA.

Benefit Amount	2 times your base salary up to a \$500,000 maximum
-----------------------	--

Voluntary Life/ AD&D (Employee-paid)

If you determine you need more than the basic coverage, you may purchase additional coverage through CIGNA for yourself and your eligible family members.

	Benefit Option	Guaranteed Issue*
Employee	No minimum; up to 5 times your base salary or \$500,000 maximum	Lesser of 1 times your base salary or \$100,000
Spouse/ DP	\$5,000 increments; up to \$250,000 (not to exceed 50% of employee's Voluntary Life Insurance amount)	\$25,000
Child(ren)	6 months to age 26 - \$10,000	6 months to age 26 - \$10,000

*During your initial eligibility period only, you can receive coverage up to the Guaranteed Issue amounts without having to provide Evidence of Insurability (EOI, or information about your health). Coverage amounts that require EOI will not be effective unless approved by the insurance carrier.

Life Assistance Program (LAP)

Life is full of challenges, and sometimes balancing it is difficult. We are proud to provide a confidential program dedicated to supporting the emotional health and well-being of our employees and their families. The Life Assistance Program (LAP) is provided at **NO COST** to you through CIGNA.

The LAP can help with the following issues, among others:

- ▶ Mental health
 - ▶ Relationships or marital conflicts
 - ▶ Child and eldercare
 - ▶ Substance abuse
 - ▶ Grief and loss
 - ▶ Legal or financial issues
- ### LAP Benefits
- ▶ Assistance for you and your household members
 - ▶ Up to three (3) in-person sessions with a counselor per issue, per year, per individual
 - ▶ Unlimited toll-free phone access and online resources

Contact Information:

CIGNA
(800) 538-3543
www.cignalap.com

401(k) Plan Option

Administered by Fidelity, the 401(k) plan allows you to plan for your future by saving a portion of each paycheck today. All regular employees are eligible to participate in the plan and you may elect to have a percentage of your paycheck withheld and invested in your 401(k) account, subject to federal law and plan guidelines. Discretionary match is offered to all eligible participants at 100%, up to a maximum of 6% of your eligible compensation each pay period. The match is subject to company approval each year and may change in the future. The employer match has a 2-year vesting schedule of 50% for each year of employment.

Paid Time Off

Vacation Time

Regular, full-time employees hired on or after January 1, 2012, can initially accrue 15 days of vacation during the year at a rate of 5 hours per semi-monthly pay period, and on the employee's third anniversary, the number of vacation days will increase to 19. Accrual rates will be prorated for regular, full-time employees working reduced schedules. Accrued, unused vacation time may rollover up to a maximum of 240 hours.

Sick Time

On January 1 of each year, employees will be given a lump sum of 48 hours of sick time to use during the calendar year. Sick time not used by December 31 will be forfeited, however, employees will receive a new deposit of 48 hours each January. New hires will receive an initial 48 hours on date of hire.

2020 Holidays

In observance of the following holidays, Arena offices will be closed on these days:

Holiday	Date Observed in 2020
New Year's Day	Wednesday, January 1
Martin Luther King Jr. Day	Monday, January 20
President's Day	Monday, February 17
Patriots' Day (Boston Only)	Monday, April 20
Memorial Day	Monday, May 25
Day Before Independence Day	Friday, July 3
Summer Break	Monday - Friday, August 10 - 14
Labor Day	Monday, September 7
Veteran's Day	Wednesday, November 11
Thanksgiving	Thursday, November 26
Day after Thanksgiving	Friday, November 27
Winter Break	Thursday - Thursday, December 24 - 31*

*Friday, January 1, 2021 will be a 2021 holiday

Cost of Benefits

Your contributions toward the cost of benefits are automatically deducted from your paycheck before taxes. The amount will depend upon the plan you select and if you choose to cover eligible family members. Benefit Payroll Deductions will be taken on an after-tax basis for all overage disabled dependents, and all non-tax dependents healthcare coverage will be treated as Imputed Income.

Medical

Coverage Tier	Monthly Employee Contribution							
	HMO		Select HMO		PPO		HDHP w/ HSA	
	Wellness	Non-Wellness	Wellness	Non-Wellness	Wellness	Non-Wellness	Wellness	Non-Wellness
Employee Only	\$46.00	\$92.00	\$21.00	\$42.00	\$110.00	\$183.00	\$16.00	\$32.00
Employee + Spouse/DP	\$100.00	\$201.00	\$46.00	\$91.00	\$240.00	\$400.00	\$36.00	\$71.00
Employee + Child(ren)	\$87.00	\$174.00	\$40.00	\$79.00	\$208.00	\$347.00	\$31.00	\$62.00
Family	\$139.00	\$279.00	\$63.00	\$127.00	\$333.00	\$555.00	\$49.00	\$99.00

Dental

Coverage Tier	Monthly Employee Contribution
	Dental PPO
Employee Only	\$6.00
Employee + Spouse/DP	\$13.00
Employee + Child(ren)	\$15.00
Family	\$23.00

Vision

Coverage Tier	Monthly Employee Contribution
	Vision PPO
Employee Only	\$1.00
Employee + Spouse/DP	\$2.00
Employee + Child(ren)	\$2.00
Family	\$3.00

Domestic Partner (DP) Contributions: Your contributions to cover a DP are the same as those to cover a legal spouse. However, because of Internal Revenue Code (IRC) restrictions, in most cases, the fair market value of your DP's or DP's children's (if they are not federal tax dependents) healthcare coverage will be taxable to you as imputed income. This value is determined by the amount that Arena Pharmaceuticals pays in premium for DP coverage. This amount raises your taxable gross income. Also, the payroll deductions to cover a DP, overage disabled dependent or a non-tax dependent must be taken on an after-tax basis. Benefit payroll contributions for a DP, overage disabled dependent or a non-tax dependent are treated as Imputed Income.

Voluntary Life/AD&D

Deductions for voluntary Life/AD&D are taken from your paycheck after taxes. Rates are available online during enrollment.

Discounted Wellness Medical Premium

Eligibility for the discounted, wellness medical premium rate is dependent on completion of a biometric screening by employee within 6 weeks of hire date.

Contact Information

Coverage	Carrier	Phone #	Website/Email
Medical, Dental, Vision	CIGNA	(800) 244-6224	www.mycigna.com
Flexible Spending Accounts (FSAs)	IGOE	(800) 633-8818	www.goigoe.com
Life/AD&D and Disability	CIGNA	(800) 362-4462	www.cigna.com
Life Assistance Program (LAP)	CIGNA	(800) 538-3543	www.cignalap.com
HSA Bank	HSA Bank	(800) 357-6246	www.mycigna.com
401(k)	Fidelity	(800) 835-5095	www.401k.com

Benefits Website

Visit the HR Benefits Page on SharePoint for additional information and log into ADP for enrollment on workforcenow.adp.com

Questions?

If you have additional questions, you may also contact:

Your Employee Benefits Service Center
(855) 687-2426 and at
champion@hubinternational.com



DISCLAIMER: The material in this benefits brochure is for informational purposes only and is neither an offer of coverage or medical or legal advice. It contains only a partial description of plan or program benefits and does not constitute a contract. Please refer to the Summary Plan Description (SPD) for complete plan details. In case of a conflict between your plan documents and this information, the plan documents will always govern.
Annual Notices: ERISA and various other state and federal laws require that employers provide disclosure and annual notices to their plan participants. The company will distribute all required notices annually.

