



Working at
Schwab has
its rewards.



2016 employee guide



Own your tomorrow™

Great benefits are just the beginning.

Schwab goes beyond traditional benefit plans. We empower you with the education, tools, support and services to manage the physical, mental and financial health of you and your family. Take a look at what we have to offer.

Benefits at-a-glance:

Health & Wellness

- Plan and save for health expenses with a Health Savings Account (HSA) and contributions from Schwab.
- Onsite health screenings, local events and rewards for health outcomes.

Time Off

- Generous vacation, sick and holiday time off to rest and relax when needed.
- Take a well-earned break with our **28-day paid sabbatical** after 5 years of continuous service.

Financial

- 401(k) with generous matching contribution paid every pay period.
- One-on-one financial guidance and custom financial plan through Employee Branch & Advice Services.

Development

- Development, mentoring and training programs to help you grow personally and professionally.

What's inside:

| | | | |
|--|---|--------------------------------|----|
| ▪ Total Pay..... | 3 | ▪ Family & Parenting | 10 |
| ▪ Medical & Health Savings Account | 4 | ▪ Wellness | 11 |
| ▪ Dental | 6 | ▪ Time Off | 12 |
| ▪ Vision | 7 | ▪ Financial Programs | 13 |
| ▪ Life Insurance, Disability & Legal Plans | 8 | ▪ Employee Discounts | 14 |
| ▪ Cost of Coverage | 9 | ▪ Development & Inclusion..... | 15 |
| | | ▪ Provider Contacts | 16 |

This brochure describes many of the features of Schwab's employee benefit plans in general terms. The specific terms and conditions of these benefits are governed by legal plan documents, insurance contracts, and service agreements. In the event of a conflict or ambiguity regarding the information represented in this brochure, the plan documents, contracts, and agreements will govern. Schwab reserves the right to amend, terminate, suspend, or withdraw the benefits, in whole or in part, at any time.

Total Pay

Salary

Your base salary is one part of your total pay. The amount you earn is determined largely by the type of job, location, required skills and your job performance.

Schwab pays wages on a bi-weekly basis, typically on the 15th and 30th/31st of each month.

Incentives

Your performance and contributions are rewarded vis Schwab's Corporate Bonus plan, or a job-specific Production Incentive Plan.

Corporate: Bonuses are discretionary and awarded based on company and individual performance.

Production: Incentives are paid to employees who generate revenue (e.g., financial advisors) and are typically based on individual performance.

Must work 20+ hours per week, be in position for a full quarter and be employed on pay date.

Stock

Schwab grants stock options and/or restricted stock units as a long-term incentive to select key performers.



Performance Management

Your leader reviews your performance in connection with your role, the client experience, and goals for the company, your organization and department.

Performance conversations ensure you get the feedback, coaching and development you need to maximize your contributions to Schwab. It also provides an opportunity for your leader to reward you for your performance on an annual basis. **Several factors are considered when making pay recommendations, including:**

- Available funding for bonuses
- Contribution to Schwab's business and growth objectives
- Individual performance relative to peers
- Total pay (base + bonus) in relation to others in similar roles and to external market data

Health & Wellness Benefits

Your physical health is a foundation for doing what you love – whether at work, at home or somewhere in-between. That’s why Schwab offers comprehensive medical, dental, vision, life insurance and disability benefits to **employees working 20+ hours a week** to cover you, your spouse or domestic partner, children and eligible dependents.

Medical & Health Savings Account (HSA)

Schwab helps you save for upcoming health expenses, by contributing to your [Health Savings Account](#) (p. 5) and offering comprehensive **medical coverage** with **no cost preventive care** (when received in-network and for recommended services) and a high-deductible design that gives you more ownership over your care and health decisions.

How the plan works

- Schwab pays 100% of the cost for recommended in-network preventive care services. View preventive care guidelines for [UnitedHealthcare](#) and [Kaiser Permanente](#).
- You pay 100% of the costs for medical, behavioral health, and prescription drug expenses until you reach the deductible.
- When you reach the deductible, the plan covers the cost for most of your expenses. You pay a percentage of the cost through coinsurance up to the out-of-pocket maximum – the most you pay out-of-pocket in the calendar year.

Our providers

- **UnitedHealthcare (UHC + HSA)**
With one of the largest networks in the country, you have access to a large selection of doctors, hospitals, and other facilities. CVS/Caremark is the prescription drug provider offering over 65,000 retail locations.
- **Kaiser Permanente (Kaiser + HSA)**
Kaiser’s integrated managed care network offers members a one-stop shop experience for health services. All services can be obtained from a Kaiser doctor or facility.

| | Employee | Employee + 1 or Family |
|---|--------------------------|---------------------------|
| Deductible | | |
| In-network /out-of-network | \$1,300 / \$2,500 | \$2,600 / \$5,000 |
| Coinsurance | | |
| In-network /out-of-network | 15% / 40% | 15% / 40% |
| Generic and preferred Rx / non-preferred Rx | 15% / 25% | 15% / 25% |
| Out-of-pocket Maximum | | |
| In-network /out-of-network | \$2,900 / \$5,000 | \$5,800 / \$12,500 |

Kaiser is available to employees who live in California or Colorado. Kaiser does not offer out-of-network services, except for emergencies.

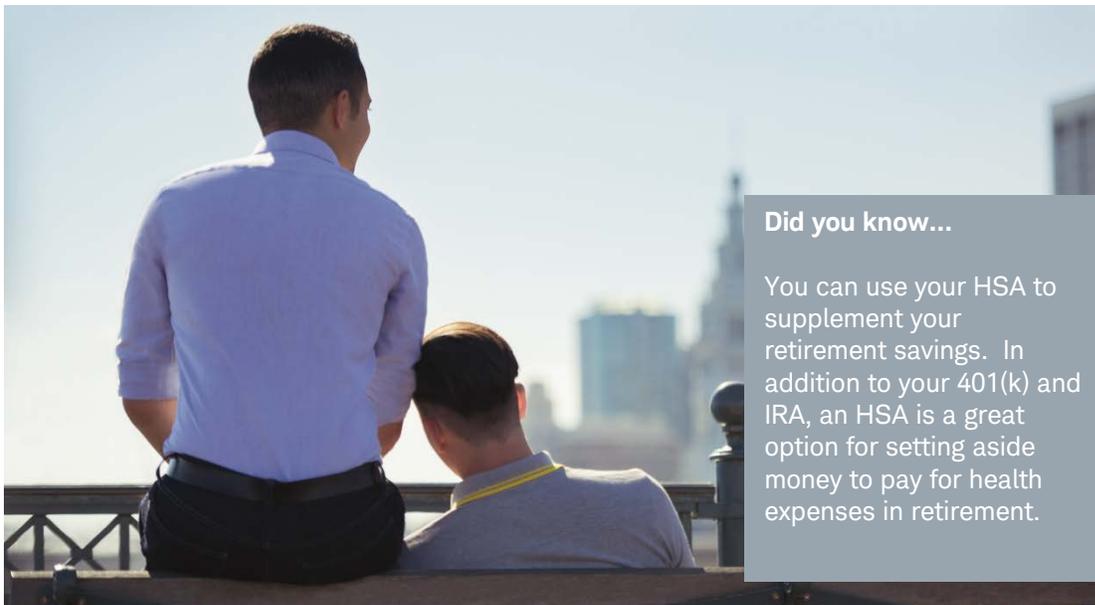
Save for the present and the future with our HSA

With an HSA, you can set aside pre-tax dollars¹ to pay for eligible health expenses during the year, or save for expenses in the future. You also benefit from **annual contributions from Schwab** when you enroll in an eligible plan, and participate in our [wellness program](#) (p. 11).

| | Schwab's Contribution ² | Wellness Rewards ³ | Total Contribution |
|------------------------|------------------------------------|-------------------------------|--------------------|
| Employee | \$500 | \$550 | \$1,050 |
| Employee + 1 or Family | \$1,000 | \$550 | \$1,550 |

Grow your HSA over time

Contributions made to your HSA roll over at the end of every year – you do not need to spend the money in your HSA by a certain date. You can also invest the money in your HSA in select mutual funds once you reach a balance of \$2,000.



Did you know...

You can use your HSA to supplement your retirement savings. In addition to your 401(k) and IRA, an HSA is a great option for setting aside money to pay for health expenses in retirement.

HSA eligibility

To enroll in the UHC + HSA or Kaiser + HSA plan, you must be [eligible for an HSA as defined by the IRS](#). If you're not eligible, Schwab offers similar coverage through our UHC w/o HSA and Kaiser w/o HSA plans.

¹ Contributions made to your HSA are tax-free under Federal law and in most states, except AL, CA and NJ.

² Schwab's contribution is based on HSA eligibility and enrollment in an eligible medical plan as of January 1. Employees enrolled after January 1 will receive a prorated contribution.

³ Wellness Rewards are based on participation in specific programs and achievement of health outcomes. Rewards are not guaranteed.

Dental

Regular dental check-ups are essential for maintaining healthy teeth and gums. But they can also detect issues that could impact your overall health. Schwab offers three dental plans, with varying coverage, so you can choose the plan that's right for you and your family's dental health needs.



| | Cigna DPPO Core | Cigna DPPO Plus | Aetna DMO |
|---|---|---|--|
| Diagnostic and Preventive Care <i>Two routine exams and cleanings, plus x-rays within a calendar year</i> | Plan pays 80% of eligible expenses ¹ (not subject to deductible) | Plan pays 100% of eligible expenses ¹ (not subject to deductible) | Plan pays 100% of eligible expenses; except for specific procedures where copay applies ² |
| Basic Services <i>Fillings, extractions, oral surgery, etc.</i> | Plan pays 80% of eligible expenses ¹ (subject to deductible) | Plan pays 100% of eligible expenses ¹ (subject to deductible) | Plan pays 75-100% for many services, some copays apply |
| Major Services <i>Bridgework, crowns, dentures, implants, etc.</i> | Plan pays 50% of eligible expenses ¹ (subject to deductible) | Plan pays 60% of eligible expenses ¹ (subject to deductible) | Plan pays about 65% of many eligible expenses, some copays apply ² (implants not covered) |
| Orthodontia | Not covered | Plan pays 60% of covered expenses ¹ up to a lifetime maximum benefit of \$2,000 (no deductible) | You pay \$2,400; paid over 24 months (Fee includes evaluation, records, banding and retention. Does not cover work in progress) |
| Annual Deductible | <ul style="list-style-type: none"> ▪ \$25/person in-network provider (Total Cigna DPPO Network); ▪ \$75/person non-network provider | <ul style="list-style-type: none"> ▪ \$25/person in-network provider (Total Cigna DPPO Network); ▪ \$75/person non-network provider | \$0 |
| Annual Benefit | \$1,500/person | \$2,500/person | No maximum |

¹ Subject to usual, customary and reasonable (UCR) limits if not using a Cigna dentist.

² Refer to the Aetna DMO Benefits Summary for specific co-payments.

Vision

Regular eye exams can detect a number of conditions, like diabetes, years before you begin to show signs or notice anything is wrong. Schwab's vision plan covers annual exams and provides discounts on frames and lenses through Vision Service Plan (VSP).

| What's covered? | |
|---------------------------------|--|
| WellVision Exam | 100% of the cost for eye exam. |
| Prescription Lenses | 100% of the cost for single vision, lined bifocal and lined trifocal lenses. \$20 copay applies. |
| Frames | \$150 to use for new frames, plus 20% off cost over \$150. \$20 copay applies. |
| Contacts | \$150 on new contact lens purchase (in lieu of glasses) and contact lens exam, plus 15% off contact lens exam. |
| Sunglasses | \$150 to use for new sunglasses (in lieu of glasses or contacts) when you receive your annual eye exam. |
| Laser Corrective Surgery | Laser corrective surgery available at a reduced price with VSP approved laser surgeon and center. |

Benefits available every 12 months following initial exam or purchase. [Visit vsp.com for more information.](https://www.vsp.com)

Additional Discounts

- **30% off glasses and sunglasses**, including lens options, when purchased from your VSP doctor on the same day as your WellVision exam.
- **20% off glasses and sunglasses**, including lens options from any VSP doctor within 12 months of your last WellVision exam.
- Save up to **\$2,400 on a pair of hearing aids** through TruHearing.



Life Insurance, Disability & Legal

When you're focused on life today, it's sometimes difficult to think about what you or your family may need in the future. That's why Schwab offers you benefits that help protect your financial future, so you can be prepared.

Life and Accidental Death & Dismemberment (AD&D) Insurance

Schwab provides you basic life and AD&D coverage at an amount of 2 times your base salary. You also have the option to purchase additional coverage for you and your family.

- **Yourself:** purchase up to 6 times your base salary.
- **Spouse/domestic partner:** purchase up to 2 times your base salary or \$300,000, whichever is less.
- **Child:** purchase in amounts of \$6,000, \$8,000, \$10,000, and \$15,000.

Legal Plan (MetLaw)

Schwab's Hyatt Legal Plan through MetLaw provides you with an "attorney on retainer" that can offer you quick legal advice over the phone, or meet with you to discuss legal issues, review and prepare documents and represent you in court.

- Wills, Trusts, and estate planning
- Family law, marriage, divorce, prenuptial agreements, adoption and custody
- Debt, identify theft and bankruptcy
- Tax and audit assistance

Disability

Choose from two disability plans designed to protect your income in case you are unable to work due to a non-work related injury or illness and don't have enough sick and/or vacation time.

- **Option 1** offers **55% income protection**
- **Option 2** offers **66.7% income protection**

Both options provide short- and long-term coverage. Coverage required for all employees working 20+ hours per week living in CA, HI, NJ, NY, PR and RI.



Health & Wellness Benefits

Cost of Coverage Summary

Both you and Schwab share the cost for coverage, with Schwab paying the majority - approximately 75%. The table below outlines the portion you pay for coverage under Schwab's benefit plans.

| Cost of Coverage – Per pay period | | | |
|--|------------------------------------|--------------|----------|
| Medical | Employee | Employee + 1 | Family |
| UHC + HSA | \$46.50 | \$118.50 | \$179.50 |
| Kaiser + HSA | \$46.50 | \$118.50 | \$179.50 |
| Dental | Employee | Employee + 1 | Family |
| Cigna DPPO Core | \$6.00 | \$13.00 | \$21.00 |
| Cigna DPPO Plus | \$13.00 | \$31.00 | \$50.00 |
| Aetna DMO | \$3.50 | \$4.50 | \$7.00 |
| Vision | Employee | Employee + 1 | Family |
| Vision (VSP) | \$2.00 | \$3.00 | \$4.00 |
| Life & Disability | Employee | Employee + 1 | Family |
| Life & AD&D Insurance <i>@2x salary</i> | No cost | No cost | No cost |
| Disability Option #1 <i>55% income protection</i> | \$0.42 for every \$100 of coverage | | |
| Disability Option #2 <i>66.7% income protection</i> | \$0.70 for every \$100 of coverage | | |
| Other | Employee | Employee + 1 | Family |
| Legal Plan (MetLaw) | \$8.25 | \$8.25 | \$8.25 |





Family & Parenting

Dependent Care FSA & Dependent Care Contribution

With a Dependent Care FSA, you can set aside **up to \$5,000** for the year, on a pre-tax basis, to pay for eligible child care expenses (e.g., day care, babysitter, nanny and au pair services, day camps and nursery school (pre-k) tuition), or care for your adult dependent.

Schwab contributes to your dependent care account every month per eligible dependent when you meet certain income requirements.

| Hours worked | Monthly Contribution* |
|----------------------|----------------------------------|
| 30+ hours per week | \$100 per dependent, up to \$200 |
| 20-29 hours per week | \$50 per dependent, up to \$100 |

* Schwab contributes per household. Eligibility requirements: Base salary less than \$100,000 (if 50% or more of pay is from commission, then average earnings must be less than \$100,000) AND dependent must be age 5 or younger on January 1. Adult dependent must live with you, be your tax-qualified dependent, and require care while you are at work.

Adoption Reimbursement

To help you with the expenses and other fees associated with adopting a child, Schwab reimburses up to **\$2,000 per adopted child**. Child must be under 18 years of age.

Education & Onsite Resources

- Receive 24/7 access to counseling, education and referral services to help you prepare and care for your new child through [LifeCare](#).
- Select Schwab locations offer new mothers private lactation rooms to express milk.

Wellness

When you are at your best, so is Schwab. That's why we provide you with programs and resources that help you manage and own your health.

Wellness Resources

- Access to detailed health assessments and online tools and resources to help you create and maintain healthy habits.
- **The Wellness Champion Network** is made up of employees passionate about health and well-being. This team supports wellness efforts across Schwab on a local and regional level.

Get Rewarded for Wellness

Earn a **\$300 HSA contribution** when you complete an onsite health screening and health assessment, achieve a health score of 71 or better, or improve your existing health score by 5 points. (*Screening and assessment offered in the fall of each year.*)

Participate in the wellness activities that best suit you and your lifestyle and you can earn up to **\$250 HSA contribution** when you submit receipts for eligible wellness activities (e.g. running event, fitness classes, nutritional counseling, etc.)

Wellness resources and rewards are available to all U.S. employees working 20+ hours per week. Employees hired by August 31, are eligible to participate and earn wellness rewards.



Employee Assistance Plan

When you need help dealing with stress, depression, relationships, chemical dependency, mental illness or other issues, Schwab's Employee Assistance Program (EAP) can help.

Schwab offers all employees and their eligible family members up to **5 free assessment and referral sessions* per issue** during the calendar year.

**Three in Nevada within a 6-month period*

Time Off

Schwab believes that having personal time is vital to maintaining top performance on the job and offers generous time off benefits that begin accruing on your first day.

Holidays

8 paid holidays a year, plus up to **2 floating holidays** to be used anytime during the year (based on your start date).

Vacation

Accrue vacation time each month based on hours worked, job level and years of service in the company.

| Hours worked per week | Monthly accrual |
|-----------------------|-----------------|
| 40+ | 8-10 hours |
| 30-39 | 6-7.5 hours |
| 20-29 | 4-5 hours |

Monthly accrual does not include officer-level positions or employment greater than 9 years.

Sick

Accrue **1.3 hours** of sick time for every 30 hours worked. Unused sick time carries over from year to year with no accrual limit.

Time to Give

You can **donate unused vacation and sick time** to other employees to use for an illness or injury affecting them or a family member.

Employees working 20+ hours a week are eligible for time-off benefits.

Time to Grow

After five years, eligible employees can apply for a **28-day paid sabbatical**, which can be used for relaxing or pursuing personal or professional development.

Time to Volunteer

Schwab supports year-round volunteer efforts by offering you **8 hours of paid time off** that can be used to volunteer at eligible nonprofit organizations of your choice.

Schwab also sponsors an **annual Volunteer Week**, where you can join forces with other Schwab employees and participate in volunteer projects across the nation.

Time to Serve

To honor those who serve our country, uniformed service employees are eligible to take paid time off work for military training and service, receiving 100% base pay (difference between Schwab and military base pay for up to 24 months).



Financial Programs

Chuck founded our company on the belief that everyone deserves the help they need to reach their financial goals. We're committed to providing you with the same opportunity—with the financial options, guidance, and tools to help you make smart choices for a lifetime of financial health and success.

401(k) Plan

Schwab's 401(k) plan makes saving for retirement easy. You can choose from pre-tax and Roth contributions, to a range of investment options that you can manage on your own, or with the help of managed advice.

When you contribute to your 401(k), **Schwab contributes \$250 with your first contribution, plus \$1 for every \$1 you contribute, up to 5% of your eligible earnings each pay period (vested immediately).**

Employees are eligible to participate on their hire date and are automatically enrolled in the Plan 45 days after hire. Automatic enrollment includes: pre-tax contribution at 5% of eligible base salary, annual contribution increases of 1%, and personalized savings and investment strategy.

Employee Stock Purchase Plan (ESPP)

Through our Employee Stock Purchase Plan, you can contribute 1% to 10% of your eligible compensation to buy Schwab common stock at a 15% discount from the fair market price. Enrollment is offered 2 times a year, with stock purchases occurring every 3 months.



Employee Branch & Advice Services

Need help reaching your financial goals? Employee Branch & Advice Services can help. Attend financial workshops or receive complimentary one-on-one support to create a financial plan and put it into action.

Call Employee Branch & Advice Services at 1-800-833-0444, option #4.

Matching Gifts

When you make charitable contributions to eligible nonprofit organizations, **Schwab will match your contributions, dollar for dollar, up to \$1,000 each calendar year.** If you serve as an active board member of an eligible nonprofit, you may be eligible to request a special 2 for 1 match, up to \$2,000 per year.

Employee Discounts

Commute expenses

To help you save on your commute expenses, Schwab offers the Commuter Tax Savings Program. Eligible monthly parking, public transportation and vanpool costs can be paid for out of your paycheck with pre-tax dollars, **potentially saving you hundreds** during the year.

Retail, service and other discounts

All employees have access to **discounts on retail, apparel, flowers and gifts, travel, electronics and health and wellness services**, plus 24/7 access to complimentary research and referral services through [LifeCare](#). Current discounts include:

- **\$300 rebate bonus** and low interest rates on student loan refinancing through SoFi.
- **20% off** eligible **Verizon, Sprint and AT&T plans**, plus up to 25% off on accessories.
- Special employee pricing on **Apple products**, plus free shipping and engraving.
- **20-25% off car rental services** through Hertz, Avis, Budget, and Alamo.
- Special offers on **gym membership, diet plans, equipment** and more.
- Up to **40% off movie ticket packages** through AMC, Regal and Cinemark.
- **Free research and referral services** for child care, elder care, pregnancy, home improvement, cleaning services, wedding planning and more.

Schwab Bank and Brokerage

Take advantage of special employee discounts and offers on Schwab Bank and Brokerage products:

- 20% off all fees and commissions, including trade commissions.
- 20% off managed account fees and a six-month fee rebate. Plus, reduced account minimums as low as \$25,000 (normally \$100,000 and above for clients).
- Rebates up to \$1,000 and interest rate reductions on mortgages through Quicken Loans®.

Auto, home and pet insurance

Schwab offers employees group discounts on auto, home, and pet insurance policies through Liberty Mutual and MetLife.

Development & Inclusion

To help you move your career forward or learn a new skill, Schwab offers employees access to a wide range of networking, mentoring, and educational programs.

Education reimbursement

Schwab reimburses expenses for qualifying business-related education and training, based on approval and funding in your organization. In a calendar year you may receive up to:

- **\$3,500** for approved training, workshops, seminars, professional certifications, and licensing (may include FINRA licensing, certifications, and designations).
- **\$3,500** for approved undergraduate and **\$5,250** for approved graduate and postgraduate studies.

Must be employed at Schwab for at least one year and in good standing to be eligible.



Strengths & Engagement

Schwab is focused on building a culture of engagement among employees. Engaged employees are personally invested in the financial well-being of our clients and champion client's goals with passion and integrity. Through Gallup, Schwab offers employees the opportunity to participate in a personal Strengths Assessment and the annual Engagement Survey to continue to build engagement at Schwab.

Understanding your Strengths is a key driver for engagement and performance. Gallup research shows that when you truly know how to apply your strengths you are more likely to do what you do best every day.

Diversity & Inclusion

Schwab is dedicated to building and maintaining a dynamic organization and culture that reflect the individual strengths of every person who is a part of the company. Through diversity we gain a wider range of perspectives and experiences, which benefits everyone and helps us 'see through clients' eyes.' And by seeing our business through the eyes of our clients, we are able to deliver the best client experience possible.

Schwab supports numerous **Inclusion Networks and Employee Resource Groups** focused on developing and implementing plans to attract and develop diverse talent and provide opportunities to network, build key relationships, receive mentoring, and grow personally and professionally. Membership is open to everyone. [Learn more about Diversity at Schwab.](#)

Employee Referral Network

Once you're an employee, you know our organization, our culture, the skills we value, and the factors that help a person succeed. When it comes to referring candidates, you're the best person for the job. Through the Employee Referral Network (ERN), you can refer a candidate, and if they're hired, receive a **\$1,000 - \$5,000 cash bonus**.

Provider Contacts

| Contact | Phone Number/Website | Plan Information |
|---|--|---|
| Medical Plan Providers | | |
| UnitedHealthcare | 1-800-842-9480 myuhc.com | Group Number: 717263 Network: UHC Choice Plus |
| Optum Bank | 1-800-791-9361 optumbank.com | HSA provider for the UHC + HSA plan |
| CVS/Caremark | 1-800-378-0242 caremark.com | Group Number: CSCRX Network: CVS/Caremark |
| OptumHealth | 1-866-638-5717 liveandworkwell.com | Behavioral Health and Employee Assistance Plan. Group Number: 00759 Network: UBH |
| Kaiser Permanente California | 1-800-464-4000 my.kp.org/charlesschwab | Group Number: CA: 00465 - Northern; 225165 - Southern Network: Kaiser |
| Kaiser Permanente Colorado | 1-303-338-3800 my.kp.org/charlesschwab | Group Number: CO: 08766 Network: Kaiser |
| KP Health Payment Services | 1-877-761-3399 my.kp.org/charlesschwab | HSA provider for Kaiser + HSA plan |
| Dental & Vision Plan Providers | | |
| Aetna | 1-877-238-6200 aetna.com | Group Number: 724675 Network: Aetna DMO/DNO |
| Cigna | 1-800-595-1213 cigna.com | Group Number: 2499720 Network: Total Cigna DPPO (includes Cigna DPPO Advantage and Cigna DPPO networks) |
| Vision Service Plan (VSP) | 1-800-877-7195 vsp.com | Group Number: 4008 Network: VSP |
| Other Programs | | |
| Securian | 1-866-293-6047 lifebenefits.com | Life and AD&D insurance provider. Group Number: 33689 Network: Securian Life |
| PayFlex | 1-877-308-2772 schwab.healthhub.com | Dependent Care FSA provider. Group Number: N/A Network: PayFlex |
| LifeCare | 1-800-873-4636 lifecare.com | Employee discount program. Group Number: 759 |
| MetLaw Legal Plan | 1-800-821-6400 legalplans.com | Group legal plan |
| MetLife | 1-888-438-6388 metlife.com | Group Auto/Home/Pet insurance provider. Group Number: 94867 |
| Liberty Mutual | 1-800-479-0023 libertymutual.com/lm/schwab | Group Auto/Home insurance provider |
| Wage Works | 1-877-924-3967 wageworks.com | Commuter Tax Savings Program |
| Schwab Employee Services | | |
| HR Direct | 1-800-725-3535 hrdirect@schwab.com | Employee help center |
| Employee Branch & Advice Services | 1-800-833-0444, option #4 | Schwab accounts and services |
| SchwabPlan | 1-800-724-7526 workplace.schwab.com | 401(k) Plan administrator |