

Bon Secours Mercy Health Student Loan Benefit Program

Plan Overview

January 1, 2020

Updated July 1, 2022

Bon Secours Mercy Health Student Loan Benefit Program

Section 1- Introduction

1.1 Purpose

To assist associates with student loan debt so they can have financial security. Bon Secours Mercy Health (BSMH) recognizes that our associates are vital to fulfilling our mission. BSMH understands that for many of our associates, student loan debt places a burden that can impact both their personal and professional well-being.

To assist in alleviating this burden and assist with recruitment and retention for vital roles, BSMH has established a Student Loan Benefit Program (hereinafter Program) to aid with the financial optimization and repayment of student loans incurred by eligible associates. Eligible associates may receive BSMH funding for student loan repayment and have access to administration and supporting services from BSMH's education benefits provider, Guild Education ("Guild"), to support their student loan repayment efforts.

1.2 Disclaimer

This Program does not establish a standard of clinical care or practice or standard of non-clinical practice to be followed in every case. The Program should guide actions with the understanding that departures may be required at times.

Where collective bargaining agreements (CBAs) are in effect and a CBA's express language conflicts with all or a portion of this Program, the CBA language shall supersede the conflicting portions of this Program except where the expressed language of the agreement conflicts with state or federal law.

1.3 Effective Date

This update shall be effective as of June 21, 2022 and shall supersede and replace all prior student loan repayment programs sponsored by BSMH. Payments through this Program will begin July 2022, for associates enrolled in the current Student Loan Repayment program.

1.4 Administration: Human Resources Worklife Benefits

If an associate does not meet the eligibility requirements provided in Section 2, then such associate will become ineligible for benefits under the Program. Associates will have real time access to their eligibility or repayment status through Candidly, which can be accessed via the Guild portal at bsmh.guildeducation.com. Associates have the right to appeal a denial of enrollment into the Program to the BSMH Associate Benefits Appeals Committee. Upon evaluation by the Team, associates will be advised of the final, binding decision within a reasonable period.

BSMH reserves discretionary authority to interpret the Program, make eligibility and benefit determinations and make other determinations about the Program. All determinations by BSMH are final and binding upon all parties.

Section 2 - Eligibility

2.1 General Eligibility

To be eligible for student loan optimization and/or student loan repayment as an Eligible Associate, associates must satisfy all the following qualifications:

- 2.1.1 Employed by BSMH (eligible on day 1 of employment).
- 2.1.2 Be a full-time, or part-time associate. The associate's status (full-time, part-time, PRN or ACA PRN) will be determined on the first day of each calendar month to confirm eligibility and the location or shift that the associate works does not affect eligibility. (Full Time and Part Time Associate described in Section 7.)
- 2.1.3 If an associate works two or more jobs, the total budgeted hours combined between all jobs will be used to calculate the associate's employment status as either full-time or part-time.
- 2.1.4 Be in an active associate status or on an approved leave of absence.
- 2.1.5 Be a US-based associate.
- 2.1.6 Not be in a final written warning in the last 12 months. BSMH reserves the right to deny the initial student loan repayment approval or overturn ongoing receipt of student loan repayment based on an associate's disciplinary action.

2.2 Student Loan Repayment Eligibility

To be eligible for student loan repayment, an associate must satisfy the qualifications listed in Section 2.1 in addition to requirements in this Section 2.2.

The list of those eligible, along with the date of inclusion, is noted in the [program overview HR ServiceNow article](#).

- 2.2.1 Union Eligibility is set forth in their respective CBAs – note section 1.2 above
 - A. SEIU Service & Supply Memorial, coded as "V" in Workday
 - B. SEIU Service & Supply McAuley, coded as "C" in Workday
 - C. SEIU Service & Supply Springfield, coded as "F" in Workday
 - D. Teamsters Service St. Elizabeth, coded as "P" in Workday
 - E. Teamsters Maintenance St. Elizabeth, coded as "K" in Workday
 - F. Teamsters Service St. Joseph, coded as "J" in Workday
 - G. Toledo UAW Service and Technical, if applicable, and RN union associates, coded as "S", "T" and "W", respectively, in Workday
 - H. Lorain Mercy Regional, SEIU Service & Maintenance, if applicable, coded as "M" in Workday
 - I. Lorain Mercy Allen SEIU, if applicable, coded as "A" in Workday
 - J. Lorain OPEIU Mercy Allen Technical, coded as "H" in Workday
 - K. Lorain ONA Mercy Allen RN, coded as "O" in Workday
 - L. Lorain SEIU RN Mercy Regional Medical Center, coded as "E" in Workday

2.3 Ineligibility

The following associates are not eligible for the Program:

- 2.3.1 Physicians (whose education benefits are outlined in their contracts).

- 2.3.2 Joint-ventures or affiliated organizations (e.g., Ensemble, Charity Health, etc.).
- 2.3.3 Associates who are PRN status or who are budgeted to work less than 15 hours/week.
- 2.3.4 Any individual who is not an associate of BSMH, including volunteers, independent contractors, and consultants.
- 2.3.5 Associates who voluntarily terminate employment or are terminated for cause lose eligibility immediately and will be subject to the 18-month work commitment period payback (described in Section 4).
- 2.3.6 If an associate transfers to a position that is not eligible under the terms of this plan, the associate will no longer be eligible to participate.
- 2.3.7 If an associate changes status from full-time or part-time to PRN, the associate will no longer be eligible to participate as of the effective date of the status change and Guild/Candidly will cease all further contributions to all the associate's student loan accounts.

Section 3 – Program Descriptions

The ministry provides the two following student loan support tiers:

- **Student Loan Optimization (SLO):** Associates gain access to Candidly's platform for assistance optimizing their student loan repayment.
- **Student Loan Repayment (SLR) + SLO:** In addition to the Student Loan Optimization benefits, BSMH will contribute payments towards associates' previously accrued student loan debt.

3.1 Student Loan Optimization

- 3.1.1 BSMH will cover 100% of the annual license fees for associates to access and utilize the Candidly platform and associated services and products.
- 3.1.2 **Public Service Loan Forgiveness (PSLF):** Associates who participate in the Program are encouraged to apply for the federal PSLF program for qualifying non-profit employers including BSMH. The PSLF may help reduce the terms and length of existing eligible student loans. Guild and Candidly can assist students in applying for and utilizing PSLF programs through Candidly's Student Loan Optimization services. For-profit BSMH entities do not qualify for the PSLF program. Only federal loans are applicable.
- 3.1.3 A full list of optimization services can be found on the Guild/Candidly site, which can be accessed through bsmh.guildeeducation.com.
 - Round Up – Shave years off payments by rounding up everyday spending and automatically paying down debt with extra money
 - Giveback – Receive a percentage back from online purchases from partner vendors that gets applied to student debt payments
 - Auto-Crush – Make extra payments to drive debt down faster
 - Village - Contribute to and reduce the student debt of a loved one
 - Reassess – See if associate qualifies for a federal repayment plan and apply

- Refinance – Explore a multi-partner marketplace to view refinancing options
- Roll Up – Aggregate all the data on student debt, for ease of management and understanding
- Read – A library of resources to help gain a better understanding of the complex student loan world
- Coaching Services – Talk to a Certified Student Loan Professional about personalized student debt solutions

3.2 Student Loan Repayment:

- 3.2.1 BSMH's Student Loan Repayment Program aids with the financial repayment of student loans incurred by Eligible Associates.
- 3.2.2 Program benefit is limited to a maximum repayment of student loans of \$4,800 annually.
- 3.2.3 Benefit payments will be paid monthly, with the monthly benefit increasing based on the participating associate's tenure in the Student Loan Repayment Program:

Months in the Program	Contribution Amount Per Month for Full Time	Contribution Amount Per Month for Part Time
Up to 12 Months	\$200.00	\$100.00
13 to 24 Months	\$250.00	\$125.00
25 to 36 Months	\$300.00	\$150.00
37 to 48 Months	\$350.00	\$175.00
49+ Months	\$400.00	\$200.00

- 3.2.4 "Months in the Program" --- Calculated based on the date in which the participating associates begins receiving benefit payments. The total months calculation will adjust on changes in eligibility (status, hours, etc.).

Section 4 - Work Commitment and Repayment

- 4.1.1 As a condition for the payment of the student loans by BSMH, the associate must accept the Student Loan Repayment Agreement and agree to remain employed by BSMH for a minimum of 18 months after the date of the final payment of the Program benefit.
- 4.1.2 Associates will be contacted by a third-party entity for any financial obligations owed to the ministry to set up payments.

- 4.1.3 Work commitment will be calculated from the date of the last payment of the Program benefit on a rolling 18-month period.
- 4.1.4 If the associate voluntarily terminates employment from BSMH or is terminated for cause, the associate must agree to repay BSMH 100% of the Student Loan Repayment Amount paid on their behalf within the last 18 months as outlined in the Student Loan Repayment Agreement.
- 4.1.5 If associates move to a position within BSMH that is not eligible for this Program, the time in the new position will count towards their 18-month commitment.
- 4.1.6 Associates are not required to repay the organization if their employment ends due to workforce reduction, outsourcing, divestiture, redundancy, sale of business, retirement, long term disability, or death.
- 4.1.7 Repayment provisions apply if the associate separates from employment while on leave or if the associate fails to return from a leave.
- 4.1.8 Work commitment and repayment provisions for union represented associates are defined by their CBA.

Section 5 - Income Tax Consequences

- 5.1.1 Under the Internal Revenue Code section 127, BSMH may provide up to \$5,250 per calendar year in educational assistance to each associate tax-free for federal and most state income tax purposes.
- 5.1.2 Benefits paid under this Program will be considered educational assistance as outlined under the CARES Act of 2021 and will count towards the tax-free limit of \$5,250. Associates receiving Tuition Assistance or Tuition Reimbursement from BSMH should note that both employer-sponsored tuition and student loan repayment contribute towards this \$5,250 limit.
- 5.1.3 Education assistance in excess of \$5,250 in a calendar year will be treated as taxable to the associate for federal income tax purposes and in all states except for AL, PA, NJ and Puerto Rico. The full amount of education assistance for associates residing in AL, PA, NJ and Puerto Rico is fully taxable for state or Puerto Rico income tax purposes. Associates will be responsible for reporting and paying relevant taxes on any education benefit received above the \$5,250 in a calendar year.
- 5.1.4 Taxability limits for a given calendar year are calculated using the date the BSMH repayment contribution is processed for payment by Guild Education.
- 5.1.5 Associate should be advised to consult their tax advisor.

Section 6 – Enrollment Process

6.1 Instructions

- 6.1.1 BSMH funds the student loan benefit on behalf of associates and pays any fees for administration of the program on behalf of the associate.
- 6.1.2 Associates can enroll in the Program and access the Guild/Candidly platform via bsmh.guilleducation.com. Guild can assist with any questions associates have regarding the enrollment process.

- 6.2.3 Associates must complete all required information during the enrollment to be considered for the Program. This includes acknowledging acceptance of the Student Loan Repayment Agreement.
- 6.2.4 Associates who enroll in SLR payments as of June 21, 2022 or later will indicate one primary loan account, which they would like all payments to be sent to. The Candidly payment will be sent to the loan servicer on the primary loan account and will be applied based on the loan servicer standard for applying extra payments or by the instructions the borrower has set up on their account. SLR contributions to multiple loans will be supported in the near future.
- 6.2.5 Associates who previously leveraged BenefitEd to divide their monthly SLR payments across 2 or more loan providers will continue to receive this benefit on the Guild/Candidly platform as of June 21, 2022. The payment information and division of SLR payments will remain the same as it was configured with BenefitEd without any action taken by the associate. If the associate would like to make changes to how their SLR payments are distributed across multiple loans, they must contact a Candidly coach at (866) 719-3437 or guildhelp@candid.ly
- 6.2.6 Contributions under the Program can supplement payments or relieve a portion of the monthly amount owed by the associate toward their student loans.
- 6.2.7 Student loans must be for repayment for higher education that was for the associate to be eligible for this Program. The Program cannot be used to make payments towards the student loan of an associate's family members.
- 6.2.8 Associates must complete enrollment only once and must be done before the 1st of the month to receive their contribution for that month.
- 6.2.9 Associates will receive an email from Guild/Candidly confirming their enrollment in the Program.
- 6.2.10 Associates will receive an email from Guild/Candidly, each month, after the contribution has been applied to their loan confirming repayment on their behalf by BSMH.
- 6.2.11 Each month Guild/Candidly verifies with the loan servicers the registered student loan accounts specific to each servicer to ensure accuracy of the account information. After the servicers review the account information, they inform Guild/Candidly of any discrepancies, loans paid in full, or loans sold to another servicer.
- 6.2.12 Not all loan servicers inform Guild/Candidly in a timely manner if the associate's loans have been paid in full, sold or there are any discrepancies. If the associate has received correspondence from their student loan servicer, the associate should contact Candidly at (866) 719-3437 or guildhelp@candid.ly immediately.
- 6.2.13 Once a student loan is paid in full, Guild/Candidly will cease all further contributions to that loan.
- 6.2.14 If an associate chooses to opt-out of the program after enrolled, the associate should contact Candidly at (866) 719-3437 or guildhelp@candid.ly.

Additional Information

This information does not create an express or implied contract of employment or any other contractual commitment. BSMH may modify this information at its sole discretion without notice, at

any time, consistent with applicable law. Employment with BSMH is on an at-will basis, which means that either BSMH or the associate is free to terminate the employment relationship at any time for any or no reason, consistent with applicable law.

BSMH may take disciplinary action against any associate who abuses this policy, including through fraud or misrepresentation, up to and including termination of employment.

If the associate has any questions, visit bsmh.guildeducation.com to submit a ticket or chat with a Guild representative. For eligibility questions, please contact the Associate Services Team at 877-692-7780 or open a case in HR ServiceNow.

Section 7 - Definitions

- 7.1 **ACA PRN**: An associate that works 130 hours or more per month in the previous 12 months, as determined on October 1 each year, to qualify for benefits.
- 7.2 **BSMH**: Bon Secours Mercy Health, Inc.
- 7.3 **Eligible Associate**: An associate who satisfies the eligibility requirements of Section 2.
- 7.4 **Full Time Associate**: Budgeted to work 30 or more hours per week.
- 7.5 **Part Time Associate**: Budgeted to work 15-29 hours per week.
- 7.6 **Program**: This Bon Secours Mercy Health Student Loan Benefit Program, as set forth herein and amended from time to time.
- 7.7 **Guild**: Vendor that contracted with BSMH to administer all education benefits through one platform.

Section 8 – General Information

- 8.1 Program Sponsor: Bon Secours Mercy Health, Inc. or its successor.
- 8.2 The Program initial effective date is January 1, 2020, and updated July 1, 2022
- 8.3 The Program is administered by Bon Secours Mercy Health Associate Services Center and Guild Education as of July 1, 2022.
- 8.4 The Program is intended to not discriminate in favor of highly compensated employees (as defined in IRC Section 414(q)), and the Program will comply with all respects with the requirements of IRC Sections 127(b)2 (and (3) and the underlying Treasury regulations. If, in the judgment of BSMH, the operation of the Program in any calendar year would result in such discrimination, then BSMH shall select and exclude from participation in the Program any such highly compensated employees as shall be necessary to ensure that, in the judgment of BSMH, the Program does not discriminate in favor of highly compensated employees.
- 8.5 Bon Secours Mercy Health, Inc. reserves the right to amend or terminate this Program at any time for any reason without notice.
- 8.6 The Plan number is BSMH-HR-Plan Overview_013 v.13.0

IN WITNESS WHEREOF, Bon Secours Mercy Health, Inc. has caused this instrument to be duly executed in its name and on its behalf.