
POLICY TITLE: SHORT TERM DISABILITY

EFFECTIVE DATE: 1/2014

REVISION DATES: 11/2015, 11/2018

PURPOSE

The Company offers eligible employees income protection coverage in the event they are unable to work due to a non-work related illness or Injury. Coverage is provided through a Short Term Disability (STD) benefit.

POLICY

I. Plan Overview

A. Eligibility

1. All non-collective bargaining employees Actively at Work who are classified as regular full-time employees regularly working a minimum of 30 hours per week.
2. Temporary, part-time and variable hour employees are not eligible.
3. Rehires will be eligible for Short Term Disability immediately upon rehire if they are rehired within one (1) year of their termination date and previously fulfilled the eligibility requirements. If they are rehired after one (1) year of their termination date and/or did not previously fulfill the eligibility requirements, they will be treated as a new employee and must meet the eligibility requirements as of their rehire date.

B. Enrollment and Coverage

1. Eligible employees are covered by the Plan beginning the first day of the month following twelve (12) consecutive months of employment provided the employee is Actively at Work on that day. Eligible employees are automatically enrolled.

C. Contributions

1. Employer pays 100% of the cost for the coverage.

D. Benefit Waiting Period

1. The benefit waiting period for an injury or illness is fourteen (14) calendar days.

E. Benefit Amount

1. 60% of employee's weekly base earnings.
2. Benefits may be reduced by Other Income Benefits or income earned while residually disabled.

F. Maximum Duration of Benefits

1. The maximum duration of benefits for a disability caused by and injury, illness or pregnancy is 165 calendar days. The 165 calendar days excludes the fourteen (14) calendar day benefit waiting period.

II. Definitions

- #### A. Certain words used in this document have specific meanings. These terms are capitalized throughout this document. The definition of any word, if not defined in the text where it is used, may be found in this policy's Definitions section.

B. Actively at Work

1. Actually performing your normal duties, if it is a scheduled work day; or
 2. Capable of performing normal duties, if not at work due to a non-scheduled workday, holiday, or vacation day; at the normal place of employment or at some other location where the Employer's business requires an employee to be.
- C. Base Earnings
1. Base Earnings are the scheduled weekly base wages received on the last day of work before becoming Disabled. Base Earnings do not include bonuses, commission, overtime or other compensation.
 - i. A change in Base Earnings, while Disabled, will not be effective until the employee is Actively at Work. An increase in Base Earnings will not be effective if it occurs:
 - a. While the employee is Disabled; or
 - b. Between separate periods of Disability which are considered one continuous period of Disability under the terms of this benefit; or
 - c. During a Benefit Waiting Period.
- D. Benefit Waiting Period
1. The Benefit Waiting Period is the period of time an employee must continue to be Disabled before benefits are paid. The STD Benefit Waiting Period is fourteen (14) consecutive calendar days.
- E. Policy Administrator
1. The policy is administered by the Company's Human Resources Department.
- F. Claims Administrator
1. Claims are reviewed by a third party, Mutual of Omaha and processed by the Company's Human Resources Department.
- G. Disability or Disabled
1. Employees are considered disabled if they are:
 - i. Unable to do the essential and material duties of their own occupation due to a non-work related continuous Illness, accidental Injury or Pregnancy, and
 - ii. Unable to earn 80% or more of their Base Earnings from working in their regular occupation, and
 - iii. Under the regular care and treatment of a licensed Physician, who is practicing within the scope of his/her license during the entire period of the Disability.
- H. Eligible Employee means:
1. Actively at Work; and
 2. Classified by the Employer or a Participating Employer as a full-time employee regularly scheduled to work a minimum of 30 hours per week.
- I. Employer
1. Hunt Electric Corporation and Electronic Communication Systems, Inc., at any of its United States locations, as well as any Participating Employers.
- J. Illness
1. A non-work related physical or mental illness, including pregnancy.
- K. Injury
1. A non-work related bodily injury resulting from an accident and independently of all other causes.

- L. Maximum Benefit Period
 - 1. The period of time employees are eligible to receive STD benefits. For STD, the Maximum Benefit Period is 165 calendar days (excluding the Benefit Waiting Period).
- M. Other Income Benefits
 - 1. Other Income Benefits, include but are not limited to Sick Time, Social Security disability, payments from “No-Fault” auto insurance, veteran’s administration or any third-party benefits.
- N. Participating Employer
 - 1. A Participating Employer is any other corporation or entity, including an affiliate or subsidiary of Employer, which Employer agrees may participate in the benefit.
- O. Physician
 - 1. A licensed medical doctor practicing within the scope of their license, rendering care and treatment to the employee that is appropriate for the condition and locality. The term “Physician” does not include an individual who is (1) employee’s spouse, or (2) an immediate family member (including parents, children, siblings, or spouses of any of the foregoing, whether the relationship derives from blood or marriage) of employee, employee’s spouse or a person living in the household of employee.
- P. Pregnancy
 - 1. Pregnancy is the physical condition of carrying a child and, for purposes of this benefit, also includes delivering the child. There is a presumption in the operation of this benefit that for a normal delivery with no pre-delivery complication that the Participant delivering the child is disabled for six weeks and in the case of a caesarian delivery with no pre-delivery complication that the Participant delivering the child is disabled for eight weeks. After the six-week or eight-week presumptive period has expired, the Participant may extend the disability period with proper proof and certification from a Physician.
- Q. Proof of Claim
 - 1. For a claim to be processed, the Employer must receive Proof of Claim (sufficient medical evidence to support your claim). Such evidence may include medical reports from the employee’s Physician, narrative reports, x-rays, and other necessary medical reports. The Employer must also receive evidence that the employee is under the appropriate care and treatment of a Physician.
- R. Rehabilitation Plan
 - 1. A written plan designed to enable the employee to return to work. The Rehabilitation Plan will consist of one or more of the following phases:
 - i. Rehabilitation under which the Plan may provide, arrange or authorize education, vocational or physical rehabilitation or other appropriate services;
 - ii. Work, which may include modified work and work on a part-time basis.

III. How the STD Benefit Works

- A. Eligible employees receive 60% of their Base Weekly Earnings. The STD benefit is payable for up to the Maximum Benefit Period of 165 calendar days. The Maximum Benefit Period excludes the Benefit Waiting Period. The STD Benefit will be reduced by Other Income Benefits. It may also be adjusted if the employee is able to return to work on a reduced schedule.
- B. Employees may choose to use vacation hours if available while receiving STD benefits, not to exceed 100% of their base salary, as stated in the Vacation Policy.
- C. Employees will not accrue vacation hours while receiving STD benefits. If an employee chooses to use vacation hours while receiving STD benefits, they will accrue on the vacation hours used.

- D. STD Benefit Example:
 - 1. The employee's doctor states that they are unable to work for eight (8) weeks (56 days).
 - 2. Week one and two (14 days) are considered the Benefit Waiting Period. Available sick or vacation time must be used for this period, otherwise it is unpaid if there is no time available.
 - 3. The remaining six (6) weeks (42 days) are paid by the STD benefit at 60% of Base Weekly Earnings.
- E. STD benefits run concurrently with Family Medical Leave, per the Leaves of Absence Policy.

IV. Benefit Waiting Period

- A. Benefits are payable to the employee once the Benefit Waiting Period has been satisfied and the claim has been approved. The Benefit Waiting Period is fourteen (14) calendar days after the date of Injury or Illness. The Benefit Waiting Period is unpaid; however, employees must use available Sick or Vacation time during the Benefit Waiting Period. After the Benefit Waiting Period has been completed, employees have the option to use vacation hours to attain 100% of their normal base pay. Vacation hours may not be used to receive more than 100% of the employee's normal base pay. Sick hours may not be used while short-term disability benefits are being paid.

V. When Benefits Are Reduced

- A. While Disabled, employees may become eligible to receive Other Income Benefits. If the employee receives income from other sources, STD benefits received through the Employer may be reduced by all or a portion of any other eligible income. Example: Any amount payable as a result of any state, federal, or other law of the government will reduce STD benefits, including "no fault" motor vehicle law or similar laws, and any law providing for the payment of Disability benefits.
- B. STD benefits provided by the Company will be reduced to coordinate with state disability benefits to provide a total combined benefit not to exceed the benefits provided under this policy whether or not the employee has applied for such state benefits.
- C. In addition to state mandated benefits, other sources of income (such as – but not limited to – social security, no-fault insurance, veteran's administration or any third-party benefits) will be deducted from the employee's disability payment if they are collecting payment for the same condition under which they qualify for STD benefits under this policy.
- D. The plan will assume the employee is receiving benefits for which they are eligible from other sources. The plan will reduce the STD payment by the amount from other benefits it estimates are payable to the employee. If the employee provides satisfactory proof that they are not receiving Other Income Benefits to the Company, the plan may then waive the offset of some or all of the estimated Other Income Benefits offset.
- E. If while covered under this benefit (after the employee has satisfied their fourteen day waiting period), they begin working on a part-time or limited duty basis during their disability because they are residually disabled and are able to perform some, but not all, of the essential duties of their regular occupation, their benefit payment will be adjusted to take into account wages they are being paid. For information on this offset, contact the Company.

VI. Successive Periods of Disability

- A. If an employee receives STD payment benefits and then returns to work for less than 30 consecutive calendar days before becoming Disabled again for the same or a related cause, the period of Disability will be considered continuous from the earlier period and the Benefit

Waiting Period will not apply (i.e. the employee will be immediately eligible to receive STD payment benefits).

- B. If an employee receives STD payment benefits and then returns to work for 30 or more consecutive calendar days before becoming Disabled again for the same or related cause, it will be considered a separate period of Disability and the Benefit Waiting Period will apply (i.e. the employee will be required to complete another Benefit Waiting Period before being eligible to receive STD payment benefits).
- C. If an employee receives STD payment benefits and returns to work for less than one full day before becoming Disabled again from an unrelated cause, the period of Disability will be considered continuous from the earlier period and the Benefit Waiting Period will not apply.
- D. If an employee receives STD payment benefits and returns to work for one or more full days before becoming Disabled again from an unrelated cause, the period of subsequent, unrelated Disability will be considered a separate period of Disability and the Benefit Waiting Period will apply.

VII. When Coverage Ends

- A. Coverage ends on the earliest of the dates described below:
 - 1. The date the employee is eligible for coverage under a different benefit plan that is intended to replace this coverage.
 - 2. The date the STD benefit is terminated or amended by the Employer so that the employee loses benefit coverage.
 - 3. The date the employee no longer qualifies as an Eligible Employee.
 - 4. The date employment with Employer is terminated.
 - 5. The date benefits end for failure to comply with the terms and conditions of the plan.

VIII. When Benefits End

- A. Benefits will end on the earliest of the dates listed below:
 - 1. The date the employee is Actively at Work.
 - 2. The date the Plan determines the employee is no longer Disabled.
 - 3. The date the employee is determined to be no longer Disabled, due to their or their Physician's failure to provide Proof of Claim.
 - 4. The date the employee earns more than 80% of covered earnings as described in the Definition of Disability or Disabled.
 - 5. The date the employee refuses to fully cooperate in all required phases of the Rehabilitation Plan and assessment without a medical reason preventing participation.
 - 6. The date the employee is no longer receiving appropriate care under a Physician's supervision.
 - 7. The date the employee fails to comply with the Terms and Conditions of the Plan.
 - 8. The date the Maximum Benefit Period ends.
 - 9. The date employment with the Employer is terminated.
 - 10. The date the employee dies.

IX. Exclusions to Benefit Coverage

- A. Benefit coverage will not apply if Disability results directly or indirectly from:
 - 1. A work-related Illness or Injury that is covered under Workers' Compensation regulations.
 - 2. An Illness or Injury that is work-related.
 - 3. Any act or hazard of a declared or undeclared war.

4. Illness or Injury occurring while on fulltime active duty in any armed forces.
5. Active participation in a riot.
6. Commission of a felony.
7. The revocation, restriction or non-renewal of a license, permit or certification necessary to perform the duties of the employee's occupation unless due solely to Illness or Injury otherwise covered by the Plan.
8. Illness or Injury occurring outside of the eligibility criteria or coverage period for STD.
9. A period of Disability, or part of such Disability period, that occurs while confined in a prison or other house of correction due to a conviction in a court of law.
10. The taking, on purpose, of any illegal drug.
11. A period of Disability that occurs while the employee is not under the care of a licensed Physician.
12. A vague or indefinable condition (e.g. tiredness, pain, etc.), for which the employee's doctor cannot provide the required Proof of Claim.
13. Cosmetic surgery, except:
 - i. Surgery made medically necessary by accidental Injury incurred while an Eligible Employee, or
 - ii. Reconstructive surgery incidental to or following surgery resulting from trauma, infection, or other disease incurred while an Eligible Employee.

X. Filing Claims

- A. If the Disability is non-work-related, and the employee and their Physician expect it to last more than seven (7) consecutive calendar days, the employee should take the following steps:
 1. Seek appropriate treatment from their Physician for their Disability.
 2. Immediately contact their manager to report their Disability.
 3. Contact Human Resources, to receive instructions on how to file a STD claim.

XI. Submitting Claims

- A. The employee must contact Human Resources no later than 30 days after their Illness or Injury has occurred. If it is not possible to contact Human Resources during this 30-day time period due to circumstances beyond their control, they must notify Human Resources as soon as possible. STD payment benefits will not be paid until Human Resources is notified and has received all the necessary information to make a determination of the employee's claim; therefore, timely notification is important. The employee must complete a claim form before benefits will be paid.
- B. Benefits will not be paid during the claim review period; however, the employee must use Sick or Vacation Time if available in order to be paid during the claim review period. Once their claim is approved, they will not receive credit for any Sick or Vacation Time used.
- C. Once the Company has received all the required documentation, a determination will be made as to whether their claim is eligible for STD payment benefits. They will receive written notification of the approval or denial of their claim within 45 days from the date the plan received their claim. This period may be extended if additional information is required. The employee and their Physician will be required to submit additional Proof of Claim to the Employer at any time and failure to do so may result in the suspension or termination of the employee's payment benefit.
- D. The Employer may require that an independent Physician examine the employee at the Employer's expense. If the Employer requests a second opinion and the employee fails to comply with the request, their STD payment benefits may be denied or suspended. In addition,

STD payment benefits may be denied or suspended if the results of the independent Physician examination determine that the employee is not Disabled under the definition of this Short-term Disability policy.

XII. Payment of Claims

- A. When the Company receives a claim approval, STD payment benefits will be made to the employee. The STD payment benefit will be paid until the employee is no longer Disabled, until the Maximum Benefit Period has been exhausted, or until benefit coverage has ended, whichever is earliest. The employee may be required to submit additional Proof of Claim to Human Resources at any time and failure to do so may result in the suspension or termination of their payment benefit.
- B. STD payment benefits will be made to the employee during the approved Disability period, according to their normal paycheck schedule. If they die while receiving STD payment benefits, any payment benefits that would have been due to them while they were alive will be paid to their estate.

XIII. Overpayment or Mistaken Payment of Claims

- A. If the employee is overpaid Disability benefits, or receives a Disability payment by mistake ("Excess Payment"), the Employer has the right to recover the Excess Payment, by (1) requesting that the employee repay it in one lump sum, (2) reducing any amounts payable to the employee by the Excess Payment, or (3) any other methods permitted by law. If an Excess Payment is owed when the employee dies, any benefit still owed to the employee at that time will be reduced to recover the Excess Payment amount.

XIV. Appeal Procedure

- A. Whenever a claim is denied, the employee (or their duly authorized representative) has the right to appeal the decision. They must make a written statement for appeal to Human Resources within 180 days from the date they received the denial. If they do not make this request within that time, the employee will have waived your right to appeal.
- B. Once the request has been received by Human Resources, a prompt and complete review of the claim must take place. This review will give no deference to the original claim decision, and will not be made by the person who made the initial claim decision. During the review, the employee (or their duly authorized representative) have the right to review any documents that have a bearing on the claim, including the documents which establish and control the policy. Any medical or vocational experts consulted by the policy will be identified. The employee may also submit issues and comments that they feel might affect the outcome of the review.
- C. The plan has 45 days from the date it receives the request to review the claim and notify the employee of its decision. Under special circumstances, the plan may require more time to review the claim. If this should happen, the plan will notify the employee, in writing that its review period has been extended for an additional 45 days. Once its review is complete, the plan will notify the employee, in writing, of the results of the review and indicate the provisions upon which it based its decision.
- D. The decision of the Employer on the appeal in interpreting provisions of this plan are subject to deference and the arbitrary and capricious standard of review.

XV. Notes:

- A. This STD benefit is not subject to the Employee Retirement Income Security Act of 1974 (ERISA).
- B. All benefits under the policy are paid from general assets of the Employer.

- C. The Employer reserves the right at any time and from time to time to terminate, modify or amend, in whole or in part, any or all the provisions of the STD benefit. The Employer will communicate any changes to the Eligible Employees.
- D. An approved Short Term Disability claim under the Company's Short Term Disability Policy does not guarantee an approved Long Term Disability (LTD) claim through the Company's LTD carrier. LTD claims will go through a separate claim process and must be approved by the LTD carrier.

REFERENCES

Vacation Policy

Sick Time Policy

Leaves of Absence Policy