

# Benefits Profile



**VARIAN**  
medical systems

| A partner for **life**

Varian recognizes that employees have different needs and offers a flexible benefit program which allows employees to tailor the coverages that best meet their needs. A core level of benefits is provided, with the option for employees to choose from an array of additional benefits.

## MEDICAL PLANS

Varian sponsored medical plans provide hospital, surgical, and medical care for you and your dependents. They differ in the cost to participate, the portion of expenses you have to pay, and the doctors and hospitals available under each plan.

### Managed Care Plans

Health Maintenance Organizations (HMOs) are available at most major Varian locations. Whenever you need care, you must use HMO doctors and hospitals (except in emergencies). You have no claim forms to fill out. Most medical services are paid in full after a copayment.

**Point-of-Service Medical Plan** (Utah) allows you to receive higher HMO-type benefits if you use network doctors and hospitals. You can also use out-of-network providers — but you will have a calendar-year deductible to meet before the plan pays a percentage (e.g., 80%) of covered medical expenses.

### Traditional Medical Plan

With the United Healthcare Choice Plus PPO Plan, you have a deductible to meet each calendar year. After you meet your deductible, the plan pays a percentage (e.g., 80%) of covered medical expenses. If you use network providers, you will have lower deductibles and out-of-pocket costs.

### Self-Directed Health Plan

A high deductible, self-directed health plan is available at all locations. Each calendar year, you will have a funded account from which you can pay for routine and preventative health care expenses (any unused funds are then rolled over and added to the following year's account).

If you use up the funds in your account, you will then have a deductible to meet for that calendar year. After you meet your deductible, the plan pays a percentage (e.g., 70%) of covered medical expenses if you use network providers.

## VISION PLAN

Varian offers vision coverage as a stand alone voluntary option through Vision Service Plan (VSP). You may elect to enroll in VSP for yourself and some or all of your dependents.

## HEALTH CARE SPENDING ACCOUNT

Varian provides a Health Care Spending Account that enables you to set aside before-tax monies to pay for eligible medical and dental expenses.

## DENTAL PLANS

Two dental care plans are available for you and your dependents at a nominal cost.

**Dental Maintenance Organization (DMO) Plan.** With the DMO Plan, you have no deductible to meet and no benefit maximum. You pay a nominal copayment for most services. Orthodontia is limited to one treatment course per person. You must choose a DMO dentist for your care.

**Preferred Provider Organization (PPO) Plan.** With the PPO Plan, you have a calendar-year deductible (which is waived for preventative dental services, like checkups and cleanings). After you meet the deductible, the PPO pays a percentage of the cost of basic, major, and orthodontic treatment. The PPO pays up to a specified limit per year for covered expenses. Orthodontia has a lifetime limit for each covered person. You may choose any dentist, but you reduce your cost for dental care when you use a dentist from the network of preferred dental providers.

## PERSONAL ASSISTANCE BENEFITS

The following benefits and policies reflect our concern for your well-being.

**Health Advocate Benefit.** Varian provides a health advocate service to help answer your questions and find the right resources for obtaining the care you and your family needs, in resolving claim issues, and helping in a number of other ways.

**Educational Reimbursement.** Varian reimburses 100% of the cost of tuition, books, and certain fees for approved work-related courses within prescribed limits. The cost of certain courses may be reimbursed at a lower rate.

**Dependent Care Assistance.** The Varian Dependent Care Assistance Plan (DCAP) provides you with tax savings by enabling you to pay on a before-tax basis for dependent care while you work.

**Employee Assistance Program.** We have an Employee Assistance Program to help employees cope with personal difficulties. These problems might result from physical, mental, or emotional illness; financial, marital or family distress; substance abuse; or other concerns.

**Gift Matching to Educational Institutions.** Varian will match your gift of \$50 or more to qualifying educational institutions, up to a maximum company gift of \$5,000 on your behalf per calendar year.

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**Group Auto/Home Insurance Program.** You can obtain your auto/home insurance coverages at group rates.

**Workplace 529 Program.** Varian provides you with a plan that makes investing in your child's college education easier.

## PAID-TIME OFF BENEFITS

**Holidays.** 10 paid holidays are observed each calendar year.

**Personal Paid Leave (PPL).** You accrue PPL days each pay period. PPL days are yours to use for vacation and sick leave, as well as for personal reasons. Your accruals translate to the following days per year, and increases with your years of service with Varian:

Beginning with:	PPL Earned Annually
1st year	18
4th year	19
7th year	20
10th year	21

After your tenth year, for every additional two years of service you complete, your PPL accrual rate will increase by one day, up to a maximum of 30 days per calendar year. You may save unused PPL days up to 520 hours.

## ASSET ACCUMULATION BENEFITS

Varian offers two plans that give you the chance to share in the company's success and add to your financial assets.

**Employee Incentive Program.** The Employee Incentive Program pays you part of the company profits if certain company performance measures are met.

**Stock Purchase Plan.** The Varian Stock Purchase Plan allows you to build ownership in the company through the purchase of its shares at a discounted price. You may elect payroll deduction from 1% to 10% of your base pay to make semi-annual purchases of Varian stock. Your shares of stock are purchased semi-annually as you build your stake in the company.

## RETIREMENT BENEFITS

The Varian Retirement Plan allows you to put money aside for your future and defer income taxes at the same time. Unlike some retirement plans, your Varian retirement account is available to you even if you leave the company before retirement age.

Your Varian Retirement Account may build up rapidly through your deposits, company contributions, and investment earnings. You are eligible on your date of hire. Your deposits, from 1% to 25% of your base pay (up to the legal limit), may go into your account tax deferred.\* You may be able to roll over funds from a previous employer's plan.

After you complete one year of service, Varian begins making contributions to your account (dollar for dollar, up to 6% of your eligible pay).

All the money in your account is invested at your direction; taxes are deferred on investment gains. Your account balance is always fully vested. There is no waiting (or 'vesting') period before it belongs to you.

*\*If you take no action, you will be automatically enrolled in the Plan at 3% of your base pay.*

## DISABILITY INCOME BENEFITS

The Varian Disability Plan helps continue your income if you are ill or injured and unable to work. The plan has three coverage options — 40%, 60%, and 66 2/3% of your salary, beginning after one week of disability. PPL days can supplement the disability benefits to provide your full salary. Benefits are paid as long as you are disabled — up to age 65 or your normal Social Security retirement age, whichever is later. Your share of the cost of coverage is modest.

## SURVIVOR BENEFITS

A core level of company-paid life insurance of one-times your annual base salary is provided. You have the option to purchase additional life and AD&D insurance for yourself and your family members at a nominal cost. A number of other benefits are also available in the event of death.

### Company-Paid Life/AD&D Insurance

- One times (1x) your base salary (\$50,000 option also available for life).
- \$50,000 or more in business travel accident insurance.
- A special death benefit of two weeks' pay, plus an additional day's pay for each full year of service.

### Additional Life/AD&D Insurance

- Supplemental Life/AD&D Insurance — one to eight times your annual salary.
- Dependent Life/AD&D Insurance — five levels of coverage for your spouse/domestic partner and child(ren).
- Your share of the cost of coverage is modest.

## ADDITIONAL BENEFITS

- Service Awards
- Employee Exceptional Performance Awards
- Patent Awards
- Employee Cafeteria and Credit Union available in some locations



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Varian is firmly committed to a policy of equal employment opportunity and will administer its Human Resources policies and conduct its employment practices in a manner that treats each employee and applicant for employment on the basis of merit, experience, and other work related criteria without regard to race, color, religion, sex, national origin, ancestry, sexual orientation, age, marital status, disability (mental or physical), veteran status or any other protected class under relevant state and federal laws. This information summarizes and highlights the major features of many of Varian benefits and policies for employees. The specific rights and benefits of employees will be as described in the official text of each plan and policy. We are pleased to provide you with more specific information about any of our benefits and policies. The company has the discretionary authority to control and manage the operation and administration of the benefit plans and policies. The company may make whatever rules, interpretations, and computations — and take any other actions to administer the benefit plans and policies—that the company considers appropriate. These rules, interpretations, computations, and actions of the company will be binding and conclusive on all persons. The company reserves the right to change, amend, suspend, withdraw, or terminate any or all of the company's benefit plans and policies, in whole or in part, at any time at its sole discretion.

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