



Life and Disability Plans Overview*

Life Insurance

The company provides basic life insurance coverage of 1x salary up to \$300,000 to benefits-eligible full-time employees. Salary includes base pay plus direct sales commissions. Accidental Death and Personal Loss (ADPL) coverage is provided in the same amount as the basic life insurance coverage. The life insurance and ADPL benefits are reduced to 75% of original volume amount at age 65 and then again at age 70 to 50% of the original volume amount. The reduction will be based on the employee's age as of the last day of the year in which they turn age 65 or age 70.

In accordance with IRS regulations, the value of company-paid life insurance in excess of \$50,000 must be included as imputed income for an employee and taxed accordingly.

Supplemental Life Insurance

Employees have the option to purchase additional life insurance coverage for themselves, spouses, domestic partners and eligible children ADPL coverage is not available under supplemental life insurance. Supplemental employee life insurance can be purchased in \$50,000 increments up to \$500,000. Supplemental life insurance for a spouse or domestic partner can be purchased in the following amounts: \$10,000, \$20,000, \$30,000, \$50,000, \$100,000, \$150,000 or \$250,000. Supplemental life insurance for children can be purchased in the following amounts: \$2,000, \$10,000 or \$20,000. The supplemental life insurance benefit for employee and/or spouse is reduced to 75% of original volume amount at age 65 and then again at age 70 to 50% of the original volume amount. The reduction will be based on the employee's/spouse's age as of the last day of the year in which they turn age 65 or age 70. An employee may not request an increase in coverage amount for employee or spouse supplemental life insurance once the original amount has been reduced due to age.

Payroll deductions for supplemental life insurance coverage will be taken on an after-tax basis and are taken twice a month or 24 pay periods per year.

Evidence of Insurability (EOI) Requirements

Upon initial eligibility, new hires (or any newly eligible employees/spouses) may elect up to \$250,000 in employee supplemental life insurance and up to \$50,000 in spouse or domestic partner supplemental life insurance without providing EOI. No EOI is required for supplemental life insurance for children.

* All benefit provisions described are subject to the terms of applicable collective bargaining agreements.

During the annual open enrollment period, employees can request to increase their employee supplemental life insurance coverage. EOI is required before the increase takes effect if any of the following apply:

1. The requested increase in coverage is more than \$50,000;
2. The employee currently has \$0 in employee supplemental life insurance; or
3. The employee currently has \$250,000 or more in employee supplemental life insurance.

Any supplemental spouse or domestic partner life insurance coverage in excess of current coverage also will require EOI. No EOI is required for supplemental life insurance for children. Aetna will send EOI forms to affected employees after open enrollment is closed.

Beneficiaries

Employees must designate beneficiaries for basic life and any employee supplemental life insurance coverage. Employees can change beneficiary designations at any time by using the online Employee Self-Service system on the corporate intranet. The employee is automatically designated as the beneficiary for any supplemental life insurance purchased for a spouse, domestic partner or any children.

Long-Term Disability (LTD)

For eligible full-time employees, McClatchy will provide LTD insurance equal to 50 percent of salary, which includes base salary plus direct sales commissions, up to a maximum benefit of \$15,000 per month. Employees may purchase an additional 10 percent of LTD coverage for a total of 60 percent of salary up to the maximum benefit of \$15,000 per month. LTD benefits will be reduced by other sources of income such as social security disability benefits.

Payroll deductions for the LTD buy-up coverage will be taken on an after-tax basis and are taken twice a month or 24 pay periods per year.

Evidence of Insurability (EOI)

Upon initial eligibility, new hires may elect to purchase the additional 10% LTD buy-up coverage without providing EOI. Any employees who wish to elect the 10% LTD buy-up coverage during a family status change event or during annual open enrollment will have to provide EOI.

Short-Term Disability (STD)

For eligible full-time employees, McClatchy will provide an STD benefit equal to 60 percent of salary, which includes base salary plus direct sales commissions, to the maximum benefit of \$2,500 per week. There is a seven-day waiting period, and the benefit will pay a maximum of 25 weeks. Employees must use any available sick leave, PTO or vacation time during the seven-day waiting period, and can use

sick/vacation/PTO to supplement STD payments up to 100 percent of pay. Employees on workers compensation leave are not eligible for STD benefits.

Aetna administers the STD program, and employees should report a claim directly to Aetna either through Aetna's website or by phone, after they have notified their human resources department of their need for leave. STD checks will be issued by the employee's payroll department on a bi-weekly basis. Taxes and appropriate deductions (e.g., health care deductions) will be withheld from STD checks.

Not all McClatchy papers offer this benefit. Enrollment is automatic for eligible employees who work at papers offering this benefit. Generally, new employees at these papers become eligible for the benefit on the first of the month following 30 days of employment. However, in some non-daily papers, the eligibility period is one year.