

# Diageo Benefits Handbook

Diageo North America offers you a generous benefits program to help meet the needs of you and your family throughout your career and in the future. These benefits are described in this **2008 Employee Benefits Handbook**.



## Benefits Program Overview

The program has been designed to:

- Help with health-related expenses through the Medical, Prescription Drug, Dental, and Vision Plans.
- Protect your income through the Life Insurance, Accidental Death and Dismemberment (AD&D), Business Travel Accident, Short and Long-term Disability Plans, and Long-term Care Insurance.
- Provide tax advantages through pretax payroll deductions, the Health Care and Dependent Care Flexible Spending Accounts, and the Commuter Expense Reimbursement Account (CERA).
- Provide future retirement security through the 401(k) and Cash Balance Plans.
- Balance your work and personal life through the Employee Assistance Program (EAP), LifeCare, Vacation Buy Plan, the Legal Assistance Plan, Long-term Care Insurance, and offering group rates and policy discounts for auto, home, and pet insurance.

## TABLE OF CONTENTS

<b>About this Summary Plan Description</b> .....	<b>1</b>
<b>Participating in the Benefit Plans</b> .....	<b>3</b>
Eligibility .....	4
Dependent Eligibility .....	4
When Coverage Begins .....	5
Enrolling .....	6
Paying for Coverage .....	7
Domestic Partners/Civil Partners/Same-sex Married Couples .....	8



<b>Life Events and Your Benefit Plans .....</b>	<b>9</b>
If You Get Married, Attain Domestic Partnership Status, or Enter into a Civil Union ..	10
If You Move.....	13
If You Become a Parent .....	15
If You Become Legally Separated or Divorced, Your Marriage is Annulled, or You Dissolve a Domestic Partnership or a Civil Union .....	17
If You Take an Approved Leave of Absence (LOA) .....	20
If You Become Disabled .....	22
If You Become Terminally Ill.....	24
If You Die While Actively Employed .....	26
If a Dependent Dies .....	28
If You Leave the Company .....	30
If You Retire .....	33
If a Dependent Child Is No Longer Eligible for Coverage.....	36
If Your Spouse/Partner Has a Change in Employment.....	37
<b>Medical Plans .....</b>	<b>41</b>
Preferred Provider Organization (PPO) Plans.....	42
How the Preferred Provider Organization (PPO) Plans Work .....	42
In-Network Benefits .....	42
Out-of-Network Benefits .....	44
Annual Deductibles .....	45
Expenses Above Deductible (Coinsurance).....	45
Out-of-Pocket Maximum.....	45
ID Card .....	46
Prescription Drug Coverage .....	46
Care Coordination—Medical Plan Management .....	47
Benefits Covered by the Preferred Provider Organizations (PPOs) .....	49
Other Covered Services .....	55
Medical Benefits Not Covered by Preferred Provider Organizations (PPOs) .....	57
Filing Out-of-Network Medical Claims .....	58
Health Management Organizations (HMOs) .....	59
How a Typical HMO Works .....	59
Benefits Covered by HMOs.....	61
HMOs .....	63
<b>Prescription Drug Program.....</b>	<b>65</b>
Prescription Drug Program .....	66
Enrolling for Coverage.....	66
Filling a Prescription .....	66
How the Prescription Drug Program Works .....	68
Drugs and Treatments Not Covered by the Prescription Drug Program.....	69
<b>Dental Plan .....</b>	<b>71</b>
How the Delta Dental Plans Works .....	72
Dental Coverage At-A-Glance.....	74
Benefits Covered by the Delta Dental Plans .....	74
Benefits Not Covered by the Delta Dental Plans.....	76
Filing an Out-of-Network Dental Claim .....	77



<b>Vision Service Plan</b> .....	<b>79</b>
How the Vision Service Plan Works .....	81
Copays .....	81
Maximum Reimbursement Amount.....	81
Using an In-Network Provider .....	81
Using an Out-of-Network Provider .....	81
Benefits Covered by the Vision Service Plan .....	82
Benefits Not Covered by the Vision Service Plan .....	83
<b>Health and Dependent Care Flexible Spending Accounts (FSAs)</b> .....	<b>85</b>
How Flexible Spending Accounts (FSAs) Work .....	86
The Health Care Account .....	87
Eligible Expenses .....	87
Ineligible Expenses .....	88
Accessing Health Care Account Funds.....	88
Discontinuing Your Health Care Account.....	89
The Dependent Care Account.....	90
Eligible Expenses .....	91
Ineligible Expenses .....	91
Filing a Claim for Reimbursement.....	91
Discontinuing Your Dependent Care Account .....	92
Other Important Information .....	92
Tax Matters.....	93
<b>Commuter Expense Reimbursement Account (CERA) .....</b>	<b>95</b>
How Commuter Expense Reimbursement Account (CERA) Works .....	96
Company Match for Commuting Expenses.....	96
Your Contributions.....	96
Eligible Expenses .....	97
Ineligible Expenses .....	98
Paying for Your Expenses .....	98
Paying the Vendor Directly.....	98
Pay Me Back .....	98
<b>Work/Life Benefits .....</b>	<b>101</b>
Vacation Buy Plan .....	102
Employee Assistance Program and LifeCare.....	103
EAP Benefit Summary.....	103
LifeCare Benefit Summary .....	104
Legal Assistance Plan .....	105
Legal Assistance Benefits .....	105
Receiving Legal Services .....	107
Filing a Claim for Benefits .....	107
Extending Your Benefits.....	107
MetLife® Auto & Home Insurance.....	108
Veterinary Pet Insurance .....	109
Covered Benefits.....	110
Benefits Not Covered .....	111
Filing a Claim for Benefits .....	111
Long-term Care Insurance.....	112



<b>Life Insurance and Accidental Death &amp; Dismemberment (AD&amp;D)</b> .....	<b>115</b>
How Life Insurance and AD&D Plans Work .....	116
Annual Base Salary .....	116
Choosing a Beneficiary .....	117
Proof of Insurability.....	117
Cost of Coverage .....	118
Benefits Covered by Life Insurance .....	119
Basic Core Life Insurance .....	119
Basic Life Insurance .....	119
Supplemental Life Insurance.....	119
Dependent Life Insurance .....	120
Benefits Covered by AD&D .....	120
Business Travel Accident Coverage .....	120
AD&D and Business Travel Accident Limitations.....	121
Filing a Claim for Benefits.....	122
Converting Your Coverage .....	123
<b>Disability Plans .....</b>	<b>125</b>
Disability Plans .....	126
How the Disability Plans Works.....	126
Additional LTD Information .....	128
Pre-existing Conditions .....	128
Return to Work Incentive.....	128
If You Become Disabled Again.....	129
Disability at Age 62 or Older.....	129
Rehabilitation.....	130
Mental, Nervous, and Substance Abuse Disabilities.....	130
If You Receive Benefits from Other Sources.....	130
Applying for Social Security Disability Benefits .....	131
Disabilities Not Covered by the Plans .....	131
How to File a Claim for Benefits .....	131
Short-term Disability .....	131
Long-term Disability.....	132
Converting Your Coverage to an Individual Policy .....	132
<b>401(k) Plan .....</b>	<b>133</b>
How the Plan Works .....	135
Eligibility.....	135
Enrolling in the Plan .....	136
Your Beneficiary .....	136
Your Contributions .....	137
Rollover Contributions .....	138
Investing Your Contributions .....	139



The Investment Funds.....	139
Investment Earnings, Losses and Gains.....	141
Investment Restrictions.....	141
Voting and Similar Rights.....	141
Compliance with 404(c) Regulations.....	141
Fidelity Retirement Money Market Portfolio.....	142
Managed Income Portfolio II - Class 1.....	142
Fidelity Intermediate Bond Fund.....	143
PIMCO Total Return Fund - Administrative Class.....	144
Dreyfus Founders Balanced Fund - Class F.....	144
Fidelity Puritan® Fund.....	145
Fidelity Equity-Income II Fund.....	145
Fidelity Growth & Income Portfolio.....	146
Fidelity Magellan® Fund.....	146
Spartan® U.S. Equity Index Fund.....	147
Fidelity Contrafund®.....	147
Fidelity Independence Fund.....	148
Fidelity OTC Portfolio.....	148
Morgan Stanley Institutional Fund Trust Mid Cap Growth Portfolio – Advisor Class.....	149
Fidelity Low-Priced Stock Fund.....	149
Fidelity Overseas Fund.....	150
Morgan Stanley Institutional Fund, Inc. Global Value Equity Portfolio – Class B	150
Diageo Stock Fund.....	151
Fidelity Freedom Income Fund®.....	152
Fidelity Freedom 2000 Fund®.....	152
Fidelity Freedom 2010 Fund®.....	153
Fidelity Freedom 2020 Fund®.....	153
Fidelity Freedom 2030 Fund®.....	154
Fidelity Freedom 2040 Fund®.....	154
Access to Your Account Balance While Employed.....	155
Loans for Active Employees.....	155
In-Service Withdrawals.....	156
Distributions When You Leave the Company.....	157
If You Retire from the Company.....	157
When You Die.....	158
When You Reach Age 70 <sup>1</sup> / <sub>2</sub> .....	158
If Your Account Balance Is \$5,000 or Less.....	159
Applying for Benefits.....	159
Distributions from the Diageo Stock Fund.....	159
Taxes on Distributions When You Leave the Company.....	159
Beneficiaries and Alternate Payees.....	160
W-2 Reporting.....	160
Things That Can Affect Your Benefit.....	161
Other Plan Information.....	161
Plan History.....	161
Transferring to a Diageo NA Affiliate.....	162
If You Were a Participant in a Previous Plan.....	162
Additional ERISA Information.....	163
Certain Tax Effects.....	163
Available Documents.....	164



<b>Cash Balance Pension Plan.....</b>	<b>165</b>
How the Cash Balance Pension Plan Works .....	166
Your Cash Balance Account.....	167
Company Contribution Credits .....	167
Interest Credits .....	168
Vesting Service.....	168
Break in Service .....	169
If You Leave the Company and Are Rehired .....	170
Transferring to a Diageo NA Affiliate.....	170
Transferring from a Diageo NA Affiliate .....	170
When Your Cash Balance Benefit Is Payable .....	170
Deferred Vested Benefit .....	171
Normal Retirement Benefit.....	171
Working after Age 65.....	171
Working after Age 70 <sup>1</sup> / <sub>2</sub> .....	171
Disability Retirement Benefit .....	171
Distribution of Your Account .....	171
Forms of Benefit .....	171
Suspension of Benefits.....	173
Delaying Your Cash Balance Benefit .....	174
If You Die Before Benefits Begin.....	174
Taxes on Distributions .....	174
Applying for Your Cash Balance Pension Benefit.....	176
Social Security Benefits .....	176
Plan History .....	176
If You Were a Participant in a Previous Plan .....	176
Guinness Bass Import Co. ....	177
Lifetime Compensation, Paddington, or Guinness Plans.....	177
<b>Administration.....</b>	<b>179</b>
General Plan Information.....	180
Your ERISA Rights .....	182
Receive Information about Your Plans and Benefits.....	182
Continue Group Health Plan Coverage.....	182
Prudent Actions by Plan Fiduciaries .....	183
Enforce Your Rights .....	183
Assistance with Your Questions.....	183
Legal Plan Documents .....	184
Benefit Plans are Not a Contract of Employment.....	184
Interpretation of Plan Provisions Are Not Binding .....	184
Assignment of Benefits.....	184
Assigning Pension or 401(k) Benefits to Another Party .....	184
Modification, Amendment, or Termination of the Plans.....	185
Request for Review .....	185



Health Care Plans .....	186
Appealing a Benefit Denial.....	189
No Vested Rights to Benefits .....	190
Family and Medical Leave Act (FMLA) .....	190
Health Insurance Portability and Accountability Act of 1996 (HIPAA) .....	191
HIPAA Privacy Rules.....	191
Qualified Medical Child Support Orders (QMCSO).....	191
Coordination of Benefits (COB).....	192
Primary and Secondary Plans.....	192
Subrogation .....	193
Coordination of Benefits with Medicare.....	193
Continuing Coverage through COBRA.....	194
Events Permitting Continued Coverage .....	194
Events that End COBRA Coverage .....	195
Notice Requirement.....	195
Election Requirement .....	196
Initial Premium.....	196
Military Leaves of Absence.....	196
Short-term Disability Plan .....	197
Long-term Disability Plan.....	198
Life Insurance/AD&D/Business Travel Accident Plans .....	199
401(k) Plan .....	199
Cash Balance Plan .....	200
<b>Contact Information.....</b>	<b>203</b>



