

# Short-Term Disability Policy

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## Contents

Introduction .....	3
Scope.....	3
Description.....	3
Policy.....	3
Questions .....	5
Reference Documentation.....	5

## Introduction

The Company, including its subsidiary companies (collectively, the “Company”), understands that from time to time, team members are unable to work due to a disability. The Company’s Short-Term Disability (“STD”) Policy is intended to provide eligible team members with partial income replacement to allow the team member to recover and return to work. Please note that receipt of wage replacement benefits under this Policy and benefit plan does not equate to a legal entitlement to take a leave of absence.

## Scope

Regular full-time and regular part-time team members scheduled to work 30 or more hours per week, and who have been actively employed by the Company for at least 90 days, are eligible for STD benefit payments. Team members must be scheduled to work 30 or more hours per week for a minimum of 90 days preceding the date of disability.

For purposes of this Policy, employment with another company that was acquired by the Company will count toward the 90-day eligibility requirement.

## Description

The Company’s Short-Term Disability Policy provides eligible team members with partial income replacement.

## Policy

### Eligible Disabilities

An eligible disability is an injury or illness which causes the employee to be unable to perform the material duties of his or her position with the Company. Such disabilities may include pregnancy related disabilities.

Disabilities resulting directly or indirectly from the following are not considered eligible disabilities under the plan:

- attempted suicide, or self-inflicted injury while sane or insane;
- war or any act of war, whether or not declared;
- active participation in a riot;
- commission of a felony;
- the revocation, restriction or non-renewal of a team members license, permit or certification necessary to perform the duties of his or her position unless due solely to a disability otherwise covered by this Policy; and
- any cosmetic surgery or surgical procedure that is not medically necessary.<sup>1</sup>

If there is a dispute as to whether a disability is eligible under this Policy and benefit plan, the Company, at its expense, will have the right to require the team member to undergo a medical examination by a physician of its choice for the purpose of determining eligibility for STD benefits under this Policy.

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<sup>1</sup> “Medically necessary” means the surgical procedure is: (a) prescribed by a physician as required treatment of the injury or illness; and (b) appropriate according to conventional medical practice for the injury or illness in the locality in which the surgery is performed.

## General STD Benefit

The general STD Benefit for eligible team members is 60% of base pay<sup>2</sup> up to a Maximum Weekly Benefit of \$1,350 for up to 182 calendar days in a 12 month period after completing a one week waiting period. The team member's base pay used in determining the STD benefit is the team member's base pay in effect immediately preceding the first day of the disability. The minimum STD benefit is \$25 per week.

STD benefits will be paid bi-weekly. STD benefits are taxable and subject to benefit withholdings.

## Pregnancy Disabilities

The Company offers disability benefits that are specifically tailored to provide income replacement to team members who are disabled by pregnancy immediately before and after the birth of a new child. The standard Pregnancy disability benefit for eligible team members in this situation is 10 weeks. A one week 100% paid waiting period applies followed by 9 weeks at 60% of base pay<sup>2</sup> up to a Maximum Weekly Benefit of \$1,350. Typically, this specific pregnancy disability benefit begins no sooner than 2 weeks prior to delivery and no later than the date of delivery. Pregnancy disability benefits will only begin upon certification from a team member's doctor.

Pregnancy disability benefits are subject to the same calculation, pay schedule and tax rules as apply to the general STD benefit. In circumstances where a team member is disabled by pregnancy for an extended period of time, she may apply for the general STD benefit.

## Integration with other Benefits

The benefits available under this Policy will be reduced by other sources of benefits the team member may receive as a result of the eligible disability. Examples of such other benefit sources include, but are not limited to, state disability payments, workers' compensation payments, and social security disability payments. The Company will assume the team member is receiving the other benefit sources for which the team member is eligible and will make the necessary reduction in the STD benefit payment unless the team member provides proof that the other benefit sources were denied or signs an agreement to reimburse the Company once the other benefits are received. The Company has the right to recover any over-payments under this plan from future benefit payments or from any other source, including the team member's paycheck, unless otherwise prohibited by law.

Team members that maintain vacation or sick time balances may elect to supplement their benefits provided under this Policy (or any other benefit sources), not to exceed 100% of their regular base pay when combined with the benefit(s) at issue.

If a team member returns to work on a part-time basis as a result of the disability, the STD benefit will be payable for the hours the team member is unable to work based on his or her normal schedule prior to the disability. Medical certification must be submitted to support part-time hours. If a team member does not follow the reduced-hour schedule prescribed by the doctor, he or she will forfeit eligibility to receive partial disability benefits.

If a team member experiences a relapse of the same medical condition within 30 days of returning to work from an approved leave of absence for the team member's own disability, the waiting period will not apply.

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<sup>2</sup> Team members (excluding administration roles) reporting directly to the CEO will be eligible to receive 100% of base pay for up to 182 calendar days in a 12 month period

STD benefits will end on the earliest of: the team member's return to work, termination of employment<sup>3</sup>, the team members failure to provide satisfactory evidence of disability or refusal to return to an available modified position for which he or she is medically released, exhaustion of benefits under this Policy or termination of this Policy.

## Procedure

Team members wishing to receive benefits under this Policy must call the Company's Leave of Absence Reporting Center at 1-877-576-8149 to report their disability as soon as possible, but no later than 15 calendar days after the first day of the disability<sup>4</sup>. Within 20 calendar days of filing the disability claim, the team member must provide the Company's Leave of Absence Reporting Center with certification of disability completed by the team member's treating physician. The treating physician must be a medical doctor licensed to practice medicine in the United States. STD benefit payments will not begin until the Company's Leave of Absence Reporting Center has received acceptable disability certification.

If the team member is unable to return to work by the date the physician has anticipated or by the date for which the initial disability benefit was approved, the team member must provide an updated certification to the Company's disability consultant prior to the expiration of the current certification or approval. Failure to do so may result in termination of STD benefit payments.

Should the team member fail to return to work or provide updated certification, the team member's employment with the Company may be terminated as a voluntary resignation, unless otherwise required by law.

## Other Provisions

Time off work for which the team member receives STD benefits under this Policy will be counted toward the team member's entitlement to any state or federal leave law addressing time off from work due to a disability or medical condition if it meets the requirements of those entitlements. Team members should not perform any work after being certified disabled by their treating medical provider. Any work performed after being deemed disabled by the treating provider (with the exception of a relapse of the same medical condition within 30 days of returning to work) will result in a new waiting period that will begin after the last day worked.

Before returning to work, team members will be required to provide the Company's Leave of Absence Reporting Center with a release to return to work (either with or without accommodation) signed by his or her physician.

The Company reserves the right to modify this Policy at any time, without prior notice, and at its sole discretion. Nothing in this Policy is intended to create a contract, nor is it to be construed to constitute contractual obligations of any kind or a contract of employment between the Company and any of its employees. The Company is an employment-at-will company.

## Questions

If you have any questions about this Policy, please contact the HireRight HR Services Center.

## Reference Documentation

NONE

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<sup>3</sup> The team member will be paid through the effective date of termination.

<sup>4</sup> Pregnancy disability claims should be filed no earlier than 1 month prior to the due date unless the team member is certified as disabled earlier by the treating medical provider.