

HAWAIIAN ELECTRIC COMPANY, INC.

SUMMARY OF BENEFITS *

MANAGEMENT EMPLOYEES – FULL-TIME REGULAR

BENEFITS	DESCRIPTION	EFFECTIVE
FLEXPLAN	FlexPlan is a cafeteria plan that allows employees to select benefits suitable for their lifestyle. Your benefit choices include insurance coverage for medical/vision, dental, group employee and dependent term life, accidental death & dismemberment insurance and flexible spending (or reimbursement) accounts – health care and dependent care. Employee contributions are deducted on a pre-tax basis except for dependent life insurance.	First day of the month coincident with or following your date of hire
FLEX CREDITS & PRICES	The company provides two types of “FLEX CREDITS”. (1) Healthcare credit of \$67.54 and (2) variable credit amount for group life insurance to purchase up to 2 times your annual salary. Deductions are made twice a month. Employees can purchase benefits based upon their personal needs (Coverage levels – Single, Single Parent, Employee + 1, Family) and pay the corresponding “FLEX PRICES” for their elected coverage.	
FLEX BENEFIT OPTIONS MEDICAL INSURANCE WITH PRESCRIPTION DRUGS & VISION (OPTICAL)	<ul style="list-style-type: none"> ▪ HMSA COMPMED B (FEE-FOR-SERVICE) ▪ HMSA HEALTH PLAN HAWAII B (Health maintenance organization (HMO)) ▪ KAISER HEI GROUP PLAN (HMO) ▪ Waive medical coverage - Complete a State of Hawaii waiver form on HR Suite <p>VISION SERVICE PLAN (VSP) – Optical coverage included with each medical plan choice. This <u>cannot</u> be elected separately.</p>	
DENTAL INSURANCE	<ul style="list-style-type: none"> ▪ HAWAII DENTAL SERVICE (HDS) ▪ Waive coverage 	
GROUP EMPLOYEE TERM LIFE INSURANCE	<ul style="list-style-type: none"> ▪ ½ times your annual salary ▪ 1½ times your annual salary ▪ 2½ times your annual salary ▪ 3½ times your annual salary, or ▪ \$50,000 flat amount <p>Employees must select life insurance – minimum amount ½ times your annual salary. Maximum coverage is \$750,000. Restrictions may apply.</p>	
DEPENDENT TERM LIFE INSURANCE	<ul style="list-style-type: none"> ▪ \$10,000 for spouse; \$2,000 for each dependent child or ▪ \$25,000 for spouse; \$2,000 for each dependent child <p>Term life insurance. Premium amount is deducted on an after-tax basis.</p>	
ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE (AD&D)	<ul style="list-style-type: none"> ▪ ½ times your annual salary ▪ 1½ times your annual salary ▪ 2½ times your annual salary, or ▪ 3½ times your annual salary <p>Maximum coverage is \$500,000. Single or family coverage available. Other restrictions may apply.</p>	

*SUBJECT TO CHANGE

BENEFITS	DESCRIPTION		EFFECTIVE
FLEX SPENDING ACCOUNTS (FSA) (Also known as reimbursement accounts)	<ul style="list-style-type: none"> ▪ Healthcare spending account ▪ Dependent Care spending account Related and qualified expenses can be reimbursed from <u>pre-tax accounts</u> . <u>Dependent Care</u> account is for day care for your child while you work (i.e. licensed babysitter, pre-school tuition, before & after school care, and summer fun. No educational classes. For children under age 13.) A <u>Healthcare</u> account reimburses you for your out-of-pocket health care expenses for you and your covered dependents. These are two distinct accounts and the amounts cannot be interchanged or transferred.		First day of the month coincident with or following your date of hire
OTHER BENEFITS	DESCRIPTION		EFFECTIVE
SHORT-TERM TEMPORARY DISABILITY INSURANCE (TDI)	Sick leave benefits are integrated with Hawaii Temporary Disability Insurance law. Benefits prior to 6 months of service may be available under TDI law.		As required by law
LONG-TERM DISABILITY INSURANCE (LTD)	After 180 days of disability, insurance provides income replacement of 65% of base salary, up to \$15,000, less any other income. Terminal illness benefit of 80% of base salary for a maximum of one year for a terminal illness. Company pays premiums.		After 6 months service
WORKERS COMPENSATION	Occupational injury and illness protection		Immediately
LONG-TERM CARE INSURANCE (LTC)	Company pays premiums for a basic benefit that provides \$1,000 per month for up to 2 years towards the cost of confinement in a long-term care facility. Additional benefits and other supplemental features are at employees cost. Other family members are eligible for your family members at your cost.		Annual enrollment in July for new employees
LEAVES OF ABSENCE			EFFECTIVE
HOLIDAYS	Twelve full days and two half days. Additional day for General Election day during even years. Company Holidays: New Year's Day, Presidents Day*, Good Friday*, Memorial Day, Kamehameha Day*, Independence Day, Statehood Day*, Labor Day, Discoverers Day*, Veteran's Day*, Thanksgiving Day, Christmas Eve (1/2), Christmas, New Year's Eve (1/2). General Election day for even years (i.e. 2014) * FLOATING HOLIDAYS: You may request to work on these holidays in exchange for another day off. Must be used before the end of the calendar year.		Immediately
VACATION LEAVE	6 months	- 40 hours	After 6 months
	1 year	- 40 hours	
	2 years through 4 years	- 80 hours	
	5 years through 14 years	- 120 hours	
	15 years through 24 years	- 160 hours	
	25 years and over	- 200 hours	
VACATION BONUS	A bonus vacation day of 8 hours is granted each year if you took 40 hours or less of sick leave (paid or unpaid) in the prior calendar year.		After 12 months of service, calendar year

LEAVES OF ABSENCE				EFFECTIVE
SICKNESS LEAVE BENEFIT	Upon hire	-	40 hours	Immediately
	1-year anniversary (total annual 80)	-	40 hours	
	2 years	-	80 hours	
	3 years, but less than 7	-	128 hours	
	7 years, but less than 10	-	256 hours	
	10 years and over	-	384 hours	
FAMILY AND MEDICAL LEAVE (FMLA) & HAWAII FAMILY LEAVE LAW (HFLL)	<p>FMLA – Unpaid leave up to 12-weeks of qualified family medical leave each rolling 12-month period. Must be employed for at least 12 months and performed a minimum of 1,250 hours of service during the 12-month period before the first date of the leave.</p> <p>HFLL – Paid leave may be available of up to 80 hours using unused retro sick leave. Must be employed for 6 consecutive months.</p>			As required by law
Other types of leave:	Bereavement Leave (funeral leave) Jury Duty & Witness Leave			Immediately

OTHER BENEFITS	DESCRIPTION	EFFECTIVE														
RETIREMENT BENEFITS	Retirement benefits are provided by a defined contribution (401(k)) and defined benefit plans.															
HAWAIIAN ELECTRIC INDUSTRIES RETIREMENT SAVINGS PLAN (HEIRS, 401(k)) Features: <ul style="list-style-type: none"> ▪ Defined contribution plan – Account ▪ Automatic Enrollment ▪ Pre-tax and after-tax Roth 401(k) contributions ▪ Welcome Enrollment Kit from Fidelity 	<p>COMPANY MATCH: 50% company match for the first 6% of your voluntary salary reduction contribution. Maximum match is 3%.</p> <p>Vesting for the matching contribution, a 6-year graded schedule earning 20% in years 2 to 6 years.</p> <table border="1"> <thead> <tr> <th>YEARS OF VESTING SERVICE</th> <th>VESTING PERCENTAGE</th> </tr> </thead> <tbody> <tr> <td>Less than 2 Years</td> <td>0%</td> </tr> <tr> <td>2 Years</td> <td>20%</td> </tr> <tr> <td>3 Years</td> <td>40%</td> </tr> <tr> <td>4 Years</td> <td>60%</td> </tr> <tr> <td>5 Years</td> <td>80%</td> </tr> <tr> <td>6 or more Years</td> <td>100%</td> </tr> </tbody> </table> <p>AUTOMATIC ENROLLMENT: Refer to the Notice of Automatic Enrollment handout that was provided in the new employee enrollment meeting.</p> <p>CONTRIBUTIONS: Participation in the HEIRS Plan is voluntary. Employees can make either pre-tax contributions or Roth 401(k) after-tax contributions at 1% up to 30% of salary, up to the annual maximum. 2018 annual maximum contribution is \$18,500.</p> <p>Employees ages 50 and older can make additional pre-tax or after-tax catch-up contributions of 1% to 45% of salary, up to the annual maximum. Company match does not apply to this contribution. 2018 annual maximum amount is \$6,000.</p> <p>HEIRS ENROLLMENT KIT: Once Fidelity receives your employee information, they will send you a kit that will provide detailed information on how the plan, investment choices, rollover, and enrollment information.</p> <p>FOR MORE INFORMATION: Refer to Summary Plan Description and Fidelity Guide to Enrollment for information. To contact Fidelity once you are set up, go to their website, NetBenefits at www.401k.com to enroll or call toll-free at 1-800-835-5098.</p> <p>Benefit plan information is available on the company intranet. Go to Link tab to myHR, select Benefits & Pay tab, Retirement Benefits, and select “401(k) HEIRS”.</p>	YEARS OF VESTING SERVICE	VESTING PERCENTAGE	Less than 2 Years	0%	2 Years	20%	3 Years	40%	4 Years	60%	5 Years	80%	6 or more Years	100%	<p>Immediately</p> <p>Fidelity Investments is the record keeper and Plan Trustee.</p> <p>Fidelity will send new employees the Enrollment Guide.</p> <p>A copy is available on the company intranet. Go to Link tab to myHR, select Benefits & Pay tab, Retirement Benefits, and select “401(k) HEIRS”.</p>
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OTHER BENEFITS	DESCRIPTION	EFFECTIVE
HEI RETIREMENT PLAN Defined benefit plan	Company provided defined benefit pension plan that pays a monthly pension amount upon retirement. The normal retirement benefit at age 65. Formula is as follows: (1.5% times your credited years of service) times (your final average compensation). 100% vesting after 5 years of service. No employee contributions. Refer to Summary Plan Description.	Immediately
POSTRETIREMENT WELFARE BENEFITS PLAN	Plan paid group life insurance. Under age 65, medical, prescription drug, vision and dental coverage provided. At age 65, plan provides Medicare supplemental plan, Medicare Part B partial reimbursement and senior drug plan. Eligibility: Must have 20 years of service and minimum age 55. Refer to Summary Plan Description for details.	Upon meeting eligibility requirements
MISCELLANEOUS BENEFITS		
VOLUNTARY EDUCATIONAL ASSISTANCE PROGRAM (VEAP)	Reimbursement after successful completion of pre-approved directly job-related courses.	Refer to VEA Policy for details
CITY BUS PASS	To encourage and support HECO employees who work in or near the Honolulu Central Business District to use public transportation, HECO provides a monthly city bus pass. Contact the Parking Administrator, Facilities Dept.	Immediately
EMPLOYEE ASSISTANCE PROGRAM (EAP)	A short-term counseling service that can assist in identifying problems that may be interfering with your job or personal life. Six sessions per year for use by employee, family member or towards education programs.	Immediately
BUSINESS TRAVEL AD&D	Company provided business travel accidental death and dismemberment insurance.	Immediately
ADOPTION EXPENSE REIMBURSEMENT PROGRAM	Provides for reimbursement of up to \$2,000 of covered expenses (per child) to employees who legally adopt one or more children, including stepchildren, under age 18.	After 6 months
PATCH ENHANCED REFERRAL CHILD CARE PROGRAM	A program designed to assist in locating; selecting and managing qualified childcare providers.	Immediately
EMPLOYEE DISCOUNTS		
SERVICES & COMPUTER PRODUCTS	Check IT&S department intranet site for updated listing.	Immediately

FINANCIAL SERVICES

HAWAIIAN ELECTRIC EMPLOYEES FEDERAL CREDIT UNION

For more information,
call **543-7581**

770 Kapiolani Blvd.
Suite 514
Honolulu, HI 96813

Located in Waterhouse
Building (behind Ward
Complex on Kapiolani
Blvd.) and satellite offices
at key worksites.

A non-profit member credit union company that provides banking services for HECO and MECO employees and their families.

Financial services include:

- Shares account (savings)
- Share draft (checking account))
- Custodial accounts for your children & grandchildren
- Christmas savings account
- Certificate of Deposits (CD)
- ATM access – debit card

- **LOANS:** Various types of loans at competitive interest rates for
 - Tuition
 - Auto loan (new/used)
 - Home equity line of credit
 - First mortgage loan
 - Special seasonal loans
 - VISA card program (Classic or Platinum)

- Other services include:
 - Free notary service, travelers checks
 - Purchase discount movie tickets and stamps

Immediately