



8.5 Short-Term Disability - Hourly Employees (effective January 1, 2020)

1. Scope and Purpose

This program provides eligible employees with company-paid short-term disability coverage when absent from work due to a non-work-related illness or injury. An employee must comply with any leave of absence application requirements pursuant to the Company's Family and Medical Leave Act policy.

2. Eligibility

Regular, full-time Company hourly employees are eligible to participate in this program.

3. When Benefits Are Paid

Short-term disability benefits are paid if an employee is unable to work due to a non-work-related illness or injury. The employee must be unable to perform the essential functions of his/her job. If the employee is able to work on a part-time basis, or if he/she can perform the essential functions of the job with a reasonable accommodation, short-term disability benefits are not payable.

Elimination period – Short-term disability benefits paid through a third-party administrator and are payable after completing a 7-day elimination period. Other Paid Time Off may be available to assist employees during the elimination period.

4. How Short-Term Disability Benefits Amount

Once the employee has completed the 7-day elimination period, the short-term disability benefit is 60% of base pay up to a maximum weekly benefit of \$1,250 for a maximum of 25 weeks.

Base pay excludes overtime pay, whether scheduled or not, and any other premium pay or supplemental wages. Short-term disability pay is not counted as worked hours for purposes of computing overtime hours.

If benefits are payable for a period of less than a week, the amount payable for each missed work day will be prorated based on the number of days the employee regularly works in a week or, if the employee's schedule fluctuates, based on the average number of days worked in a week.

5. Definitions

For purposes of this policy, the following definitions are provided:

- a) **Illness**—A disease or sickness, or a period of incapacity due to pregnancy, childbirth and any related condition is treated the same as an illness.
- b) **Injury**—Physical damage or hurt that is usually the result of a sudden accident or trauma.
- c) **Period of Disability**—The amount of time an employee is disabled due to an illness or injury as directed by employee's medical practitioner

6. Payroll Deductions

The third party administrator managing the benefits payable under this program issues the check for short-term disability benefits separate from the employee's company payroll check. For any period



during which an employee is not receiving a check from company payroll, normal payroll deductions including any benefit plan deductions and tax withholding will stop. The employee should contact Human Resources for information regarding continuation of any health care and life insurance benefit coverages for which a payroll deduction is normally made. Contributions to the Retirement Savings Plan will end until the employee returns to active work.

7. State-Mandated Disability Programs

In some states, employees are eligible for state-mandated disability benefits and may be required to pay the cost of mandatory disability coverage. If the employee works in a state where disability insurance is mandated, he/she may file a claim with the applicable state disability authority for state-paid benefits in addition to benefits paid under this policy. The Company retains the right to reduce benefits paid under this policy by those paid under a state-mandated plan so that the employee receives no more than 100% of base salary in combined disability benefits.

8. When Benefits End

Short-term disability benefits will end at the earliest of the following events:

- a) The employee is able to return to work.
- b) The maximum benefit under this program has been paid.
- c) The employee becomes eligible for Long-Term Disability benefits.
- d) The employee fails to provide any required medical documentation.
- e) The employee fails to return to work after accommodations have been made to meet any medical restrictions.
- f) The employee fails to obtain and follow medical advice or treatment recommended by a competent medical authority.
- g) The employee fails to comply with any return-to-work requirements.
- h) The employee ceases to be an eligible employee.
- i) Employment with the Company ends.

9. How to Apply for Benefits

An employee who will be absent from work must notify his/her supervisor. The employee must also contact Human Resources to initiate the short-term disability application process. Medical documentation substantiating the illness or injury will be required.