

# Smithers Short-Term Disability Policy

## **Short-Term Disability Plan**

Effective January 1, 2015, the Smithers Group provides Short-Term Disability (STD) benefits to eligible employees to protect you from economic hardship in the event of an unexpected illness or injury that is not work-related. This is a company-funded plan that provides, at no cost to the employee, payment of a portion of your income while you are unable to work or perform the duties of your job as a result of:

- a pregnancy-related condition,
- non-occupational accidental injury, or
- non-occupational illness.

## **Eligibility**

All active, full-time employees (i.e., scheduled to work at least 40 hours per week or more in the United States with the Company) who began employment with the Company on or before January 1, 2015 are eligible to participate in the Company's STD plan. Those active, full-time employees who began employment with the Company after January 1, 2015 are eligible to participate in the Company's STD plan the first of the month following 30 days of continuous active employment.

To be eligible for continued STD benefits, employees must not engage in outside employment and are expected to avoid activities that may delay recovery and a return to work.

Effective, Jan 1, 2022: for states that offer Paid Family Medical Leave (PFML), please consult with your site HR Partner. State PFML plans will run concurrently with the Smithers Short Term Disability Plan.

## **Disability**

In order to qualify for STD benefits, you must have a legitimate disability (i.e., be unable to perform any gainful employment because of injury or illness, that does not arise out of or in the course of employment, including a pregnancy-related condition) and be under the regular and continuing care of a qualified physician, who is treating you for the injury or illness which caused the disability, during the period for which STD benefits are claimed.

STD benefits are only available when an employee has a continuous, incapacitating disability as certified by a physician. STD benefits are not available for intermittent leave or to care for a family member.

The Company may require you to provide periodic physician's statements documenting your illness or injury and also may require a physical examination and a written statement by a physician, certifying fitness for duty, before you return to work from an absence of 3 days or more.

## **Waiting Period**

You may be eligible to receive STD benefits after you have been continuously disabled for seven (7) consecutive calendar days. During this 7-day "waiting period," you can use your accrued, but unused vacation, sick time or if no PTO is available, you may take this time as leave without pay.

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## Weekly Benefit

Under the plan, eligible employees may receive 67% of their weekly earnings (on record with the Company at the time the disability begins) up to a maximum weekly benefit of \$2,500, for a maximum period of 90 days for any one condition or disability. An employee may be able to supplement the remaining 33% with available vacation and/or sick pay.

Weekly benefit is defined as your weekly base pay, not including overtime, bonuses or other payments. For hourly associates the weekly base pay will be calculated as 40 hours per week times the hourly rate of pay.

Payments are made on regularly scheduled pay days and are taxable as income. If the benefits are payable for a period that is less than a week, the amount payable for each day of that period will be prorated according to the employee's normal number of work days scheduled.

## When Benefits End

STD benefits end on the earliest of these dates:

- The date you recover from the disability and/or are no longer disabled.
- The date you return to work.
- The date your attending physician releases you to return to work.
- The last day of your 90 day maximum benefit period.
- The date you are not under the regular care of a physician.
- The date you fail to provide proof of continued disability, refuse to be examined, or withhold information about any employment.
- The date your status as an eligible employee changes, and you are no longer eligible.
- The date the plan is amended to make your employment classification ineligible or the date the plan terminates.
- The date your employment terminates, you are laid off, you resign, or you retire.
- The date you die.

## Separate Periods of Disability

If you experience a second disability, the cause and length of time between the first and second disability will determine whether the second disability is treated as a continuation of the first or as a separate disability unrelated to the first.

### *When a Second Disability Is a Continuation of the First Disability*

A second period of disability is considered a continuation of the first if the recurrence is due to the same or related cause as the first, and you return to active work for 90 days or less before your second disability absence. In such a case, the following provisions apply:

- No new seven-day waiting period is required.
- You are eligible to receive up to the balance of your short-term disability maximum benefit remaining from your first period of disability.
- Your weekly salary used to determine your first STD benefit stays the same.
- No STD benefits are paid for the time you returned to work.

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## *When a Second Disability Is Treated as New and Unrelated to the First Disability*

A second period of disability is considered a separate disability if you no longer are disabled or returned to active work for at least one full day and

- Your disability is due to a different or unrelated cause than the first disability.
- Your disability is due to the same or related cause as the first disability, but your periods of disability are separated by more than 90 days, during which days you have returned to active work.
- The first period of disability began before you were covered under this plan.

When any of these applies, you will need to initiate a new claim and meet the waiting period requirements before benefits are paid.

## **When the Plan Will Not Pay Benefits**

No benefits will be paid under this plan when:

- You are not under the treatment of a physician.
- You are engaged in gainful employment or perform any work for wage or profit.
- The disability is directly or indirectly caused by participating in, committing, or attempting to commit an assault, battery, or felony.
- The disability is directly or indirectly caused by declared or undeclared war or act of war, participation in an insurrection, rebellion, riot, civil commotion, or any similar event.
- The disability results from any intentionally self-inflicted illness or injury (while sane or otherwise).
- The disability is caused by an illness or injury for which you are entitled to benefits under any Workers' Compensation or similar law.
- The disability occurs while the employee is serving military duty and for which compensation/benefits have been afforded.
- The disability arises out of, or in the course of, any employment for wage or profit, including, but not limited to, employment with the Company.

## **Income From Other Sources That Reduces Your STD Benefit**

Your benefit will be reduced to take into account income you receive from other sources, including payments received from a state workers' compensation program or a state disability program. You must apply for all other income benefits for which you may be eligible, except retirement benefits.

## **Submitting a Claim**

To be eligible to receive STD benefits, employees must provide the Company with a completed short-term disability form immediately after a disabling injury or illness occurs and as soon as the employee knows his/her time off due to a non-work related injury/illness will extend past 7 calendar days. This form must also be completed by the attending physician, state the date the disability commenced, request a leave of absence, and indicate the expected date of return. This form will include a release of information, authorizing a review of any medical information deemed necessary to determine coverage. The Company's human resources department will review the form and medical information and make a determination on benefit qualification.

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If, through no fault of your own, you are unable to initiate your claim during the 7-day waiting period, you must initiate it as soon as practicable. Do not wait until you return to work to report your disability and submit a claim for STD benefits. If the application for STD benefits is not received in a timely manner, as so deemed by the Company, any claimed time off (after the 7-day waiting period) prior to submitting a claim will not be reimbursed.

### **Return to Work**

The employee must return to work as soon as permitted by his or her health care provider. If the health care provider has indicated that the employee is able to work with restrictions, please contact your immediate supervisor to determine if a position with reasonable accommodations can be arranged.

An employee whose absence has been designated as Family and Medical Leave Act (FMLA) leave is eligible for reinstatement as provided by the FMLA. When an employee is eligible for both Disability and FMLA, the FMLA time will run simultaneously.

**NOTE:** Nothing in this plan is intended to provide employees or former employees with a vested right to any benefits under the plan and/or any right to continued employment.