

Short-Term Disability Plan

Effective Date: January 1, 2017

Contact Information

**Plan Administrator:
Address and Telephone #:**

The President and Fellows of Middlebury College
Middlebury, VT 05753
(802)443-5465

**Claims Administrator:
Address and Telephone #:**

UNUM
The Benefits Center
P.O. Box 100158
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II. Overview of Plan

The short-term disability insurance benefits offered under the Plan are sponsored by your Employer, and are intended to replace a portion of your income in the event a sickness or injury prevents you from working for a period of time. This short-term disability insurance benefit does not provide benefits for occupational injuries or sicknesses. Detailed information about your eligibility for coverage, what benefits are payable, how to file a claim, and other features of the short-term disability insurance benefit are contained in this document.

The short-term disability insurance benefit is a self-funded, employer-paid benefit. The Employer has engaged UNUM to provide certain administrative claims handling services for the short-term disability insurance benefit. Neither UNUM nor any of its affiliates or related entities insures the short-term disability insurance benefits under the Plan, or has any responsibility to fund the short-term disability insurance benefits under the Plan.

The Employer is the Plan Sponsor. The Employer reserves the right to modify, amend, suspend or terminate, in whole or in part, any of the provisions of this Plan at any time for any reason or for no reason. When making a benefit determination under the Plan, the Employer has discretionary authority to determine your eligibility for benefits and to interpret and enforce the terms and provisions of the Plan. The Employer may delegate some or all of this authority to UNUM at any time.

This document is written in plain English. If you do not understand any of the terms in it, or desire more information, you should contact the Plan Administrator. Many of the terms used are defined in the Definitions Section. Be sure to read all the definitions so that you fully understand the short-term disability insurance benefits provided under the Plan.

III. Summary of Benefits

This Summary of Benefits highlights many of the features of the short-term disability insurance benefits offered under the Plan. Refer to each section for a more complete description of benefits under the Plan.

POLICYHOLDER: The President and Fellows of Middlebury College

POLICY NUMBER: 469906

ELIGIBLE GROUP(S) AND BI-WEEKLY BENEFIT AMOUNTS:

Eligible Employees of the College and MIIS, as defined in Section 2.1 of the SPD, who are in active employment on the payroll in the United States with the Employer, as described in the chart below:

Employee Category	Eligibility	Bi-Weekly Benefit Amount
Middlebury Staff and Monterey Staff <u>NOT enrolled</u> in CA SDI	Eligible	60% of Bi-Weekly Earnings
Middlebury Staff and Monterey Staff <u>enrolled in</u> CA SDI <i>and</i> whose earnings are <u>above</u> the CA SDI wage ceiling	Eligible	60% of Bi-Weekly Earnings <i>in excess of</i> the CA SDI wage ceiling
Middlebury Staff and Monterey Staff <u>enrolled in</u> CA SDI <i>and</i> whose earnings are <u>below</u> the CA SDI wage ceiling	Not Eligible	N/A
Monterey Faculty <u>enrolled in</u> CA SDI <i>and</i> whose earnings are <u>below</u> the CA SDI wage ceiling	Not Eligible	N/A (eff. 7/1/17) ⁺
Monterey Faculty <u>enrolled in</u> CA SDI <i>and</i> whose earnings are <u>above</u> the CA SDI wage ceiling	Eligible	60% of Bi-Weekly Earnings <i>in excess of</i> the CA SDI wage ceiling (eff. 7/1/17) ⁺
Monterey Faculty <u>NOT enrolled</u> in CA SDI	Eligible	60% of Bi-Weekly Earnings (eff. 7/1/17) ⁺
Middlebury Faculty	Eligible	60% of Bi-Weekly Earnings (eff. 2/1/17) [*]

⁺ *Prior to July 1, 2017 Faculty Employees of the Middlebury Institute (MIIS) were eligible for a different level of STD benefits. See previous SPD or contact HR for details.*

^{*} *Prior to February 1, 2017 Faculty Employees of the College were eligible for other short-term salary continuation benefits, as set forth in the Faculty Handbook.*

COORDINATION WITH CA STATE DISABILITY

MIIS Employees, whether or not eligible for this program, may be eligible for disability benefits under California’s state disability program; employees who are eligible for state disability benefit plans must apply for state benefits. The short-term disability benefits payable by this plan have been reduced to account for expected state disability benefits.

Employees who work in a state other than CA and participate in a state disability program must apply for state disability benefits. Any benefits received will be considered a deductible source of income (see section V).

WAITING PERIOD:

The Waiting Period for new or newly eligible employees shall end the first of the month coincident with or next following classification as an Eligible Employee.

You must be in continuous active employment as an Eligible Employee during the specified Waiting Period.

ELIMINATION PERIOD:

The Elimination Period shall be:

- 14 days for disability due to an injury; or
- 14 days for disability due to a sickness.

Benefits begin the day after the Elimination Period is completed.

BI-WEEKLY BENEFIT AMOUNT:

Please see the chart above for the applicable Bi-Weekly Benefit Amount based upon your employment classification.

Your payment may be reduced by Deductible Sources of Income and, in some cases, by the income you earn while disabled.

BI-WEEKLY EARNINGS:

“Bi-Weekly Earnings” generally means 1/26 of your gross annual stated salary from your Employer in effect on your date of disability and is prior to any deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. It does not include income received from commissions, bonuses, overtime pay, shift differential or any other extra compensation, or income received from sources other than your Employer. If your gross annual stated salary is increased by the Employer during your period of disability, your Bi-Weekly Earnings will be adjusted to reflect the salary increase.

MAXIMUM PERIOD OF PAYMENT:

26 weeks

OCCUPATIONAL INJURIES:

Your short-term disability insurance benefits do not cover disabilities due to an Occupational Sickness or Injury.

WHO PAYS FOR THE COST OF PLAN FUNDING?

Your Employer pays the full cost of your coverage.

IV. Eligibility

WHEN ARE YOU ELIGIBLE FOR COVERAGE?

If you are an Eligible Employee, the date you are eligible for coverage is the later of:

- the Plan effective date; or

- the day after you complete your **Waiting Period**.

WHEN DOES YOUR COVERAGE BEGIN?

You will be covered at 12:01 a.m. at your Employer's place of business on the date you are eligible for coverage.

WHAT IF YOU ARE ABSENT FROM WORK ON THE DATE YOUR COVERAGE WOULD NORMALLY BEGIN?

If you are absent from work due to Injury or Sickness, your coverage will begin on the date you return to Active Employment.

WHEN WILL CHANGES TO YOUR COVERAGE TAKE EFFECT?

Once your coverage begins, any increased or additional coverage will take effect immediately if you are in Active Employment. If you are not in Active Employment due to Injury or Sickness, any increased or additional coverage will begin on the date you return to Active Employment.

WHEN DOES YOUR COVERAGE END?

Your coverage under the Plan ends on the earliest of:

- the date the Plan is terminated by the Employer;
- the date you are no longer an Eligible Employee;
- the date your eligible group is no longer covered;
- the date that is two weeks plus six months from the date of disability;
- the date you begin receiving long-term disability benefits; or
- the last day you are in Active Employment.

WHAT HAPPENS IF YOU ARE ON A LAYOFF OR LEAVE?

If you are on a temporary **Layoff** you will be covered through the end of the month that immediately follows 60 days from the date your temporary Layoff begins.

If you are on any **Leave of Absence** you may be covered for a maximum of 12 months, as agreed by your Employer and stipulated in writing, following the date your Leave of Absence begins.

V. Benefit Provisions

WHEN ARE YOU CONSIDERED DISABLED?

You are disabled when it is determined that:

- you are limited from performing the **Material and Substantial Duties** of your **Regular Occupation** due to your **Sickness** or **Injury**; and
- you have a 20% or more loss in Bi-Weekly Earnings due to that same Sickness or Injury.

The loss of a professional or occupational license or certification does not, in itself, constitute disability.

If you have a Cesarean section, you will be considered disabled for a minimum period of eight weeks beginning on the date of your Cesarean section, unless you return to work prior to the end of the eight weeks.

The Plan Sponsor, or its claims representative, may require you to be examined by a physician, other medical practitioner and/or vocational expert of the Plan Sponsor or its choice. This examination will be at no cost to you and can be required as often as it is reasonable to do so. The Plan Sponsor may also require you to be interviewed in person by a member of the Plan Sponsor or its representative.

WHEN WILL YOU BEGIN TO RECEIVE PAYMENTS?

You will begin to receive Bi-Weekly Payments when your claim is approved, providing the 14-day Elimination Period has been met. After the Elimination Period, if you are disabled for less than two weeks, you will receive a pro-rated portion of your payment based upon your normal work schedule.

HOW MUCH WILL YOUR BENEFIT AMOUNT BE WHEN YOU ARE DISABLED AND NOT WORKING?

The Plan will follow this process to figure your payment:

1. Multiply your **Bi-Weekly Earnings** by the Bi-Weekly Benefit percentage amount as stated in the Summary of Benefits.
2. Subtract from your gross disability payment any **Deductible Sources of Income**.

The amount figured in Item 2 is your **Bi-Weekly Payment**.

WHAT ARE YOUR BI-WEEKLY EARNINGS?

“**Bi-Weekly Earnings**” generally means your gross stated salary from your Employer in effect on your date of disability. If your gross annual stated salary is increased by the Employer during your period of disability, your Bi-Weekly Earnings will be adjusted to reflect the salary increase. See Summary of Benefits for a description of how Bi-Weekly Earnings are calculated. These will be paid out as your Bi-Weekly Payment.

WHAT WILL YOUR EMPLOYER USE FOR BI-WEEKLY EARNINGS IF YOU BECOME DISABLED DURING A LAYOFF OR LEAVE OF ABSENCE?

If you become disabled while you are on a Layoff or Leave of Absence and are covered for short-term disability insurance benefits under the Plan, your Employer will initially use your Bi-Weekly Earnings in effect on the date your absence begins.

WHAT BENEFIT WILL YOU RECEIVE IF YOU ARE WORKING AND DISABLED?

The Plan will provide you the Bi-Weekly Payment if you are disabled and your Bi-Weekly Disability Earnings, if any, are less than 20% of your Bi-Weekly Earnings.

If you are disabled and your Bi-Weekly Disability Earnings are from 20% through 80% of your Bi-Weekly Earnings, you will receive payments based on the percentage of income you are losing due to your disability. The Plan will follow this process to figure your payment:

1. Subtract your Disability Earnings from your Bi-Weekly Earnings.
2. Divide the answer in Item 1 by your Bi-Weekly Earnings. This is your percentage of lost earnings.
3. Multiply your Bi-Weekly Payment as shown above by the answer in Item 2.

This is the amount the Plan will pay you each paycheck.

The Plan may require you to send proof of your Disability Earnings each pay period. The Plan will adjust your Bi-Weekly Payment based on your Disability Earnings.

As part of your proof of Disability Earnings, you may be required to provide appropriate financial records which the Plan Sponsor believes are necessary to substantiate your income.

WHAT ARE DEDUCTIBLE SOURCES OF INCOME?

Payments that you receive as disability income payments are Deductible Sources of Income and will be subtracted from your gross disability payment if they are paid pursuant to or under any:

- severance or other forms of employment payments provided by an employer,
- state compulsory benefit act or law (EXCLUDING California Weekly payments under the California State Disability program),
- no fault motor vehicle plan,
- automobile liability insurance policy,
- other group insurance or benefit plan,
- from a third party (after subtracting attorney's fees) by judgment, settlement, or otherwise,
- the United States Social Security Act, the Canada Pension Plan, the Quebec Pension Plan, or any similar plan or act

WHAT ARE NOT DEDUCTIBLE SOURCES OF INCOME?

- 401(a) plans
- 403(b) plans
- tax sheltered annuities
- non-qualified plans of deferred compensation
- military pension and disability income plans
- credit disability insurance
- franchise disability income plans
- a retirement plan from another Employer
- individual retirement accounts (IRA)
- individual disability income plans
- salary continuation or accumulated sick leave plans
- combined time off (CTO)

Only deductible sources of income that are payable as a result of the same disability will be subtracted from the Bi-Weekly Payment.

Disability benefits that reduce the retirement benefit under the Plan will not be subtracted from the Bi-Weekly Payment.

You must notify the Plan whenever you receive payments that are Deductible Sources of Income. You must repay the Plan for any overpayment of your claim resulting from your failure to notify the Plan in a timely manner of such income.

HOW LONG WILL YOU RECEIVE PAYMENTS?

You will receive a payment, assuming you continue to qualify for benefits, for up to the **maximum period of payment** of 26 weeks.

WHEN WILL PAYMENTS STOP?

The Plan will stop sending you payments and your claim will end on the earliest of the following:

- the end of the maximum period of payment;
- the date you are no longer disabled under the terms of the Plan;
- the date you fail to submit proof of continuing disability;
- the date you die;
- the date you begin receiving long-term disability benefit payments; or
- when you are able to work in your regular occupation on a part-time basis but choose not to.

WHAT HAPPENS IF YOU RETURN TO WORK AND YOUR DISABILITY OCCURS AGAIN?

If you return to work with your Employer as an Eligible Employee for thirty consecutive days or less, and you again become disabled, then your current disability will be treated as part of your prior claim and you will not have to complete another elimination period. If you return to work as an Eligible Employee for thirty-one or more consecutive days, your current disability will be treated as a new claim. The new claim will be subject to all of the provisions of the Plan and you will be required to satisfy a new Elimination Period.

VI. Exclusions and Limitations

Benefits will not be paid for any disabilities caused by, contributed to by, or resulting from your:

- **occupational sickness or injury,**
- intentionally self-inflicted injuries, while sane or insane,
- active participation in a riot,
- loss of a professional license, occupational license or certification,
- cosmetic surgery, except surgery made necessary by accidental injury incurred while covered under the Plan,
- commission of a crime for which you have been convicted,
- attempt to commit a crime; or
- pre-existing condition (see below).

The Plan will not cover a disability due to war, declared or undeclared, or any act of war.

The Plan will not pay a benefit for any period of disability during which you are incarcerated.

VII. Claim and Appeal Information

WHEN DO YOU NOTIFY THE PLAN OF A CLAIM?

The Plan encourages you to notify UNUM of your claim as soon as possible, so that a claim decision can be made in a timely manner. Written notice of a claim should be sent to UNUM within 30 days after the date your disability begins. In addition, you must send UNUM written proof of your claim no later than 90 days after your Elimination Period. If it is not possible to give proof within 90 days, it must be given no later than one year after the time proof is otherwise required except in the absence of legal capacity.

You must notify UNUM immediately when you return to work in any capacity. Unless your Employer has given you different delivery instructions, you should use the contact information on the cover page when notifying UNUM of your claim.

HOW DO YOU FILE A CLAIM?

A claim form, which can be used as your proof of claim, is available from UNUM or from your Employer. If you do not receive the form within 15 days of your request, send UNUM written proof of claim without waiting for the form.

You must fill out the employee section of the claim form, have your Employer complete the employer section and then give it to your attending physician. Your physician should fill out his or her section of the form and send it directly to UNUM. Alternatively, you may follow any claims filing procedures approved by your Employer and UNUM. Your Employer will separately advise you of any such procedures.

WHAT INFORMATION IS NEEDED AS PROOF OF YOUR CLAIM?

Your proof of claim, provided at your expense, must show:

- that you are under the **regular care** of a **physician**;
- the appropriate documentation of your earnings;
- the date your disability began;
- the cause of your disability;
- the extent of your disability, including restrictions and limitations preventing you from performing your regular occupation; and
- the name and address of any **hospital, institution** or other source where you received treatment, including all attending physicians' names and addresses.

The Plan may request that you send proof of continuing disability indicating that you are under the regular care of a physician. This proof, provided at your expense, must be received within 45 days of a request by the Plan.

In some cases, you will be required to give UNUM and the Plan authorization to obtain additional medical information, and to provide non-medical information as part of your proof of claim, or

proof of continuing disability. The Plan will deny your claim, or stop sending you payments, if the appropriate information is not submitted.

TO WHOM WILL PAYMENTS BE MADE?

Payments will be made to you.

WHAT HAPPENS IF YOUR CLAIM IS OVERPAID?

The Plan Sponsor has the right to recover any overpayments due to:

- fraud;
- any error made in processing a claim; and
- your receipt of Deductible Sources of Income.

You must repay the Plan Sponsor for any overpayment in your claim. Alternatively, your Employer may reduce or eliminate future payments instead of requiring repayment.

FRAUD WARNING

The Plan Sponsor and your Employer take fraud very seriously. If you, with intent to defraud or knowing that you are facilitating a fraud against the Plan, submit an application or file a claim containing a false or deceptive statement, the Plan Sponsor and/or your Employer will assert all legal and equitable rights against you and pursue all legal and equitable remedies the Plan Sponsor and/or your Employer has against you.

WHAT ARE THE TIME LIMITS FOR LEGAL PROCEEDINGS?

Unless special circumstances apply, all administrative appeal procedures offered by the Plan must be completed before you begin any legal action regarding your claim. In no event, can you start any legal action regarding your claim more than three years from the time proof of claim is required, unless other timeframes apply under federal law.

CLAIM AND APPEAL PROCEDURES

Upon receipt of the required proof of claim, a decision on your claim will be made promptly. If you fail to supply the needed information, your claim will be denied.

Please see Article VI of this SPD for the Plan's claim and appeal procedures.

VIII. Definitions

ACTIVE EMPLOYMENT means you are working for your Employer for earnings that are paid regularly and you are performing the material and substantial duties of your regular occupation. You must be working at least the minimum number of hours as described under Eligible Group(s).

Your work site must be:

- your Employer's usual place of business;
- an alternative work site at the direction of your Employer, including your home; or

- a location to which your job requires travel

You will also be considered “actively employed” (i) while you are on an approved paid sabbatical or administrative leave from your Employer, (ii) during academic breaks, breaks between semesters or “closure” periods during which no meals are served or interim periods between seasonal jobs, or (iii) while you otherwise remain eligible for benefits in the records of Human Resources.

BI-WEEKLY BENEFIT means the total benefit amount an Eligible Employee is eligible for under the Plan subject to the maximum benefit.

BI-WEEKLY EARNINGS generally means your gross stated salary from your Employer just prior to your disability as defined in this booklet. If your gross stated salary is increased by the Employer during your period of disability, your Bi-Weekly Earnings will be adjusted to reflect the salary increase.

BI-WEEKLY PAYMENT means your payment after any Deductible Sources of Income have been subtracted from your gross disability payment.

CALIFORNIA STATE DISABILITY means the State Disability Insurance Program under California law, providing temporary benefit payments to California workers for non-work-related disabilities.

CALIFORNIA WAGE CEILING means 100% of the California State Quarterly Earnings Maximum times four.

CALIFORNIA WEEKLY MAXIMUM means the maximum weekly benefit payable under the California State Disability.

DEDUCTIBLE SOURCES OF INCOME means income from deductible sources listed in the Plan which you receive or are entitled to receive while you are disabled. This income will be subtracted from your gross disability payment.

DISABILITY EARNINGS means the earnings which you receive while you are disabled and working, plus the earnings you could reasonably be expected to receive if you were working to your maximum capacity.

ELIMINATION PERIOD means a period of continuous disability which must be satisfied before you are eligible to receive benefits from UNUM.

EMPLOYEE means a person who is in active employment on the United States payroll with his or her Employer. Temporary, seasonal, and on-call workers are excluded from the coverage.

GROSS DISABILITY PAYMENT means the benefit amount before the Plan subtracts Deductible Sources of Income and Disability Earnings.

HOSPITAL OR INSTITUTION means a facility licensed to provide medical care and treatment for the condition causing your disability.

INJURY means a bodily injury that is the result of an accident.

LAW, PLAN OR ACT means the original enactments of any law, Plan or act and all amendments.

LAYOFF or **LEAVE OF ABSENCE** means you are temporarily absent from active employment for a period of time that has been agreed to in advance in writing by your Employer. Your normal vacation time or any period of disability is not considered a temporary layoff or leave of absence.

LIMITED means what you cannot or are unable to do.

MATERIAL AND SUBSTANTIAL DUTIES means those duties that:

- are normally required for the performance of your regular occupation; and
- cannot be reasonably omitted or modified, except that if you are required to work on average in excess of 40 hours per week, the Plan will consider you able to perform that requirement if you are working or have the capacity to work 40 hours per week.

MAXIMUM CAPACITY means, based on your restrictions and limitations, the greatest extent of work you are able to do in your regular occupation that is reasonably available.

MAXIMUM PERIOD OF PAYMENT means the longest period of time the Plan will make payments to you for any one period of disability.

OCCUPATIONAL SICKNESS OR INJURY means a Sickness or Injury that was caused by or aggravated by any employment for pay or profit.

PART-TIME BASIS means the ability to work and earn between 20% and 80% of your Bi-Weekly Earnings.

PAYABLE CLAIM means a claim for which the Plan is liable.

PHYSICIAN means:

- a person performing tasks that are within the limits of his or her medical license; and
- a person who is licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
- a person with a doctoral degree in Psychology (Ph.D. or Psy.D.) whose primary practice is treating patients; or
- a person who is a legally qualified medical practitioner according to the laws and regulations of the governing jurisdiction.

You, or your spouse, children, parents or siblings will not be considered as a physician for a claim that you send to the Plan.

REGULAR CARE means:

- you personally visit a physician as frequently as is medically required, according to generally accepted medical standards, to effectively manage and treat your disabling condition(s); and
- you are receiving the most appropriate treatment and care, which conforms with generally accepted medical standards, for your disabling condition(s) by a physician whose specialty or experience is the most appropriate for your disabling condition(s).

REGULAR OCCUPATION means the occupation you are routinely performing when your disability begins.

SALARY CONTINUATION OR ACCUMULATED SICK LEAVE means continued payments to you by the Employer of all or part of your Bi-Weekly earnings, after you become disabled as defined by the Plan. Salary continuation or accumulated sick leave does not include compensation paid to you by your Employer for work you actually perform after your disability begins. Such compensation is considered disability earnings and would be taken into account in calculating your Bi-Weekly payment.

SICKNESS means an illness or disease. Disability must begin while you are covered under the Plan.

UNUM means the organization engaged to provide certain administrative claims handling services for the short-term disability insurance benefits under this Plan.

WAITING PERIOD means the continuous period of time (shown in the Summary of Benefits) that you must be in active employment as an Eligible Employee before you are eligible for short-term disability insurance benefits under the Plan.

YOU means a person who is eligible for short-term disability insurance benefits under the Plan.

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