The AAP is committed to providing a very comprehensive benefits package. The following highlights the variety of benefits offered to eligible employees:

- **HEALTH**

  ✓ **Health Insurance**

  Comprehensive health care coverage is available to all AAP employees (working a minimum of 20 hours per week). Employees may elect single or family coverage with either a PPO or HMO managed care plan. Our BlueCross BlueShield Health Plans also include qualified same sex and opposite sex domestic partner coverage.

  Coverage is effective the first full day of employment. There is no waiting period.

  The Academy pays the major cost of insurance benefits for full-time employees. The Academy’s contribution towards health insurance for part-time employees is reflective of the employee’s full-time equivalency (FTE).

  Health insurance costs for full-time staff (includes .8 FTE staff) are:
  - Coverage for single HMO is $22.78 per pay period
  - Coverage for single PPO is $38.00 per pay period
  - Coverage for family is based on salary:

<table>
<thead>
<tr>
<th>Employee Contribution – Family Coverage (per pay)</th>
<th>HMO</th>
<th>PPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under - $60,000</td>
<td>$98.51</td>
<td>$147.49</td>
</tr>
<tr>
<td>$60,001 - $80,000</td>
<td>$114.71</td>
<td>$171.74</td>
</tr>
<tr>
<td>$80,001 - $100,000</td>
<td>$134.15</td>
<td>$200.85</td>
</tr>
<tr>
<td>$100,001 - $170,000</td>
<td>$153.59</td>
<td>$229.96</td>
</tr>
<tr>
<td>$170,001 and over</td>
<td>$173.04</td>
<td>$259.07</td>
</tr>
</tbody>
</table>

  Optional Waiver Benefit – If a full-time employee (includes .8 FTE staff) voluntarily elects to waive health insurance due to coverage under another plan, the Academy will provide employees with payment in the amount of $100 per month for each month coverage is waived. Payments will be made at the end of the calendar year and will equal $100 for each month coverage is waived, not to exceed $1,200.

*Applicant information as of March 1, 2018.*
✓ **Dental Insurance**

Dental Insurance Benefits are offered through Cigna. Employees may elect single or family coverage with either a HMO or PPO dental program. Our dental plan also includes qualified same sex and opposite sex domestic partner coverage.

Employees and dependents are eligible for coverage on the 1st day of the month following the employee’s date of hire.

✓ **Vision Insurance**

Exam and materials coverage is offered through EyeMed. Our vision plan also includes qualified same sex and opposite sex domestic partner coverage.

The Academy pays the full premium cost of an annual eye exam for full-time employees. Employees are responsible for the voluntary materials premium.

✓ **Flexible Spending Accounts**

The American Academy of Pediatrics’ Flexible Benefits Program will help employees stretch their budget for eligible out of pocket health and dependent care expenses by allowing payment for these expenses with tax-free dollars.

Employees can participate in this program immediately upon date of hire.

Employees may contribute between $200 - $2,650 to their Health Care Account each plan year. Eligible health care expenses are reimbursed on a weekly basis.

Employees may contribute up to $5,000 to their Dependent Care Account each plan year. Eligible dependent care expenses are reimbursed on a weekly basis.

✓ **Life Insurance and AD&D Insurance**

Group term life insurance is available to employees immediately upon date of hire.

The benefit amount is equal to 200% of an employee’s annual base salary. If death occurs as a result of an accidental injury, the designated beneficiary will receive an additional 200% of the employee’s base salary.

In addition, all employees are eligible to purchase optional supplemental life insurance for themselves, a spouse, and dependent children at a group rate.

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*Applicant information as of March 1, 2018.*
RETIREMENT

✓ 401(k) Plan

Securian Retirement Services manages the AAP 401(k) Plan.

Employees may elect to contribute to the plan on a pre-tax or Roth post-tax basis beginning the first day of the quarter following date of hire.

The Academy 401(k) match formula is $1 for $1 on the first 3%, and an additional $.50 on the $1 on employee deferrals from 4%-6%. In addition, for Fiscal Year 17/18, the Academy may contribute a discretionary deposit at plan year-end. Employees will become eligible for Employer year-end contributions on the first day of the quarter following completion of one year of service.

Employee contributions are always 100% vested. Employer contributions (matching and year-end contributions) are subject to a vesting schedule.

Plan participants may choose between 13 investment options.

✓ 403(b) Plan

Employees may elect to contribute to the 403(b) retirement plan on a tax-deferred basis immediately upon hire. There are no employer contributions to the 403(b) plan and employee contributions are always 100% vested. The 403(b) plan is managed by Principal Financial Group.
PAID TIME OFF

✓ Vacation

The Academy recognizes the positive effects of scheduled time away from work. Therefore, this policy has been established to offer employees paid time away from work for the purposes of rest and relaxation.

Vacation time is earned on an accrual basis, with the exception of the time offered during the first year of employment. Vacation time begins accruing on the first of the month following or coinciding with an employee’s hire date with the Academy. Employees accrue vacation time during one employment year, for use in the next employment year, and the accrual calculation is increased in relation to length of service. An employee’s employment year is determined by their Academy hire date.

Full-time employees are eligible for vacation accruals according to the following Vacation Accrual Schedule. An employee is considered full-time if their regular work schedule of 37.5 hours per week.

<table>
<thead>
<tr>
<th>Number of Vacation Days</th>
<th>Available for Use On</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 (unaccrued)</td>
<td>First of the month following or coinciding with hire date</td>
</tr>
<tr>
<td>12 (1 day accrued per month worked)</td>
<td>First of the month following or coinciding with 1st anniversary of employment</td>
</tr>
<tr>
<td>18 (1.5 days accrued per month worked)</td>
<td>First of the month following or coinciding with 5th anniversary of employment</td>
</tr>
<tr>
<td>24 (2 days accrued per month worked)</td>
<td>First of the month following or coinciding with 10th anniversary of employment</td>
</tr>
</tbody>
</table>

Part-time employees are eligible for vacation time based on their full-time equivalency (FTE) in relation to the calculations in the above schedule. Example: An employee whose regular work schedule consists of 22.5 hours per week, has a full-time equivalency of .60. On the first of the month following this employee’s hire date they would be eligible for 45 hours of vacation (10 days x 7.5 hours = 75 hours, 75 hours x .60 FTE = 45 hours). On the first of the month following this employee’s first anniversary, they would be eligible for 54 hours of vacation (12 days x 7.5 hours = 90 hours, 90 hours x .60 FTE = 54 hours).

Applicant information as of March 1, 2018.
Senior Leadership and Director Vacation Benefits
Officers, SVP and VP level employees in equivalent positions are eligible for 24 days of paid vacation per employment year on the first of the month immediately following or coinciding with their Academy hire date.

Senior Directors and Directors are eligible for 18 days of paid vacation per employment year on the first of the month immediately following or coinciding with his/her Academy hire date.

Recognition of Continued Service
In appreciation of each employee’s continued years of service and on-going efforts to help achieve the AAP’s vision, mission, business plans and objectives, employees will receive one additional week of vacation during an employment year following the completion of 5 consecutive years of service (5, 10, 15, 20, etc), based on their Academy hire date.

For example, on the first of the month following or coinciding with a full-time employee’s 5th anniversary of employment, they would be eligible for 23 days of vacation (18 accrued from the preceding employment year and 5 additional days in recognition of his/her continued service). During the following four years, the employee would be eligible for 18 days, in accordance with the above Vacation Accrual Schedule. On the first of the month following or coinciding with a full-time employee’s 10th anniversary of employment, they would be eligible for 29 days of vacation (24 accrued from the preceding employment year and 5 additional days in recognition of his/her continued service). During the following four years, the employee would be eligible for 24 days of vacation, in accordance with the above Vacation Accrual Schedule. This same cycle would continue to be applied every 5 years.

Employees may request to receive pay for this additional week of vacation in lieu of taking the additional time out of the office. The completed and signed Vacation Payout Request Form must be submitted to Human Resources within the first month that the additional vacation becomes available.

Part-time employees are eligible for a pro-rated portion of this additional vacation time based on their full-time equivalency.
✓ **Sick Leave**

Sick Leave may be used for an employee or immediate family member’s personal illness or medical/dental appointments.

Employees are eligible to build a Sick Leave time bank on a monthly basis. Full-time employees receive paid Sick Leave time at the rate of one day per month. Part-time employees receive paid Sick Leave time based on their full-time equivalency (FTE). Example: An employee whose regular work schedule consists of 22.5 hours per week, has a full-time equivalency of .60. This part-time employee would earn Sick Leave time at the rate of 4.5 hours per month (7.5 Sick Leave hours x .60 fte). Newly hired full-time employees will receive 5 days of sick leave the first of the month following or coinciding with their hire date. Newly hired part-time employees will receive a corresponding prorated amount of sick leave based on their FTE. An employees’ Sick Leave bank will continue to carry over at the end of each calendar year.

✓ **Parental Benefits Program**

All permanent full-time and part-time employees regularly scheduled to work at least 20 hours per week and having six months of continuous AAP employment (based on most recent hire date) are eligible for this program.

Under this Parental Benefit Program, eligible employees will be provided with up to 12 weeks of consecutive paid parental time, for a leave following the birth of an employee’s child or the placement of a child with an employee in connection with adoption or foster care. Salary continuation payments under this program will provide 6 weeks of consecutive pay at 100% of his/her base salary, followed by an additional 6 weeks of consecutive pay at 50% of his/her base salary. Salary continuation payments under this program will be initiated once an employee starts his/her approved parental FMLA leave.

Additionally, the AAP provides adoption assistance in the form of reimbursement for qualified adoption expenses. The AAP will reimburse eligible employees up to $16,500 per adoption for qualified adoption expenses. Up to $20,000 in qualified adoption expenses will be reimbursed if multiple children are adopted simultaneously. The adoption assistance benefit has a lifetime maximum limit of $35,000.

✓ **Family Medical Leave**

Family Medical Leave is available to full-time and part-time employees immediately upon hire. Eligible employees may take up to 16 weeks of unpaid leave per 12 month rolling period for certain family and medical reasons.

*Applicant information as of March 1, 2018.*
✓ **Short-Term Disability Coverage**

The American Academy of Pediatrics sponsors a short-term disability program that pays 100% of the base salary for up to 6 weeks if an eligible employee is unable to work due to a disability. The benefit is limited to one incident every year.

Employees must have worked for the Academy for at least 6 months to be eligible for this benefit.
✓ **Holidays**

As an added benefit, the Academy recognizes certain days throughout the year as paid holidays for employees. These days are designated each year in the annual Holiday schedule.

During the calendar year 2018, the Academy will observe the following paid holidays:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>Monday, January 1, 2018</td>
</tr>
<tr>
<td>Martin Luther King Day</td>
<td>Monday, January 15, 2018</td>
</tr>
<tr>
<td>Presidents’ Day</td>
<td>Monday, February 19, 2018</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Monday, May 28, 2018</td>
</tr>
<tr>
<td>Independence Day</td>
<td>Wednesday, July 4, 2018</td>
</tr>
<tr>
<td>Labor Day</td>
<td>Monday, September 3, 2018</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>Thursday, November 22, 2018</td>
</tr>
<tr>
<td>Day after Thanksgiving</td>
<td>Friday, November 23, 2018</td>
</tr>
<tr>
<td>Christmas Eve</td>
<td>Monday, December 24, 2018</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>Tuesday, December 25, 2018</td>
</tr>
<tr>
<td>New Year’s Eve</td>
<td>Monday, December 31, 2018</td>
</tr>
</tbody>
</table>

✓ **Long-Term Disability Coverage**

The Academy offers long-term disability coverage to eligible employees. This benefit is offered through Cigna and provides for up to 2/3 of monthly base salary if an employee is unable to work due to a disability.

Employees are eligible for this benefit effective the first full day of employment.

*Applicant information as of March 1, 2018.*
SPECIAL BENEFITS

✓ Tuition Reimbursement

The Academy provides a Tuition Refund Program to offer individuals the opportunity for enhanced professional development and growth and to provide financial support to those who have the ability and desire to progress by means of a formal education. All full-time employees are eligible to apply for the Tuition Refund Program. Approval is based on several factors including relevance of the course to the job, department budget, etc.

✓ Transit Benefit Program

Employees can pay for transit expenses through pre-tax payroll deductions up to $130 per month, gaining tax savings annually. Employees can participate in the Chicago Ventra Program, which can be used for rides on the CTA.

✓ LifeWorks® Employee Resource & Referral Program

The Academy provides all employees with access to the LifeWorks® Program. This program can help employees manage the challenge of balancing work/life issues. LifeWorks® consultants have the professional and personal experience to provide seasoned advice, information, and resources to assist employees with anything from developing and living within a budget to planning for retirement.

✓ Employee Assistance Program

The American Academy of Pediatrics believes that it is in the best interest of the employee, the employee’s family and the Academy to provide an Employee Assistance Program (EAP) as a resource for employees seeking assistance with issues in their personal lives. The program through Workplace Solutions is also a consultation resource for managers dealing with challenging employee issues. The goal of the EAP is the resolution of personal matters that affect an employee’s health, well being, and job performance.

✓ Health and Wellness Reimbursement Program

The purpose of the Health and Wellness Reimbursement Program is to provide an opportunity for employees to participate in programs and activities that encourage a healthy lifestyle. Our goal is to support our employees’ physical, mental and social health and well-being by providing them the resources and assistance they need to actively engage in improving their own health. Eligible employees will be reimbursed 50% of the individual cost of the program(s) up to a fiscal year maximum reimbursement amount of $100.

Applicant information as of March 1, 2018.
✓ **529 College Savings Program**

529 College Savings Plans are state designated programs that allow individuals to contribute money toward future higher education expenses while receiving significant tax advantages. Earnings grow tax free from federal taxes while in the account and are also exempt from federal income taxes on qualified withdrawals. Many programs offer additional state tax benefits. The Illinois program known as Bright Start, provides additional state income tax reductions. If you are not an Illinois resident, we encourage you to explore the advantages that your own State’s program might offer by visiting www.savingforcollege.com. Employees can sign up for this benefit at any time and regular contributions can be made to the program via direct deposit.

✓ **Goal Achievement Program**

The purpose of the GAP is to enhance staff teamwork, motivate staff to achieve the AAP’s strategic plan and business objectives, and to recognize and reward staff for attaining fiscal year mission and financial goals.

**Definitions**

- **Fiscal Year:** July 1 – June 30
- **Child Health, Member Health,** The 2017-2018 objectives to achieve the AAP and Organizational Health Goals: Child Health, Member Health and Organizational
- **Operating Net Margin:** The difference between operating revenues and expenses excluding realized/unrealized gains or losses.
- **Base Salary:** Annual base salary or annualized hourly pay before taxes as of June 30 (the last calendar day of the fiscal year). It does not include bonuses, overtime pay or any other extra compensation.

**Applicant information as of March 1, 2018.**
Eligibility

- All regular full-time and part-time employees who are actively employed during the entire respective fiscal year and on the payment date are eligible to participate in the plan.

- New employees actively employed for a portion of the fiscal year and on the payment date and successfully learning and performing their job duties as determined by their supervisor will be eligible to participate on a pro-rated basis based upon complete months of active employment during the respective fiscal year.

- Part-time employees are eligible for a pro-rated Goal Achievement Incentive based upon their positions budgeted full time equivalent percentage during the fiscal year.

- Employees must be performing at or above the (3)- Often meets job requirements and expectations performance level in their current position to be eligible.

- Employees who have received recent formal written warnings for poor job performance in their current position may not be eligible to participate.

- Temporary or seasonal employees are not eligible to participate.

Administration

- GAP payments will be made in December of each year and are based upon the completion of the goals outlined below.

- The GAP will be administered by Human Resources.

- GAP payments are considered taxable earnings and are subject to all applicable taxes per IRS guidelines.

Applicant information as of March 1, 2018.
## Goal and Achievement Incentives

<table>
<thead>
<tr>
<th>Goal</th>
<th>Incentive Criteria Description</th>
<th>Incentive Criteria</th>
<th>GAP Incentive Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Achieve goal #1 for the fiscal year</td>
<td>% of sub-objectives achieved</td>
<td>Actual % of sub-objectives achieved multiplied by $250 maximum</td>
</tr>
<tr>
<td>#2</td>
<td>Achieve goal #2 for the fiscal year</td>
<td>% of sub-objectives achieved</td>
<td>Actual % of sub-objectives achieved multiplied by $250 maximum</td>
</tr>
<tr>
<td>#3</td>
<td>Achieve goal #3 for the fiscal year</td>
<td>% of sub-objectives achieved</td>
<td>Actual % of sub-objectives achieved multiplied by $250 maximum</td>
</tr>
<tr>
<td>#4</td>
<td>Achieve goal #4 for the fiscal year</td>
<td>% of sub-objectives achieved</td>
<td>Actual % of sub-objectives achieved multiplied by $250 maximum</td>
</tr>
<tr>
<td>#5</td>
<td>Achieve goal #5 for the fiscal year</td>
<td>% of sub-objectives achieved</td>
<td>Actual % of sub-objectives achieved multiplied by $250 maximum</td>
</tr>
<tr>
<td>#6</td>
<td>Achieve goal #6 for the fiscal year</td>
<td>% of sub-objectives achieved</td>
<td>Actual % of sub-objectives achieved multiplied by $250 maximum</td>
</tr>
<tr>
<td>#7</td>
<td>Achieve goal #7 for the fiscal year</td>
<td>% of sub-objectives achieved</td>
<td>Actual % of sub-objectives achieved multiplied by $250 maximum</td>
</tr>
<tr>
<td>#8</td>
<td>Achieve goal #8 for the fiscal year</td>
<td>% of sub-objectives achieved</td>
<td>Actual % of sub-objectives achieved multiplied by $250 maximum</td>
</tr>
<tr>
<td>#9</td>
<td>Achieve a positive operating margin for the fiscal year *</td>
<td>$1,500,000-$2,499,999 (positive net margin)</td>
<td>3% of base salary (in addition to goals #1 through #8 achieved)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2,500,000-$3,499,999 (positive net margin)</td>
<td>4% of base salary (in addition to goals #1 through #8 achieved)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3,500,000 or greater (positive net margin)</td>
<td>5% of base salary (in addition to goals #1 through #8 achieved)</td>
</tr>
</tbody>
</table>

* Applicant information as of March 1, 2018.
Goal Incentive Payment Example

<table>
<thead>
<tr>
<th>Organizational Objective</th>
<th>Measure/Target Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-objective #1</td>
<td>Achieved</td>
</tr>
<tr>
<td>Sub-objective #2</td>
<td>Not Obtained</td>
</tr>
<tr>
<td>Sub-objective #3</td>
<td>Achieved</td>
</tr>
<tr>
<td>Sub-objective #4</td>
<td>Not Obtained</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Incentive Amount</th>
<th>50% of the sub-objectives were achieved (2 of 4), 2/4 of the $250 maximum payment would be paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>$125</td>
<td></td>
</tr>
</tbody>
</table>

* The operating positive net margin prior to the GAP accounting accrual will be utilized in determining incentive payments.

Any payments made under this plan are contingent upon the AAP reporting, at a minimum, a zero margin as of June 30th of each fiscal year, after any GAP payments are accrued. The Academy reserves the right to review, revise, or terminate this plan or any employee benefit plan at any time as determined and approved by the CEO.

Applicant information as of March 1, 2018.
ADDITIONAL BENEFITS

✓ Flexible work hours
✓ Business Professional environment
✓ Employee Activities
✓ On-site Exercise Classes (Itasca, IL office)
✓ Non-smoking environment
✓ Compensatory Day Policy
✓ Travel Services
✓ Lactation Program
✓ Great Lakes Credit Union Membership
✓ Massage Discount Program
✓ Employee Discount on AAP Publications, Gifts and Accessories

The Academy reserves the right to revise or cancel any program or policies at any time.